

Senate Amendments to House Bill No. 603

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

18 **SECTION 1.** Section 27-103-125, Mississippi Code of 1972, is
19 brought forward as follows:
20 27-103-125. The proposed budget of each state agency shall
21 show the amounts required for operating expenses separately from
22 the amounts required for permanent improvements. The overall
23 budget shall show, separately by each source, the estimated amount
24 of general fund revenue and of special fund revenues of general
25 fund agencies. The total proposed expenditures in Part 1 of the
26 overall budget shall not exceed the amount of estimated revenues
27 that will be available in the general and special funds for
28 appropriation or use during the succeeding fiscal year, including
29 any balances other than unencumbered balances in general funds
30 that will be on hand in the general and special funds at the close
31 of the then current fiscal year. The total proposed expenditures
32 from the State General Fund in Part 1 of the overall budget shall
33 not exceed ninety-eight percent (98%) of the amount of general
34 fund revenue estimate for the succeeding fiscal year. The general

35 fund revenue estimate shall be the estimate jointly adopted by the
36 Governor and the Joint Legislative Budget Committee. The
37 Legislative Budget Office may recommend additional taxes or
38 sources of revenue if in its judgment those additional funds are
39 necessary to adequately support the functions of the state
40 government.

41 **SECTION 2.** Section 27-103-139, Mississippi Code of 1972, is
42 brought forward as follows:

43 27-103-139. On or before November 15 preceding each regular
44 session of the Legislature, except the first regular session of a
45 new term of office, the Governor shall submit to the members of
46 the Legislature, the Legislative Budget Office or the
47 members-elect, as the case may be, and to the executive head of
48 each state agency a balanced budget for the succeeding fiscal
49 year. The budget submitted shall be prepared in a format that
50 will include performance measurement data associated with the
51 various programs operated by each agency. The total proposed
52 expenditures in the balanced budget shall not exceed the amount of
53 estimated revenues that will be available for appropriation or use
54 during the succeeding fiscal year, including any balances other
55 than unencumbered balances in general funds that will be on hand
56 at the close of the then current fiscal year, as determined by the
57 revenue estimate jointly adopted by the Governor and the
58 Legislative Budget Committee. The total proposed expenditures
59 from the State General Fund in the balanced budget shall not
60 exceed ninety-eight percent (98%) of the amount of general fund

61 revenue estimate for the succeeding fiscal year. The general fund
62 revenue estimate shall be the estimate jointly adopted by the
63 Governor and the Joint Legislative Budget Committee.

64 The revenues used in preparing the balanced budget shall be
65 only those revenues that will be available under the general laws
66 of the state as they exist when the balanced budget is prepared,
67 and shall not include any proposed revenues that would become
68 available only after the enactment of new legislation. If the
69 Governor has any recommendations for additional proposed
70 expenditures or proposed revenues that are not included in his
71 balanced budget, he shall submit those recommendations in a
72 supplement that is separate from his balanced budget, and whenever
73 the Governor recommends any such additional proposed expenditures,
74 he also shall recommend proposed revenues that are sufficient to
75 fund the additional proposed expenditures, providing specific
76 details regarding the sources and the total amount of those
77 proposed revenues.

78 The Governor may employ a budget officer for the purpose of
79 receiving information from the State Fiscal Officer and preparing
80 his recommendations on the budget. If the Governor determines
81 that information received from the State Fiscal Officer is not
82 sufficient to enable him to prepare his budget recommendations, he
83 may request an appropriation from the Legislature to provide
84 additional staff within the Governor's office for that purpose.
85 At the first regular session after his election for Governor, the
86 Governor shall submit any budget recommendations plus the required

87 revenue source recommendations no later than January 31 of that
88 year.

89 **SECTION 3.** Section 27-103-203, Mississippi Code of 1972, is
90 brought forward as follows:

91 27-103-203. (1) There is created in the State Treasury a
92 special fund, separate and apart from any other fund, to be
93 designated the Working Cash-Stabilization Reserve Fund.

94 (2) The Working Cash-Stabilization Reserve Fund shall not be
95 considered as a surplus or available funds when adopting a
96 balanced budget as required by law. The State Treasurer shall
97 invest all sums in the Working Cash-Stabilization Reserve Fund not
98 needed for the purposes provided for in this section in
99 certificates of deposit, repurchase agreements and other
100 securities as authorized in Section 27-105-33(d) or Section
101 7-9-103, as the State Treasurer may determine to yield the highest
102 market rate available. If the Ayers Settlement Fund is created
103 under Section 37-101-27(5), the first Five Million Dollars
104 (\$5,000,000.00) of interest earned on those sums each fiscal year
105 shall be deposited into that fund until a total of Seventy Million
106 Dollars (\$70,000,000.00) has been deposited into the fund. The
107 interest, or the remaining interest if the Ayers Settlement Fund
108 is created, that is earned on those sums shall be deposited in the
109 Working Cash-Stabilization Reserve Fund until the balance of
110 principal and interest in the fund reaches ten percent (10%) of
111 the total General Fund appropriations for the current fiscal year,
112 and all interest earned in excess of amounts necessary to maintain

113 the ten percent (10%) fund balance requirement shall be deposited
114 by the State Treasurer into the State General Fund.

115 (3) The Working Cash-Stabilization Reserve Fund, except for
116 Fifteen Million Dollars (\$15,000,000.00) and the amount of the
117 interest and income earned on the principal of the Ayers Endowment
118 Trust created by Section 37-101-27, shall be used by the State
119 Treasurer for cash flow needs throughout the year when the
120 Executive Director of the Department of Finance and Administration
121 certifies that in his opinion there will be cash flow deficiencies
122 in the State General Fund. No borrowing of monies from other
123 special funds for such purposes as authorized by Section 31-17-101
124 et seq., shall be made as long as an unencumbered balance in
125 excess of Fifteen Million Dollars (\$15,000,000.00) and the
126 interest and income earned on the principal of the Ayers Endowment
127 Trust created by Section 37-101-27 remains in the fund. The State
128 Treasurer shall reimburse the fund for all sums borrowed for those
129 purposes from General Fund revenues collected during the fiscal
130 year in which those funds are used. The State Treasurer shall
131 immediately notify the Legislative Budget Office and the State
132 Department of Finance and Administration of each transfer into and
133 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
134 Working Cash-Stabilization Reserve Fund shall remain available for
135 exclusive use of the Ayers Endowment Trust created by Section
136 37-101-27. If the Ayers Settlement Fund is created under Section
137 37-101-27(5), beginning when a total of Fifty-five Million Dollars
138 (\$55,000,000.00) has been deposited into the fund, for each annual

139 deposit of interest to that fund under subsection (2) of this
140 section, the Ayers Endowment Trust created under Section
141 37-101-27(1) shall be reduced by an equal amount annually until
142 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which
143 time any requirements concerning the Ayers Endowment Trust in this
144 section shall be null and void.

145 (4) The Working Cash-Stabilization Reserve Fund, except for
146 Forty Million Dollars (\$40,000,000.00), shall also be used for the
147 purpose of covering any projected deficits that may occur in the
148 General Fund at the end of a fiscal year as a result of revenue
149 shortfalls. If the Governor determines that a deficit in revenues
150 from all sources may occur, it shall be the duty of the Executive
151 Director of the Department of Finance and Administration to
152 transfer such funds as necessary to the General Fund to alleviate
153 the deficit in accordance with Sections 27-104-13 and 31-17-123;
154 however, not more than Fifty Million Dollars (\$50,000,000.00) may
155 be transferred from the fund for that purpose in any one (1)
156 fiscal year.

157 (5) The Working Cash-Stabilization Reserve Fund also shall
158 be used to provide funds for the Disaster Assistance Trust Fund
159 when those funds are immediately needed to provide for disaster
160 assistance under Sections 33-15-301 through 33-15-317. Any
161 transfer of funds from the Working Cash-Stabilization Reserve Fund
162 to the Disaster Assistance Trust Fund shall be made in accordance
163 with the provisions of subsection (5) of Section 33-15-307.

164 (6) The Department of Finance and Administration shall
165 immediately send notice of any transfers made, or other action
166 taken under authority of this section, to the Legislative Budget
167 Office.

168 (7) Funds deposited in the Working Cash-Stabilization
169 Reserve Fund shall be used only for the purposes specified in this
170 section, and as long as the provisions of this section remain in
171 effect, no other expenditure, appropriation or transfer of funds
172 in the Working Cash-Stabilization Reserve Fund shall be made
173 except by act of the Legislature making specific reference to the
174 Working Cash-Stabilization Reserve Fund as the source of those
175 funds.

176 (8) Any funds appropriated from the Working
177 Cash-Stabilization Reserve Fund that are unexpended at the end of
178 a fiscal year shall lapse into the Working Cash-Stabilization
179 Reserve Fund.

180 **SECTION 4.** Section 27-103-211, Mississippi Code of 1972, is
181 brought forward as follows:

182 27-103-211. The total sum appropriated by the Legislature
183 from the State General Fund for any fiscal year shall not exceed
184 ninety-eight percent (98%) of the general fund revenue estimate
185 for that fiscal year developed by the Department of Revenue and
186 the University Research Center and adopted by the Joint
187 Legislative Budget Committee. The unencumbered balances in
188 general funds that will be available and on hand at the close of
189 the fiscal year shall not include projected amounts required to be

190 deposited into the Working Cash-Stabilization Reserve Fund under
191 Section 27-103-203.

192 **SECTION 5.** Section 27-103-213, Mississippi Code of 1972, is
193 brought forward as follows:

194 27-103-213. (1) The unencumbered cash balance in the
195 General Fund in the State Treasury at the close of each fiscal
196 year shall be distributed to the Municipal Revolving Fund, the
197 Working Cash-Stabilization Reserve Fund and the Capital Expense
198 Fund in the manner provided in this section.

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

203 (b) As used in this section, the term "unencumbered
204 cash balance" or "unencumbered General Fund cash balance" means
205 the amount in the State General Fund after deducting all
206 appropriations and other expenditures. However, if the
207 Legislature has authorized additional or deficit appropriations or
208 transfers from the State General Fund for that fiscal year, those
209 amounts shall be subtracted from the unencumbered cash balance in
210 the General Fund before determining the amount available for
211 distribution. The unencumbered General Fund cash balance shall
212 not be determined until after August 31 of each year, and it shall
213 not be made until the State Treasurer has received a certificate
214 in writing from the Executive Director of the Department of
215 Finance and Administration, with notification to the Legislative

216 Budget Office, showing the amount of the unencumbered General Fund
217 cash balance.

218 (3) If any unencumbered General Fund cash balance is
219 available for distribution under this section, the distribution of
220 those funds shall be made by the Executive Director of the
221 Department of Finance and Administration in the following order:

222 (a) To the Municipal Revolving Fund, an amount equal to
223 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if
224 the amount of the unencumbered General Fund cash balance is less
225 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the
226 total amount of the unencumbered General Fund cash balance shall
227 be distributed to the Municipal Revolving Fund.

228 (b) To the Working Cash-Stabilization Reserve Fund,
229 fifty percent (50%) of the amount of the unencumbered General Fund
230 cash balance after the distributions are made under paragraph (a),
231 not to exceed ten percent (10%) of the General Fund appropriations
232 for the fiscal year that the unencumbered General Fund cash
233 balance represents. For the purposes of this paragraph (b), the
234 appropriations for the fiscal year shall be the total amount
235 contained in the actual appropriation bills passed by the
236 Legislature.

237 (c) To the Capital Expense Fund, any remaining amount
238 of the unencumbered General Fund cash balance after the
239 distributions are made under paragraphs (a) and (b).

240 **SECTION 6.** Section 27-103-303, Mississippi Code of 1972, is
241 brought forward as follows:

242 27-103-303. (1) There is created in the State Treasury a
243 special fund, separate and apart from any other fund, to be
244 designated the Capital Expense Fund.

245 (2) The Capital Expense Fund shall not be considered as a
246 surplus or available funds when adopting a balanced budget as
247 required by law. The State Treasurer shall invest all sums in the
248 Capital Expense Fund not needed for the purposes provided for in
249 this section in certificates of deposit, repurchase agreements and
250 other securities as authorized in Section 27-105-33(d) or Section
251 7-9-103, as the State Treasurer may determine to yield the highest
252 market rate available. Interest earned on this fund shall be
253 deposited by the State Treasurer into the State General Fund.

254 (3) The Capital Expense Fund shall be used for capital
255 expense needs, repair and renovation of state-owned properties and
256 specific expenditures authorized by the Legislature. The
257 Legislature shall designate those capital expense projects, repair
258 and renovation projects and other authorized projects in an
259 appropriation act passed by the Legislature, which shall direct
260 the Director of the Department of Finance and Administration to
261 administer the projects.

262 (4) In addition to the purposes specified in subsection (3)
263 of this section, the Capital Expense Fund shall be used to provide
264 funds for emergency repairs on state-owned buildings upon
265 requisition of the Executive Director of the Department of Finance
266 and Administration. Whenever the executive director determines
267 that funds are immediately needed for emergency repairs on

268 state-owned buildings, he or she shall requisition the funds
269 needed from the Capital Expense Fund, which shall be subject to
270 the limitations set forth in this subsection. At the same time he
271 or she makes the requisition, the executive director shall notify
272 the Lieutenant Governor, the Speaker of the House of
273 Representatives, the respective Chairmen of the Senate
274 Appropriations Committee, the Senate Finance Committee, the House
275 Appropriations Committee and the House Ways and Means Committee
276 and the Legislative Budget Office of his or her determination of
277 the need for the funds, the amount that he or she has
278 requisitioned and where the funds will be used. If the amount
279 requisitioned is available in the Capital Expense Fund, is not
280 allocated for any specific projects as authorized in subsection
281 (3) of this section and is within the limitations set forth below
282 in this subsection, then the executive director may escalate the
283 budget of the Bureau of Building, Grounds and Real Property
284 Management to use the full amount of the requisitioned funds for
285 the emergency repairs and transfer that amount to the bureau for
286 that purpose. If the amount requisitioned is more than the amount
287 available in the Capital Expense Fund or above the limitations set
288 forth below in this subsection, then the executive director may
289 escalate the budget of the bureau to use the amount that is
290 available within the limitations for the emergency repairs and
291 transfer that amount to the bureau for that purpose. The maximum
292 amount that may be transferred from the Capital Expense Fund to
293 the bureau for any single emergency shall be One Million Dollars

294 (\$1,000,000.00), and the maximum amount that may be transferred to
295 the bureau for all emergencies during any fiscal year shall be
296 Five Million Dollars (\$5,000,000.00).

297 (5) Funds deposited in the Capital Expense Fund shall be
298 used only for the purposes specified in this section, and as long
299 as the provisions of this section remain in effect, no other
300 expenditure, appropriation or transfer of funds in the Capital
301 Expense Fund shall be made except by act of the Legislature making
302 specific reference to the Capital Expense Fund as the source of
303 those funds.

304 (6) Unexpended funds in the Capital Expense Fund at the end
305 of a fiscal year shall not lapse into the State General Fund but
306 shall remain in the fund for use under this section. Any funds
307 appropriated from the Capital Expense Fund that are unexpended at
308 the end of a fiscal year shall lapse into the Capital Expense
309 Fund.

310 **SECTION 7.** During fiscal year 2024, the State Fiscal Officer
311 shall transfer to the General Fund out of the following enumerated
312 funds, the amounts listed below from each fund:

313 FUND	FUND NUMBER	AMOUNT
314 Capital Expense Fund	6499C00000	\$1.00
315 Budget Contingency Fund	6117700000	<u>\$1.00</u>
316 TOTAL.....		\$2.00

317 **SECTION 8.** This act shall take effect and be in force from
318 and after July 1, 2023, and shall stand repealed on June 30, 2023.

Further, amend by striking the title in its entirety and inserting in lieu thereof the following:

1 AN ACT TO BRING FORWARD SECTION 27-103-125, MISSISSIPPI CODE
2 OF 1972, WHICH RELATES TO THE BUDGET PROCESS, FOR PURPOSES OF
3 POSSIBLE AMENDMENT; TO BRING FORWARD SECTION 27-103-139,
4 MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE BUDGET PROCESS, FOR
5 PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION
6 27-103-203, MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE BUDGET
7 PROCESS, FOR PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD
8 SECTION 27-103-211, MISSISSIPPI CODE OF 1972, WHICH RELATES TO THE
9 BUDGET PROCESS, FOR PURPOSES OF POSSIBLE AMENDMENT; TO BRING
10 FORWARD SECTION 27-103-213, MISSISSIPPI CODE OF 1972, WHICH
11 RELATES TO THE BUDGET PROCESS, FOR PURPOSES OF POSSIBLE AMENDMENT;
12 TO BRING FORWARD SECTION 27-103-303, MISSISSIPPI CODE OF 1972,
13 WHICH RELATES TO THE BUDGET PROCESS, FOR PURPOSES OF POSSIBLE
14 AMENDMENT; TO DIRECT THE STATE FISCAL OFFICER TO MAKE CERTAIN
15 TRANSFERS DURING FISCAL YEAR 2024 FROM THE CAPITAL EXPENSE FUND;
16 AND FOR RELATED PURPOSES.

SS26\HB603A.J

Eugene S. Clarke
Secretary of the Senate