

By: Senator(s) Little, Gordon, Robertson

To: Appropriations

SENATE BILL NO. 2444

1 AN ACT TO AMEND SECTION 27-104-17, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE ADDITIONAL TRANSFERS BETWEEN MAJOR BUDGET CATEGORIES  
3 BY STATE AGENCIES DUE TO FINANCIAL CIRCUMSTANCES CAUSED BY  
4 HURRICANE KATRINA; TO AMEND SECTION 27-104-21, MISSISSIPPI CODE OF  
5 1972, TO AUTHORIZE STATE AGENCIES TO ESCALATE AND EXPEND CERTAIN  
6 FEDERAL OR SPECIAL SOURCE FUNDS DUE TO UNFORESEEN FINANCIAL  
7 CIRCUMSTANCES; AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 **SECTION 1.** Section 27-104-17, Mississippi Code of 1972, is  
10 amended as follows:

11 27-104-17. (1) An allotment period shall be one-half (1/2)  
12 of twelve (12) months, and expenditure one-half (1/2) of the  
13 appropriated amount, unless otherwise specified in the  
14 appropriation bill or justified by the agency to the Department of  
15 Finance and Administration, and the first allotment period shall  
16 commence on July 1. Estimates shall be filed with the Department  
17 of Finance and Administration not later than the first day of the  
18 month preceding the beginning period.

19 Provided further, that the Department of Finance and  
20 Administration may, in its discretion, restrict an agency to  
21 monthly allotment period when it becomes evident that an agency's  
22 rate of expenditure to date indicates this restriction will be  
23 necessary to prevent depletion of its appropriation prior to the  
24 close of the fiscal year or when the condition of the State  
25 General Fund requires monthly monitoring and control of the rate  
26 of General Fund expenditures.

27 (2) Except as otherwise provided in subsection (3), and  
28 unless otherwise specified in the agency appropriation bill, in  
29 the event any emergency or unforeseen circumstances shall arise,

30 the agency head may authorize increases in major objects of  
31 expenditure within each specific budget within each appropriation  
32 bill in total amounts not to exceed ten percent (10%) of the  
33 appropriated amount of each object, provided that other major  
34 objects of expenditure are decreased by a corresponding dollar  
35 amount. No transfers shall be authorized which increase or  
36 decrease the major object of expenditure "Salaries, Wages and  
37 Fringe Benefits," or which increase the major object of  
38 expenditure "Capital Outlay - Equipment." The agency head shall  
39 submit written justification for the transfer to the Legislative  
40 Budget Office, the Department of Finance and Administration, and  
41 the State Auditor, on or before the fifteenth of the month prior  
42 to the effective date of the transfer. The transfer shall be  
43 effective the first working day of the month following timely  
44 submissions required herein. In cases of extreme hardship,  
45 certified in writing by the agency head and submitted with timely  
46 submissions required herein, the Executive Director of the  
47 Department of Finance and Administration, in his discretion, may  
48 authorize an earlier effective date for the transfer.

49 (3) From and after passage and until June 30, 2007, due to  
50 the unforeseen financial circumstances caused by Hurricane  
51 Katrina, \* \* \* agency heads \* \* \*, with the approval of the  
52 Department of Finance and Administration, may authorize increases  
53 in major objects of expenditure within each specific budget within  
54 each appropriation bill, provided that other major objects of  
55 expenditure are decreased by a corresponding dollar amount \* \* \*.  
56 The agency head shall submit written justification for the  
57 transfer(s) to the Department of Finance and Administration, the  
58 Legislative Budget Office and the State Auditor on or before the  
59 fifteenth of the month prior to the effective date of the  
60 transfer. The transfer shall be effective the first working day  
61 of the month following timely submissions and approval required  
62 herein. In cases of extreme hardship, certified in writing by the

63 agency head and timely submitted as required herein, the Executive  
64 Director of the Department of Finance and Administration, in his  
65 discretion, may authorize an earlier effective date for the  
66 transfer.

67 **SECTION 2.** Section 27-104-21, Mississippi Code of 1972, is  
68 amended as follows:

69 27-104-21. (1) All general and special fund agencies shall,  
70 upon making application for federal funds, forward a summary of  
71 such applications to the Legislative Budget Office. The  
72 Legislative Budget Office shall have an opportunity to review such  
73 applications and make its comments thereon to the Executive  
74 Director of the Department of Finance and Administration and the  
75 state agency making application. Unless otherwise specified in  
76 the appropriation bill, the Executive Director of the Department  
77 of Finance and Administration shall have the authority to approve  
78 escalations in a budget using one hundred percent (100%) federal  
79 money.

80 \* \* \*

81 (2) The Executive Director of the Department of Finance and  
82 Administration shall have the authority to approve escalations of  
83 funds and employee positions \* \* \* using one hundred percent  
84 (100%) federal or other special source funds available and  
85 necessary to assist agencies with any unforeseen financial  
86 circumstances \* \* \*. New employee positions funded one hundred  
87 percent (100%) by or from federal funds may be authorized by the  
88 Executive Director of the Department of Finance and Administration  
89 subject to the rules and regulations of the State Personnel Board.  
90 No federal or other special source funds may be expended for  
91 programs or activities other than those which have been authorized  
92 by act of the Legislature or which are encompassed by a state  
93 agency's program structure as provided by law; provided, however,  
94 that any expenditures related to a Hurricane Katrina relief  
95 program shall be specifically authorized. The Executive Director

96 of the Department of Finance and Administration shall immediately  
97 send notice of the approval of such budget escalation to the  
98 Legislative Budget Office. The Executive Director of the  
99 Department of Finance and Administration shall ensure that the  
100 Legislative Budget Office receives timely, detailed and accurate  
101 information about the amount and use of federal and special source  
102 hurricane relief funds by state agencies.

103 \* \* \*

104 **SECTION 3.** This act shall take effect and be in force from  
105 and after its passage.