

By: Senator(s) Blackwell, Younger,
Chassaniol, Polk

To: Appropriations

SENATE BILL NO. 2787

1 AN ACT TO AMEND SECTION 27-104-351, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE CONDITIONS BY WHICH A STATE AGENCY MAY PROVIDE A
3 RECIPIENT ENTITY PASS-THROUGH FUNDING UNDER THE LINE-ITEM
4 APPROPRIATION TRANSPARENCY ACT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-104-351, Mississippi Code of 1972, is
7 amended as follows:

8 27-104-351. (1) This section shall be known and may be
9 cited as the "Line-Item Appropriation Transparency Act."

10 (2) As used in this section, unless the context clearly
11 indicates otherwise:

12 (a) "Local government entity" means any county,
13 municipality, school district, public hospital or other political
14 subdivision of the state.

15 (b) "Pass-through funding" means a line-item
16 appropriation by the Legislature to a state agency that is
17 itemized on a separate line in a budget and that is intended to be
18 passed through the state agency to one or more:

19 (i) Local government entities;



20 (ii) Private organizations, including
21 not-for-profit organizations; or
22 (iii) Persons in the form of a loan or grant.
23 "Pass-through funding" may be general funds, dedicated credits, or
24 any combination of state funding sources, and may be ongoing or
25 one-time.

26 (c) "Recipient entity" means a local government entity
27 or private entity, including a nonprofit entity, that receives
28 money by way of pass-through funding from a state agency.

29 (d) "State agency" shall have the same meaning as
30 provided in Section 27-103-103, and shall include any other
31 subagency or board under the supervision of that state agency.

32 (e) "State money" means * * * funds in the State
33 General Fund and all state-support special funds which are in the
34 Budget Contingency Fund, the Education Enhancement Fund, the
35 Tobacco Control Program Fund and any other special fund that is
36 determined by the Joint Legislative Budget Committee to be a
37 state-support special fund. "State money" does not include
38 contributions or donations received by a state agency.

39 (3) A state agency may not provide a recipient entity state
40 money from pass-through funding unless:

41 (a) The state agency enters into a written agreement
42 with the recipient entity; * * *



43 (b) The written agreement described in paragraph (a) of
44 this subsection requires the recipient entity to provide to the
45 state agency the following:

46 (i) * * * A written description and an itemized
47 report submitted at least quarterly detailing the expenditure of
48 state money or the intended expenditure of any state money that
49 has not been spent; and

50 (ii) A final written itemized report when all the
51 state money is spent; and

52 (c) After the written agreement described in paragraph
53 (a) of this subsection has been signed, the state agency shall
54 establish a disbursement schedule in which only a portion of the
55 pass-through funds shall be disbursed during the first six (6)
56 months of a fiscal year, with the remaining funds being disbursed
57 within the second six (6) months of the fiscal year.

58 Disbursements shall be contingent upon the recipient entity
59 complying with the quarterly reporting requirements required by
60 paragraph (b) of this subsection.

61 (4) * * * On or before June 30 of each year, a state agency
62 shall provide to the Department of Finance and Administration's
63 Office of Budget and Fund Management a copy of the written
64 descriptions and reports of itemized expenditures required under
65 subsection (3) of this section.

66 (5) * * * The Department of Finance and Administration's
67 Office of Budget and Fund Management is responsible for obtaining



68 the written descriptions and itemized reports required by
69 subsection (3) of this section from state agencies. The
70 department is further responsible for consolidating and presenting
71 a report on pass-through expenditures and providing it to the
72 Joint Legislative Budget Committee by October 1 of each year.

73 (6) Notwithstanding subsection (3) of this section, a state
74 agency is not required to comply with this section to the extent
75 that the pass-through funding is issued:

76 (a) Under a competitive award process;

77 (b) In accordance with a formula enacted in statute;

78 (c) In accordance with a state program under parameters
79 in statute or rule that guides the distribution of the
80 pass-through funding;

81 (d) Under the authority of the Mississippi
82 Accountability and Adequate Education Program Act of 1997, Section
83 37-151-1 et seq.; or

84 (e) In accordance with an appropriations act of the
85 Legislature that specifically provides an exemption from the
86 provisions of this section.

87 (7) Unless a recipient entity is required to comply with
88 Section 31-7-1 et seq. because it is an agency or public body, the
89 fact that it is a recipient entity does not create such an
90 obligation.

91 **SECTION 2.** This act shall take effect and be in force from
92 and after its passage.

