

By: Representative Scott

To: Appropriations E;
Appropriations A

HOUSE BILL NO. 35

1 AN ACT TO AMEND SECTION 27-103-203, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT A CERTAIN AMOUNT OF THE INTEREST EARNED EACH
3 FISCAL YEAR ON THE SUMS IN THE WORKING CASH-STABILIZATION RESERVE
4 FUND MUST BE DEPOSITED INTO THE AYERS SETTLEMENT FUND FOR THE NEXT
5 TEN FISCAL YEARS; TO DELETE THE REQUIREMENT TO MAKE ANNUAL
6 REDUCTIONS IN THE AYERS ENDOWMENT TRUST AFTER A CERTAIN AMOUNT HAS
7 BEEN DEPOSITED INTO THE AYERS SETTLEMENT FUND UNDER THIS SECTION;
8 TO AMEND SECTION 37-101-27, MISSISSIPPI CODE OF 1972, TO CONFORM
9 TO THE PRECEDING PROVISIONS; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 27-103-203, Mississippi Code of 1972, is
12 amended as follows:

13 27-103-203. (1) There is created in the State Treasury a
14 special fund, separate and apart from any other fund, to be
15 designated the Working Cash-Stabilization Reserve Fund.

16 (2) The Working Cash-Stabilization Reserve Fund shall not be
17 considered as a surplus or available funds when adopting a
18 balanced budget as required by law. The State Treasurer shall
19 invest all sums in the Working Cash-Stabilization Reserve Fund not
20 needed for the purposes provided for in this section in
21 certificates of deposit, repurchase agreements and other



securities as authorized in Section 27-105-33(d) or Section 7-9-103, as the State Treasurer may determine to yield the highest market rate available. * * * Through June 30, 2035, the first Five Million Dollars (\$5,000,000.00) of interest earned on those sums each fiscal year shall be deposited into * * * the Ayers Settlement Fund created under Section 37-101-27(5). The interest, or the remaining interest * * * after the deposit of interest into the Ayers Settlement Fund * * *, that is earned on those sums shall be deposited in the Working Cash-Stabilization Reserve Fund until the balance of principal and interest in the fund reaches ten percent (10%) of the total General Fund appropriations for the current fiscal year, and all interest earned in excess of amounts necessary to maintain the ten percent (10%) fund balance requirement shall be deposited by the State Treasurer into the State General Fund.

(3) The Working Cash-Stabilization Reserve Fund, except for Fifteen Million Dollars (\$15,000,000.00) and the amount of the interest and income earned on the principal of the Ayers Endowment Trust created by Section 37-101-27, shall be used by the State Treasurer for cash flow needs throughout the year when the Executive Director of the Department of Finance and Administration certifies that in his opinion there will be cash flow deficiencies in the State General Fund. No borrowing of monies from other special funds for such purposes as authorized by Section 31-17-101 et seq., shall be made as long as an unencumbered balance in



47 excess of Fifteen Million Dollars (\$15,000,000.00) and the
48 interest and income earned on the principal of the Ayers Endowment
49 Trust created by Section 37-101-27 remains in the fund. The State
50 Treasurer shall reimburse the fund for all sums borrowed for those
51 purposes from General Fund revenues collected during the fiscal
52 year in which those funds are used. The State Treasurer shall
53 immediately notify the Legislative Budget Office and the State
54 Department of Finance and Administration of each transfer into and
55 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
56 Working Cash-Stabilization Reserve Fund shall remain available for
57 exclusive use of the Ayers Endowment Trust created by Section
58 37-101-27. * * *

59 (4) The Working Cash-Stabilization Reserve Fund, except for
60 Forty Million Dollars (\$40,000,000.00), shall also be used for the
61 purpose of covering any projected deficits that may occur in the
62 General Fund at the end of a fiscal year as a result of revenue
63 shortfalls. If the Governor determines that a deficit in revenues
64 from all sources may occur, it shall be the duty of the Executive
65 Director of the Department of Finance and Administration to
66 transfer such funds as necessary to the General Fund to alleviate
67 the deficit in accordance with Sections 27-104-13 and 31-17-123;
68 however, not more than Fifty Million Dollars (\$50,000,000.00) may
69 be transferred from the fund for that purpose in any one (1)
70 fiscal year.



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

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

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

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

SECTION 2. Section 37-101-27, Mississippi Code of 1972, is amended as follows:



96 37-101-27. (1) There is created within the Working
97 Cash-Stabilization Reserve Fund in the State Treasury a trust to
98 be known as the Ayers Endowment Trust, which shall be used as
99 provided in this section. On July 1, 1997, Fifteen Million
100 Dollars (\$15,000,000.00) in the Working Cash-Stabilization Reserve
101 Fund shall be set aside and placed in the Ayers Endowment Trust.

102 (2) The principal of the Ayers Endowment Trust shall remain
103 inviolate within the Working Cash-Stabilization Reserve Fund, and
104 shall be invested in the same manner as the remainder of the
105 Working Cash-Stabilization Reserve Fund.

106 (3) The interest and income earned from the investment of
107 the principal of the Ayers Endowment Trust shall be appropriated
108 by the Legislature to the Board of Trustees of State Institutions
109 of Higher Learning for the benefit of Jackson State University,
110 Alcorn State University and Mississippi Valley State University,
111 the historically black institutions of higher learning in
112 Mississippi, with one-third (1/3) of the amount of the interest
113 and income earned being allocated for the benefit of each of those
114 universities. The money allotted for each university shall be
115 used for continuing educational enhancement and racial diversity,
116 including recruitment of white students and scholarships for white
117 applicants.

118 (4) The creation of the Ayers Endowment Trust and the
119 appropriation of the interest and income for the purposes
120 specified in this section shall be * * * to provide Mississippi



Valley State University with an equal amount of funding for the same purposes as for the other historically black institutions of higher learning.

(5) * * * There shall be created in the State Treasury a fund to be known as the Ayers Settlement Fund. Monies deposited into the Ayers Settlement Fund under Section 27-103-203(2) shall be appropriated by the Legislature to the Board of Trustees of State Institutions of Higher Learning for the purpose of establishing a public endowment for the benefit of Jackson State University, Alcorn State University and Mississippi Valley State University * * *.

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SECTION 3. This act shall take effect and be in force from and after July 1, 2025.

