

By: Senator(s) Doxey

To: Appropriations

SENATE BILL NO. 2654

1 AN ACT TO DIRECT ALL STATE AGENCIES, DEPARTMENTS AND
2 INSTITUTIONS SUBMITTING BUDGET REQUESTS FOR FISCAL YEARS 2007,
3 2008 AND 2009 TO DEVELOP THOSE BUDGET REQUESTS ACCORDING TO
4 ZERO-BASED BUDGETING PRINCIPLES; TO DIRECT THE JOINT LEGISLATIVE
5 BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE TO DEVELOP BUDGET
6 RECOMMENDATIONS ACCORDING TO THE 2006 FISCAL YEAR ZERO-BASED
7 BUDGET; TO REQUIRE THAT EACH APPROPRIATION BILL ENACTED BY THE
8 LEGISLATURE IN FISCAL YEARS 2007, 2008 AND 2009 TO BE NO MORE THAN
9 THE FISCAL YEAR 2006 ZERO BASE; TO CREATE A SPECIAL FUND IN THE
10 STATE TREASURY FOR THE DEPOSIT OF FEDERAL FUNDS ALLOCATED TO
11 MISSISSIPPI UNDER THE DEFICIT REDUCTION ACT OF 2005 (S. 1932) FOR
12 THE PURPOSE OF REPLACING THE STATE'S SHARE UNDER THE MEDICAID
13 PROGRAM DUE TO THE HURRICANE KATRINA DISASTER; TO PROVIDE THAT
14 THESE FUNDS SHALL BE APPROPRIATED BY THE LEGISLATURE FOR THE
15 PURPOSE OF PROVIDING THE STATE MATCH REQUIREMENTS FOR KATRINA
16 DISASTER RELIEF PROGRAMS PROVIDED BY FEMA UNDER THE STAFFORD ACT;
17 TO REQUIRE ANY LAPSE IN GENERAL OR SPECIAL FUNDS IN FISCAL YEARS
18 2007, 2008 AND 2009 TO BE TRANSFERRED FOR THE SAME DISASTER RELIEF
19 PROGRAM; AND FOR RELATED PURPOSES.

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

21 **SECTION 1.** For fiscal years 2007, 2008 and 2009, each state
22 agency, department or institution that is required to submit a
23 recurring budget request shall develop the request according to
24 zero-based budgeting principles. Those principles shall require
25 the agency, department or institution to do the following for each
26 budgetary unit:

27 (a) Identify the component programs of the budgetary
28 unit, describe the activities conducted by each program, and
29 specify the legal basis for each program to conduct each activity
30 described;

31 (b) Itemize in detail by object of expenditure the
32 budgetary requirements for conducting the activities of each
33 program of the budgetary unit with the actual expenditures for the
34 prior fiscal year, the estimated expenditures for the current
35 fiscal year, and the projected expenditures for the next budget

36 fiscal year, by starting with a base of zero dollars and adding
37 dollar amounts for activities conducted in the prior fiscal year
38 that are deemed appropriate in the current fiscal year and
39 requested for the budget fiscal year; and

40 (c) Develop a narrative for each program of the
41 budgetary unit justifying each line item of the itemized budgetary
42 requirements for conducting the activities of the program with the
43 actual expenditures for the prior fiscal year, and justifying each
44 line item of the itemized changes in the budgetary requirements
45 for conducting the activities of the program between the actual
46 expenditures for the prior fiscal year and the estimated
47 expenditures for the current fiscal year, and between the
48 estimated expenditures for the 2006 fiscal year and the projected
49 expenditures for the next budget fiscal year.

50 **SECTION 2.** The Joint Legislative Budget Committee and the
51 Governor's Office shall review and evaluate only those budget
52 requests that are developed as prescribed in Section 1 of this
53 act, and shall develop budget recommendations to the Legislature
54 in fiscal years 2007, 2008 and 2009 based upon the 2006 fiscal
55 year base of zero dollars for each program in each budgetary unit
56 and adding no dollars, and reducing dollars as necessary for
57 estimated changes in expenditures approved for the current fiscal
58 year, and reducing dollars as necessary for recommended changes in
59 the expenditures deemed appropriate for the budget fiscal year.

60 **SECTION 3.** The Legislature shall determine the amount of
61 each appropriation for each state agency, department or
62 institution for fiscal years 2007, 2008 and 2009 based upon the
63 2006 fiscal year base for each program in each budgetary unit and
64 adding zero dollars, and reducing dollars as necessary for
65 estimated changes in expenditures approved for the current fiscal
66 year, and reducing dollars as necessary for changes in
67 expenditures deemed appropriate for the next budget fiscal year.
68 Any funds needed to provide state matching requirements for the

69 State of Mississippi for services provided by FEMA to fund
70 Stafford Act activities directly related to the Hurricane Katrina
71 Disaster in Mississippi, as required by federal law, shall be
72 excused from the zero-based growth requirement of this section.

73 **SECTION 4.** (1) There is hereby created in the State
74 Treasury a special fund to be designated the Hurricane Katrina
75 Federal Medicaid State Share Replacement Fund. The State
76 Treasurer shall deposit the following funds into said fund: All
77 federal funds allocated to the State of Mississippi for the fiscal
78 relief of the state's Medicaid program under The Deficit Reduction
79 Act of 2005 (S. 1932) for the following allowable expenses:

80 (a) For the state share of Medicaid services from
81 August 24, 2005, through June 30, 2006, for evacuees from other
82 states and for individuals that resided in one (1) of the lower
83 forty-seven (47) counties of Mississippi receiving benefits under
84 an approved multistate 1115 demonstration project (Katrina
85 Waiver);

86 (b) For the total uncompensated care costs incurred for
87 medically necessary services from August 24, 2005, through January
88 31, 2006, for evacuees from other states and for individuals that
89 resided in one (1) of the lower forty-seven (47) counties of
90 Mississippi who do not have other coverage for such assistance
91 through insurance, including, but not limited to, private
92 insurance, Medicaid or SCHIP, or state-funded health insurance
93 programs;

94 (c) For the state share until June 30, 2006, of
95 services for individuals that reside in one (1) of the lower
96 forty-seven (47) counties of Mississippi who are eligible for
97 benefits under the regular Medicaid or SCHIP program; and

98 (d) For costs associated with restoring access to
99 health care in the impacted Hurricane Katrina disaster counties as
100 per the approval of the Secretary of the United States Department
101 of Health and Human Services.

102 (2) The Executive Director of the Mississippi Department of
103 Finance and Administration, pursuant to specific appropriation
104 therefor by the Legislature, is hereby directed to transfer any
105 funds in the Hurricane Katrina Federal Medicaid State Share
106 Replacement Fund to the Mississippi Emergency Management Agency
107 (MEMA) or other appropriate fund for the purpose of providing
108 state matching requirements for the State of Mississippi in fiscal
109 years 2007, 2008 and 2009 for services provided by FEMA to fund
110 Stafford Act activities directly related to the Hurricane Katrina
111 disaster in Mississippi as required by federal law. These
112 activities include, but are not limited to, debris removal,
113 rebuilding highways, rebuilding schools and rebuilding other
114 public buildings.

115 (3) Any funds remaining in the Hurricane Katrina Federal
116 Medicaid State Share Replacement Fund at the end of any fiscal
117 year shall not lapse into the State General Fund but shall remain
118 in said special fund. Any interest earned on the Hurricane
119 Katrina Federal Medicaid State Share Replacement Fund shall be
120 applied to and shall remain in said special fund.

121 (4) In addition to the federal funds specified in subsection
122 (1), any fund balance in any State General or Special Fund
123 existing at the close of the 2007, 2008 or 2009 fiscal years shall
124 not lapse into the State General Fund, but shall be transferred by
125 the Executive Director of the Department of Finance and
126 Administration to MEMA or other appropriate fund for the purpose
127 of providing state matching requirements for the State of
128 Mississippi for services provided by FEMA to fund Stafford Act
129 activities directly related to the Hurricane Katrina disaster in
130 Mississippi as required by federal law. These activities include,
131 but are not limited to, debris removal, rebuilding highways,
132 rebuilding schools and rebuilding other public buildings.

133 **SECTION 4.** This act shall take effect and be in force from
134 and after its passage.