

By: Representative Read

To: Appropriations

HOUSE BILL NO. 3

1 AN ACT TO BE KNOWN AS THE FORTIFY ACT; TO AMEND SECTION  
 2 27-103-203, MISSISSIPPI CODE OF 1972, TO INCREASE THE CAP ON THE  
 3 BALANCE OF THE WORKING CASH-STABILIZATION RESERVE FUND FROM 7.5%  
 4 TO 10% OF CURRENT FISCAL YEAR GENERAL FUND APPROPRIATIONS; TO  
 5 AMEND SECTION 27-103-211, MISSISSIPPI CODE OF 1972, TO PROVIDE  
 6 THAT UNENCUMBERED CASH REMAINING AT THE END OF A FISCAL YEAR IS  
 7 NOT INCLUDED WITH THE GENERAL FUND REVENUE ESTIMATE WHEN  
 8 DETERMINING THE LIMIT ON LEGISLATIVE GENERAL FUND APPROPRIATIONS;  
 9 TO AMEND SECTION 27-103-213, MISSISSIPPI CODE OF 1972, TO REVISE  
 10 THE DISTRIBUTION FORMULA FOR THE UNENCUMBERED GENERAL FUND CASH  
 11 BALANCE AT THE END OF THE FISCAL YEAR; TO AMEND SECTION 27-104-13,  
 12 MISSISSIPPI CODE OF 1972, TO CLARIFY THAT THE JOINT LEGISLATIVE  
 13 BUDGET COMMITTEE ADOPTS THE GENERAL FUND REVENUE ESTIMATE; TO  
 14 REQUIRE THE LEGISLATIVE BUDGET OFFICE TO PREPARE A MULTIYEAR  
 15 FINANCIAL PLAN BEGINNING WITH FISCAL YEAR 2021; TO AMEND SECTIONS  
 16 27-103-125, 27-103-139 AND 37-61-33, MISSISSIPPI CODE OF 1972, TO  
 17 CONFORM TO THE PRECEDING PROVISIONS; AND FOR RELATED PURPOSES.

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

19 **SECTION 1.** This act shall be known and may be cited as the  
 20 "Financial and Operational Responses That Invigorate Future Years  
 21 Act" or the "FORTIFY Act."

22 **SECTION 2.** Section 27-103-203, Mississippi Code of 1972, as  
 23 amended by Senate Bill No. 2649, 2017 Regular Session, is amended  
 24 as follows:



25           27-103-203. (1) There is created in the State Treasury a  
26 special fund, separate and apart from any other fund, to be  
27 designated the Working Cash-Stabilization Reserve Fund.

28           (2) The Working Cash-Stabilization Reserve Fund shall not be  
29 considered as a surplus or available funds when adopting a  
30 balanced budget as required by law. The State Treasurer shall  
31 invest all sums in the Working Cash-Stabilization Reserve Fund not  
32 needed for the purposes provided for in this section in  
33 certificates of deposit, repurchase agreements and other  
34 securities as authorized in Section 27-105-33(d) or Section  
35 7-9-103, as the State Treasurer may determine to yield the highest  
36 market rate available. If the Ayers Settlement Fund is created  
37 under Section 37-101-27(5), the first Five Million Dollars  
38 (\$5,000,000.00) of interest earned on those sums each fiscal year  
39 shall be deposited into that fund until a total of Seventy Million  
40 Dollars (\$70,000,000.00) has been deposited into the fund. The  
41 interest, or the remaining interest if the Ayers Settlement Fund  
42 is created, that is earned on those sums shall be deposited in the  
43 Working Cash-Stabilization Reserve Fund until the balance of  
44 principal and interest in the fund reaches \* \* \* ten percent (10%)  
45 of the total General Fund appropriations for the current fiscal  
46 year, and all interest earned in excess of amounts necessary to  
47 maintain the \* \* \* ten percent (10%) fund balance requirement  
48 shall be deposited by the State Treasurer into the State General  
49 Fund.



50 (3) The Working Cash-Stabilization Reserve Fund, except for  
51 Fifteen Million Dollars (\$15,000,000.00) and the amount of the  
52 interest and income earned on the principal of the Ayers Endowment  
53 Trust created by Section 37-101-27, shall be used by the State  
54 Treasurer for cash flow needs throughout the year when the  
55 Executive Director of the Department of Finance and Administration  
56 certifies that in his opinion there will be cash flow deficiencies  
57 in the State General Fund. No borrowing of monies from other  
58 special funds for such purposes as authorized by Section 31-17-101  
59 et seq., shall be made as long as an unencumbered balance in  
60 excess of Fifteen Million Dollars (\$15,000,000.00) and the  
61 interest and income earned on the principal of the Ayers Endowment  
62 Trust created by Section 37-101-27 remains in the fund. The State  
63 Treasurer shall reimburse the fund for all sums borrowed for those  
64 purposes from General Fund revenues collected during the fiscal  
65 year in which those funds are used. The State Treasurer shall  
66 immediately notify the Legislative Budget Office and the State  
67 Department of Finance and Administration of each transfer into and  
68 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the  
69 Working Cash-Stabilization Reserve Fund shall remain available for  
70 exclusive use of the Ayers Endowment Trust created by Section  
71 37-101-27. If the Ayers Settlement Fund is created under Section  
72 37-101-27(5), beginning when a total of Fifty-five Million Dollars  
73 (\$55,000,000.00) has been deposited into the fund, for each annual  
74 deposit of interest to that fund under subsection (2) of this



75 section, the Ayers Endowment Trust created under Section  
76 37-101-27(1) shall be reduced by an equal amount annually until  
77 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which  
78 time any requirements concerning the Ayers Endowment Trust in this  
79 section shall be null and void.

80 (4) The Working Cash-Stabilization Reserve Fund, except for  
81 Forty Million Dollars (\$40,000,000.00), shall also be used for the  
82 purpose of covering any projected deficits that may occur in the  
83 General Fund at the end of a fiscal year as a result of revenue  
84 shortfalls. If the Governor determines that a deficit in revenues  
85 from all sources may occur, it shall be the duty of the Executive  
86 Director of the Department of Finance and Administration to  
87 transfer such funds as necessary to the General Fund to alleviate  
88 the deficit in accordance with Sections 27-104-13 and 31-17-123;  
89 however, not more than Fifty Million Dollars (\$50,000,000.00) may  
90 be transferred from the fund for that purpose in any one (1)  
91 fiscal year with the exception of fiscal year 2016. However, for  
92 fiscal year 2017, not more than One Hundred Million Dollars  
93 (\$100,000,000.00) may be transferred from the fund for that  
94 purpose.

95 (5) The Working Cash-Stabilization Reserve Fund also shall  
96 be used to provide funds for the Disaster Assistance Trust Fund  
97 when those funds are immediately needed to provide for disaster  
98 assistance under Sections 33-15-301 through 33-15-317. Any  
99 transfer of funds from the Working Cash-Stabilization Reserve Fund



100 to the Disaster Assistance Trust Fund shall be made in accordance  
101 with the provisions of subsection (5) of Section 33-15-307.

102 (6) The Department of Finance and Administration shall  
103 immediately send notice of any transfers made, or other action  
104 taken under authority of this section, to the Legislative Budget  
105 Office.

106 (7) Funds deposited in the Working Cash-Stabilization  
107 Reserve Fund shall be used only for the purposes specified in this  
108 section, and as long as the provisions of this section remain in  
109 effect, no other expenditure, appropriation or transfer of funds  
110 in the Working Cash-Stabilization Reserve Fund shall be made  
111 except by act of the Legislature making specific reference to the  
112 Working Cash-Stabilization Reserve Fund as the source of those  
113 funds.

114 (8) Any funds appropriated from the Working  
115 Cash-Stabilization Reserve Fund that are unexpended at the end of  
116 a fiscal year shall lapse into the Working Cash-Stabilization  
117 Reserve Fund.

118 **SECTION 3.** Section 27-103-211, Mississippi Code of 1972, as  
119 amended by Senate Bill No. 2649, 2017 Regular Session, is amended  
120 as follows:

121 27-103-211. The total sum appropriated by the Legislature  
122 from the State General Fund for any fiscal year shall not exceed  
123 ninety-eight percent (98%) of the general fund revenue estimate  
124 for that fiscal year developed by the Department of Revenue and



125 the University Research Center and adopted by the Joint  
126 Legislative Budget Committee \* \* \*. However, for fiscal years  
127 2010, 2011, 2012, 2015, 2016 and 2017 only, the total sum  
128 appropriated by the Legislature from the State General Fund shall  
129 not exceed one hundred percent (100%) of the amount of the general  
130 fund revenue estimate for that fiscal year, and for fiscal year  
131 2018, the total sum appropriated by the Legislature from the State  
132 General Fund shall not exceed ninety-nine percent (99%) of the  
133 amount of the general fund revenue estimate adopted by the Joint  
134 Legislative Budget Committee for that fiscal year \* \* \*.

135 **SECTION 4.** Section 27-103-213, Mississippi Code of 1972, is  
136 amended as follows:

137 27-103-213. (1) The unencumbered cash balance in the  
138 General Fund in the State Treasury at the close of each fiscal  
139 year shall be distributed to the Municipal Revolving Fund, the  
140 Working Cash-Stabilization Reserve Fund and the Capital Expense  
141 Fund in the manner provided in this section \* \* \*.

142 (2) (a) At the end of each fiscal year, the Executive  
143 Director of the Department of Finance and Administration and the  
144 State Treasurer shall determine the extent of the unencumbered  
145 cash balance existing in the General Fund in the State Treasury.

146 (b) As used in this section, the term "unencumbered  
147 cash balance" or "unencumbered General Fund cash balance" means  
148 the amount in the State General Fund after deducting all  
149 appropriations and other expenditures. However, if the



150 Legislature has authorized additional or deficit appropriations or  
151 transfers from the State General Fund for that fiscal year, those  
152 amounts shall be subtracted from the unencumbered cash balance in  
153 the General Fund before determining the amount available for  
154 distribution. The unencumbered General Fund cash balance shall  
155 not be determined until after August 31 of each year, and it shall  
156 not be made until the State Treasurer has received a certificate  
157 in writing from the Executive Director of the Department of  
158 Finance and Administration, with notification to the Legislative  
159 Budget Office, showing the amount of the unencumbered General Fund  
160 cash balance.

161 (3) If any unencumbered General Fund cash balance is  
162 available for distribution under this section, the distribution of  
163 those funds shall be made by the Director of the Department of  
164 Finance and Administration in the following order:

165 (a) To the Municipal Revolving Fund, an amount equal to  
166 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if  
167 the amount of the unencumbered General Fund cash balance is less  
168 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the  
169 total amount of the unencumbered General Fund cash balance shall  
170 be distributed to the Municipal Revolving Fund.

171 (b) \* \* \* To the Working Cash-Stabilization Reserve  
172 Fund, fifty percent (50%) of the amount of the unencumbered  
173 General Fund cash balance after the distributions are made under  
174 \* \* \* paragraph (a) \* \* \*, not to exceed \* \* \* ten percent (10%)



175 of the General Fund appropriations for the fiscal year that the  
176 unencumbered General Fund cash balance represents. For the  
177 purposes of this paragraph ( \* \* \*b), the appropriations for the  
178 fiscal year shall be the total amount contained in the actual  
179 appropriation bills passed by the Legislature.

180 ( \* \* \*c) To the Capital Expense Fund, any remaining  
181 amount of the unencumbered General Fund cash balance after the  
182 distributions are made under paragraphs (a) \* \* \* and (b) \* \* \*.

183 \* \* \*

184 **SECTION 5.** Section 27-104-13, Mississippi Code of 1972, is  
185 amended as follows:

186 27-104-13. (1) The State Fiscal Officer may disapprove or  
187 reduce and revise the estimates of general funds and state-source  
188 special funds for any general fund or special fund agency and for  
189 the "administration and other expenses" budget of the Mississippi  
190 Department of Transportation, in an amount not to exceed five  
191 percent (5%), if at any time he finds that funds will not be  
192 available within the period for which the budget is drawn, or if  
193 at any time he finds that the requested expenditures, or any part  
194 thereof, are not authorized by law, and that action shall be  
195 reported to the Legislative Budget Office.

196 The State Fiscal Officer may, upon his determination of need  
197 based upon a finding that funds will not be available within the  
198 period for which the budget is drawn, transfer funds as provided





199 in Section 27-103-203, from the Working Cash-Stabilization Reserve  
200 Fund to the General Fund to supplement the general fund revenue.

201 If the estimates of general funds and state-source special  
202 funds of all general fund and special fund agencies and of the  
203 "administration and other expenses" budget of the Mississippi  
204 Department of Transportation have been reduced by five percent  
205 (5%), additional reductions may be made, but shall consist of a  
206 uniform percentage reduction of general funds and state-source  
207 special funds to all general fund and special fund agencies and to  
208 the "administration and other expenses" budget of the Mississippi  
209 Department of Transportation.

210 Any state-source special funds reduced under the provisions  
211 of this subsection (1) shall be transferred to the State General  
212 Fund upon requisitions for warrants signed by the respective  
213 agency head, and the transfer shall be made within a reasonable  
214 period to be determined by the State Fiscal Officer.

215 \* \* \*

216 (2) The Department of Revenue and University Research  
217 Center, utilizing all available revenue forecast data, shall  
218 annually develop a general fund revenue estimate to be adopted by  
219 the Joint Legislative Budget \* \* \* Committee as of the date of  
220 sine die adjournment. If, at the end of October, or at the end of  
221 any month thereafter of any fiscal year, the revenues received for  
222 the fiscal year fall below ninety-eight percent (98%) of the  
223 \* \* \* general fund revenue estimate adopted by the Joint



224 Legislative Budget Committee at the date of sine die adjournment,  
225 the State Fiscal Officer shall reduce allocations of general funds  
226 and state-source special funds to general fund and special fund  
227 agencies and to the "administration and other expenses" budget of  
228 the Mississippi Department of Transportation, in an amount  
229 necessary to keep expenditures within the sum of actual general  
230 fund receipts, including any transfers to the General Fund from  
231 the Working Cash-Stabilization Reserve Fund for the fiscal year.

232       The State Fiscal Officer may, upon his determination of need  
233 based on the revenue shortfall, transfer funds as provided in  
234 Section 27-103-203 from the Working Cash-Stabilization Reserve  
235 Fund to the General Fund to supplement the general fund revenue.  
236 State-source special funds in an amount equal to any reduction  
237 made under the provisions of this subsection (2) shall be  
238 transferred to the State General Fund upon requisitions for  
239 warrants signed by the respective agency head, and the transfer  
240 shall be made within a reasonable period to be determined by the  
241 State Fiscal Officer.

242       No agency's allocation shall be reduced in an amount to  
243 exceed five percent (5%); however, if the allocations of general  
244 funds and state-source special funds to all general fund and  
245 special fund agencies and to the "administration and other  
246 expenses" budget of the Mississippi Department of Transportation  
247 have been reduced by five percent (5%), any additional reductions  
248 required to be made under this subsection (2) shall consist of a



249 uniform percentage reduction of general funds and state-source  
250 special funds to all general fund and special fund agencies and to  
251 the "administration and other expenses" budget of the Mississippi  
252 Department of Transportation. Any receipt from loans authorized  
253 by Sections 31-17-101 through 31-17-123 shall not be included as  
254 revenue receipts.

255 The State Fiscal Officer shall immediately send notice of any  
256 action taken under authority of this subsection (2) to the  
257 Legislative Budget Office.

258 \* \* \*

259 (3) For the purpose of this section, the term "state-source  
260 special funds" means any special funds in any agency derived from  
261 any source, but shall not include the following special funds:  
262 special funds derived from federal sources, from local or regional  
263 political subdivisions, from agricultural commodity assessments,  
264 or from donations; special funds derived from additional fees paid  
265 for the issuance of distinctive motor vehicle license tags or  
266 plates authorized under the provisions of Chapter 19, Title 27,  
267 Mississippi Code of 1972; special funds held in a fiduciary  
268 capacity for the benefit of specific persons or classes of  
269 persons; special funds of the Mississippi Veterans Affairs Board  
270 that are paid to the board by the veteran residents of state  
271 veterans homes to fund their monthly expenses at the state  
272 veterans homes; self-generated special funds of the state  
273 institutions of higher learning or the state community or junior



274 colleges; special funds of Mississippi Industries for the Blind,  
275 the State Port at Gulfport, Yellow Creek Inland Port, Pat Harrison  
276 Waterway District, Pearl River Basin Development District, Pearl  
277 River Valley Water Management District, Tombigbee River Valley  
278 Water Management District, Yellow Creek Watershed Authority, or  
279 Coast Coliseum Commission; special funds of the Department of  
280 Wildlife, Fisheries and Parks and the Department of Marine  
281 Resources derived from the issuance of hunting or fishing  
282 licenses; and special funds generated by agencies whose primary  
283 function includes the establishment of standards and the issuance  
284 of licenses for the practice of a profession within the State of  
285 Mississippi.

286       **SECTION 6.** Beginning with fiscal year 2021, the Legislative  
287 Budget Office shall prepare and include in the proposed budget a  
288 multiyear plan for all agencies included in the proposed budget,  
289 for all sources of funding, and for such program categories as the  
290 Legislative Budget Office identifies. Such plan shall be based on  
291 the actual experience of the immediately preceding three (3)  
292 fiscal years, on the approved current fiscal year budget, and on  
293 estimates for at least the four (4) succeeding fiscal years.

294       **SECTION 7.** Section 27-103-125, Mississippi Code of 1972, as  
295 amended by Senate Bill No. 2649, 2017 Regular Session, is amended  
296 as follows:

297           27-103-125. The proposed budget of each state agency shall  
298 show the amounts required for operating expenses separately from



299 the amounts required for permanent improvements. The overall  
300 budget shall show, separately by each source, the estimated amount  
301 of general fund revenue and of special fund revenues of general  
302 fund agencies. The total proposed expenditures in Part 1 of the  
303 overall budget shall not exceed the amount of estimated revenues  
304 that will be available in the general and special funds for  
305 appropriation or use during the succeeding fiscal year, including  
306 any balances other than unencumbered balances in general funds  
307 that will be on hand in the general and special funds at the close  
308 of the then current fiscal year. The total proposed expenditures  
309 from the State General Fund in Part 1 of the overall budget shall  
310 not exceed ninety-eight percent (98%) of the amount of general  
311 fund revenue estimate for the succeeding fiscal year \* \* \*.  
312 However, for fiscal years 2010, 2011, 2012, 2016 and 2017 only,  
313 the total proposed expenditures from the State General Fund in  
314 Part 1 of the overall budget shall not exceed one hundred percent  
315 (100%) of the amount of the general fund revenue estimate for the  
316 succeeding fiscal year, and for fiscal year 2018, the total  
317 proposed expenditures from the State General Fund in Part 1 of the  
318 overall budget shall not exceed ninety-nine percent (99%) of the  
319 amount of general fund revenue estimate for the succeeding fiscal  
320 year \* \* \*. The general fund revenue estimate shall be the  
321 estimate jointly adopted by the Governor and the Joint Legislative  
322 Budget Committee. \* \* \* The Legislative Budget Office may  
323 recommend additional taxes or sources of revenue if in its



324 judgment those additional funds are necessary to adequately  
325 support the functions of the state government.

326 **SECTION 8.** Section 27-103-139, Mississippi Code of 1972, as  
327 amended by Senate Bill No. 2649, 2017 Regular Session, is amended  
328 as follows:

329 27-103-139. On or before November 15 preceding each regular  
330 session of the Legislature, except the first regular session of a  
331 new term of office, the Governor shall submit to the members of  
332 the Legislature, the Legislative Budget Office or the  
333 members-elect, as the case may be, and to the executive head of  
334 each state agency a balanced budget for the succeeding fiscal  
335 year. The budget submitted shall be prepared in a format that  
336 will include performance measurement data associated with the  
337 various programs operated by each agency. The total proposed  
338 expenditures in the balanced budget shall not exceed the amount of  
339 estimated revenues that will be available for appropriation or use  
340 during the succeeding fiscal year, including any balances other  
341 than unencumbered balances in general funds that will be on hand  
342 at the close of the then current fiscal year, as determined by the  
343 revenue estimate jointly adopted by the Governor and the  
344 Legislative Budget Committee. The total proposed expenditures  
345 from the State General Fund in the balanced budget shall not  
346 exceed ninety-eight percent (98%) of the amount of general fund  
347 revenue estimate for the succeeding fiscal year \* \* \*. However,  
348 for fiscal years 2010, 2011, 2012, 2016 and 2017 only, the total



349 proposed expenditures from the State General Fund in the balanced  
350 budget shall not exceed one hundred percent (100%) of the amount  
351 of the general fund revenue estimate for the succeeding fiscal  
352 year, and for fiscal year 2018, the total proposed expenditures  
353 from the State General Fund in the balanced budget shall not  
354 exceed ninety-nine percent (99%) of the amount of general fund  
355 revenue estimate for the succeeding fiscal year \* \* \*. The  
356 general fund revenue estimate shall be the estimate jointly  
357 adopted by the Governor and the Joint Legislative Budget  
358 Committee. \* \* \*

359       The revenues used in preparing the balanced budget shall be  
360 only those revenues that will be available under the general laws  
361 of the state as they exist when the balanced budget is prepared,  
362 and shall not include any proposed revenues that would become  
363 available only after the enactment of new legislation. If the  
364 Governor has any recommendations for additional proposed  
365 expenditures or proposed revenues that are not included in his  
366 balanced budget, he shall submit those recommendations in a  
367 supplement that is separate from his balanced budget, and whenever  
368 the Governor recommends any such additional proposed expenditures,  
369 he also shall recommend proposed revenues that are sufficient to  
370 fund the additional proposed expenditures, providing specific  
371 details regarding the sources and the total amount of those  
372 proposed revenues.



373           The Governor may employ a budget officer for the purpose of  
374 receiving information from the State Fiscal Officer and preparing  
375 his recommendations on the budget. If the Governor determines  
376 that information received from the State Fiscal Officer is not  
377 sufficient to enable him to prepare his budget recommendations, he  
378 may request an appropriation from the Legislature to provide  
379 additional staff within the Governor's office for that purpose.  
380 At the first regular session after his election for Governor, the  
381 Governor shall submit any budget recommendations plus the required  
382 revenue source recommendations no later than January 31 of that  
383 year.

384           **SECTION 9.** Section 37-61-33, Mississippi Code of 1972, is  
385 amended as follows:

386           37-61-33. (1) There is created within the State Treasury a  
387 special fund to be designated the "Education Enhancement Fund"  
388 into which shall be deposited all the revenues collected pursuant  
389 to Sections 27-65-75(7) and (8) and 27-67-31(a) and (b).

390           (2) Of the amount deposited into the Education Enhancement  
391 Fund, Sixteen Million Dollars (\$16,000,000.00) shall be  
392 appropriated each fiscal year to the State Department of Education  
393 to be distributed to all school districts. Such money shall be  
394 distributed to all school districts in the proportion that the  
395 average daily attendance of each school district bears to the  
396 average daily attendance of all school districts within the state  
397 for the following purposes:





398 (a) Purchasing, erecting, repairing, equipping,  
399 remodeling and enlarging school buildings and related facilities,  
400 including gymnasiums, auditoriums, lunchrooms, vocational training  
401 buildings, libraries, teachers' homes, school barns,  
402 transportation vehicles (which shall include new and used  
403 transportation vehicles) and garages for transportation vehicles,  
404 and purchasing land therefor.

405 (b) Establishing and equipping school athletic fields  
406 and necessary facilities connected therewith, and purchasing land  
407 therefor.

408 (c) Providing necessary water, light, heating,  
409 air-conditioning and sewerage facilities for school buildings, and  
410 purchasing land therefor.

411 (d) As a pledge to pay all or a portion of the debt  
412 service on debt issued by the school district under Sections  
413 37-59-1 through 37-59-45, 37-59-101 through 37-59-115, 37-7-351  
414 through 37-7-359, 37-41-89 through 37-41-99, 37-7-301, 37-7-302  
415 and 37-41-81, or debt issued by boards of supervisors for  
416 agricultural high schools pursuant to Section 37-27-65, if such  
417 pledge is accomplished pursuant to a written contract or  
418 resolution approved and spread upon the minutes of an official  
419 meeting of the district's school board or board of supervisors.  
420 The annual grant to such district in any subsequent year during  
421 the term of the resolution or contract shall not be reduced below  
422 an amount equal to the district's grant amount for the year in



423 which the contract or resolution was adopted. The intent of this  
424 provision is to allow school districts to irrevocably pledge a  
425 certain, constant stream of revenue as security for long-term  
426 obligations issued under the code sections enumerated in this  
427 paragraph or as otherwise allowed by law. It is the intent of the  
428 Legislature that the provisions of this paragraph shall be  
429 cumulative and supplemental to any existing funding programs or  
430 other authority conferred upon school districts or school boards.  
431 Debt of a district secured by a pledge of sales tax revenue  
432 pursuant to this paragraph shall not be subject to any debt  
433 limitation contained in the foregoing enumerated code sections.

434 (3) The remainder of the money deposited into the Education  
435 Enhancement Fund shall be appropriated as follows:

436 (a) To the State Department of Education as follows:

437 (i) Sixteen and sixty-one one-hundredths percent  
438 (16.61%) to the cost of the adequate education program determined  
439 under Section 37-151-7; of the funds generated by the percentage  
440 set forth in this section for the support of the adequate  
441 education program, one and one hundred seventy-eight  
442 one-thousandths percent (1.178%) of the funds shall be  
443 appropriated to be used by the State Department of Education for  
444 the purchase of textbooks to be loaned under Sections 37-43-1  
445 through 37-43-59 to approved nonpublic schools, as described in  
446 Section 37-43-1. The funds to be distributed to each nonpublic  
447 school shall be in the proportion that the average daily



448 attendance of each nonpublic school bears to the total average  
449 daily attendance of all nonpublic schools;

450 (ii) Seven and ninety-seven one-hundredths percent  
451 (7.97%) to assist the funding of transportation operations and  
452 maintenance pursuant to Section 37-19-23; and

453 (iii) Nine and sixty-one one-hundredths percent  
454 (9.61%) for classroom supplies, instructional materials and  
455 equipment, including computers and computer software, to be  
456 distributed to all eligible teachers within the state through the  
457 use of procurement cards. Classroom supply funds shall not be  
458 expended for administrative purposes. On or before September 1 of  
459 each year, local school districts shall determine and submit to  
460 the State Department of Education the number of teachers eligible  
461 to receive an allocation for the current year. For purposes of  
462 this subparagraph, "teacher" means any employee of the school  
463 board of a school district, or the Mississippi School for the  
464 Arts, the Mississippi School for Math and Science, the Mississippi  
465 School for the Blind or the Mississippi School for the Deaf, who  
466 is required by law to obtain a teacher's license from the State  
467 Department of Education and who is assigned to an instructional  
468 area of work as defined by the department, but shall not include a  
469 federally funded teacher. It is the intent of the Legislature  
470 that all classroom teachers shall utilize these funds in a manner  
471 that addresses individual classroom needs and supports the overall  
472 goals of the school regarding supplies, instructional materials,



473 equipment, computers or computer software under the provisions of  
474 this subparagraph, including the type, quantity and quality of  
475 such supplies, materials and equipment. Classroom supply funds  
476 allocated under this subparagraph shall supplement, not replace,  
477 other local and state funds available for the same purposes. The  
478 State Board of Education shall develop and promulgate rules and  
479 regulations for the administration of this subparagraph consistent  
480 with the above criteria, with particular emphasis on allowing the  
481 individual teachers to expend funds as they deem appropriate.  
482 Effective with the 2013-2014 school year, the local school board  
483 shall require each school to issue procurement cards provided by  
484 the Department of Finance and Administration under the provisions  
485 of Section 31-7-9(1)(c) for the use of teachers and necessary  
486 support personnel in making instructional supply fund expenditures  
487 under this section, consistent with the regulations of the  
488 Mississippi Department of Finance and Administration pursuant to  
489 Section 31-7-9. Such procurement cards shall be issued at the  
490 beginning of the school year and shall be issued in equal amounts  
491 per teacher determined by the total number of qualifying personnel  
492 and the current state appropriation for classroom supplies with  
493 the Education Enhancement Fund. Such cards will expire on a  
494 pre-determined date at the end of each school year. All  
495 unexpended amounts will be carried forward, combined with the  
496 following year's allocation of Education Enhancement Fund



497 instructional supplies funds and reallocated for the following  
498 year;

499           (b) Twenty-two and nine one-hundredths percent (22.09%)  
500 to the Board of Trustees of State Institutions of Higher Learning  
501 for the purpose of supporting institutions of higher learning; and

502           (c) Fourteen and forty-one one-hundredths percent  
503 (14.41%) to the Mississippi Community College Board for the  
504 purpose of providing support to community and junior colleges.

505           (4) The amount remaining in the Education Enhancement Fund  
506 after funds are distributed as provided in subsections (2) and (3)  
507 of this section shall be disbursed as follows:

508           (a) Twenty-five Million Dollars (\$25,000,000.00) shall  
509 be deposited into the Working Cash-Stabilization Reserve Fund  
510 created pursuant to Section 27-103-203(1), until the balance in  
511 such fund reaches the maximum balance of \* \* \* ten percent (10%)  
512 of the General Fund appropriations in the appropriate fiscal year.  
513 After the maximum balance in the Working Cash-Stabilization  
514 Reserve Fund is reached, such money shall remain in the Education  
515 Enhancement Fund to be appropriated in the manner provided for in  
516 paragraph (b) of this subsection.

517           (b) The remainder shall be appropriated for other  
518 educational needs.

519           (5) None of the funds appropriated pursuant to subsection  
520 (3) (a) of this section shall be used to reduce the state's General



521 Fund appropriation for the categories listed in an amount below  
522 the following amounts:

523 (a) For subsection (3)(a)(ii) of this section,  
524 Thirty-six Million Seven Hundred Thousand Dollars  
525 (\$36,700,000.00);

526 (b) For the aggregate of minimum program allotments in  
527 the 1997 fiscal year, formerly provided for in Chapter 19, Title  
528 37, Mississippi Code of 1972, as amended, excluding those funds  
529 for transportation as provided for in paragraph (a) of this  
530 subsection.

531 (6) Any funds appropriated from the Education Enhancement  
532 Fund that are unexpended at the end of a fiscal year shall lapse  
533 into the Education Enhancement Fund, except as otherwise provided  
534 in subsection (3)(a)(iii) of this section.

535 **SECTION 10.** This act shall take effect and be in force from  
536 and after July 1, 2017.

