

By: Representative Brown

To: Appropriations

HOUSE BILL NO. 345
(As Passed the House)

1 AN ACT TO PROHIBIT ANY AGENCY, BOARD, COMMISSION, DEPARTMENT,
2 OR INSTITUTION OF THE STATE OF MISSISSIPPI FROM PURCHASING NEW
3 EQUIPMENT, HIRING NEW EMPLOYEES, OR PROMOTING, RECLASSIFYING,
4 REALLOCATING OR REALIGNING PAY GRADES WITH REGARD TO ANY OF ITS
5 EMPLOYEES OR JOB POSITIONS, DURING THE CURRENT FISCAL YEAR; TO
6 ESTABLISH AN APPEAL PROCEDURE TO THE STATE FISCAL OFFICER FOR
7 EMERGENCY PURCHASES OF EQUIPMENT OR HIRING OF NEW EMPLOYEES; TO
8 SET FORTH THE DEMONSTRATION OF THE EMERGENCY THAT MUST BE MADE BY
9 THE AGENCY IN ITS APPEAL; TO PROVIDE THAT THE JOINT LEGISLATIVE
10 BUDGET COMMITTEE SHALL BE NOTIFIED OF SUCH AN APPEAL AND THAT
11 COMMITTEE MEMBERS MAY ATTEND THE HEARING ON SUCH AN APPEAL; TO
12 ALLOW THE STATE FISCAL OFFICER, IN HIS DISCRETION, TO AUTHORIZE
13 THE ACTION SOUGHT IN THE APPEAL; TO PROVIDE AN EXCEPTION TO THE
14 PROHIBITED ACTIONS OF THIS ACT IF ALL OF THE FUNDS TO BE EXPENDED
15 BY AN AGENCY TO FUND THOSE ACTIONS ARE FEDERAL FUNDS, STATE-SOURCE
16 SPECIAL FUNDS OR A COMBINATION OF FEDERAL FUNDS AND STATE-SOURCE
17 SPECIAL FUNDS; TO AMEND SECTION 25-9-116, MISSISSIPPI CODE OF
18 1972, IN CONFORMITY THERETO; TO BRING FORWARD SECTIONS 27-104-13
19 AND 31-17-123, MISSISSIPPI CODE OF 1972, FOR PURPOSES OF POSSIBLE
20 AMENDMENT; AND FOR RELATED PURPOSES.

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

22 **SECTION 1.** (1) Except as otherwise provided in subsections
23 (2) and (3), until June 30, 2002, due to the severe revenue
24 shortfall during the current fiscal year, the following provisions
25 shall apply:

26 (a) No state agency is authorized to purchase any
27 equipment as defined in Section 31-7-1.

28 (b) No state agency is authorized to hire any new
29 employees, or promote, reclassify, reallocate or realign a pay
30 grade with regard to any of its employees or job positions. The
31 State Personnel Board shall immediately suspend all hirings,
32 promotions, reclassifications, reallocations and pay grade
33 realignments of employees or job positions in accordance with
34 Section 25-9-116.

35 (2) If a state agency determines that it is necessary to
36 purchase any equipment or hire any new employees before July 1,



37 2002, the agency may appeal to the State Fiscal Officer. The
38 State Fiscal Officer shall immediately notify the Joint
39 Legislative Budget Committee of the state agency's appeal and the
40 date upon which the State Fiscal Officer will hold a hearing on
41 the appeal. The State Fiscal Officer shall grant a hearing to the
42 state agency on its appeal within fifteen (15) days after notice
43 of the appeal is given to the State Fiscal Officer. The hearing
44 shall not be a public meeting; however, any member of the Joint
45 Legislative Budget Committee may attend the hearing. At the
46 hearing, the state agency must demonstrate to the satisfaction of
47 the State Fiscal Officer that a serious emergency exists of such
48 magnitude that the essential mission of the agency cannot be
49 carried out without the immediate purchase of the equipment or the
50 hiring of the new employees. If the state agency makes the
51 demonstration required by this subsection, the State Fiscal
52 Officer, in his discretion, may authorize the agency to purchase
53 some or all of the equipment or hire some or all of the new
54 employees requested by the agency.

55 (3) A state agency may take any action that otherwise would
56 be prohibited under subsection (1) of this section if all of the
57 funds to be expended to fund that action are federal funds,
58 state-source special funds or a combination of federal funds and
59 state-source special funds. For the purposes of this subsection,
60 the term "state-source special funds" means all revenues or income
61 from any source, other than federal funds or appropriations from
62 the State General Fund, that are received, collected by or
63 available for the support of or expenditure by a state agency.

64 (4) For purposes of this section, the term "state agency"
65 means any agency, board, commission, department or institution of
66 the State of Mississippi.

67 **SECTION 2.** Section 25-9-116, Mississippi Code of 1972, is
68 amended as follows:

69 **[Through June 30, 2002, this section will read as follows:]**



70 25-9-116. * * * The State Personnel Board shall institute an
71 immediate suspension of all hirings, promotions,
72 reclassifications, reallocations and pay grade realignments * * *.
73 However, that suspension does not prohibit an agency from hiring
74 new employees, promoting employees, or reclassifying, reallocating
75 or realigning a pay grade with regard to any of its employees or
76 job positions, if all of the funds to be expended to fund the
77 action taken by the agency are federal funds, state-source special
78 funds or a combination of federal funds and state-source special
79 funds. For the purposes of this section, the term "state-source
80 special funds" has the meaning provided in Section 1(3) of this
81 act.

82 **[From and after July 1, 2002, this section will read as**
83 **follows:]**

84 25-9-116. Upon recommendation of the State Fiscal Officer,
85 after a determination that the state revenue and expenditure
86 requires such action the State Personnel Board may institute an
87 immediate suspension of all hirings, promotions,
88 reclassifications, reallocations and pay grade realignments until
89 such time as the State Fiscal Officer shall recommend that such
90 action is no longer required.

91 **SECTION 3.** Section 27-104-13, Mississippi Code of 1972, is
92 brought forward as follows:

93 27-104-13. The State Fiscal Officer shall have the right to
94 disapprove or reduce and revise such estimates of general funds
95 and state-source special funds for any General Fund or special
96 fund agency, and for the "administration and other expenses"
97 budget of the State Highway Department, in an amount not to exceed
98 five percent (5%) if he finds that funds will not be available
99 within the period for which the budget is drawn, or if he finds
100 that the requested expenditures, or any part thereof, are not
101 authorized by law, and such action shall be reported to the
102 Legislative Budget Office. The State Fiscal Officer may, upon his



103 determination of need based upon a finding that funds will not be
104 available within the period for which the budget is drawn,
105 transfer funds as provided in Section 27-103-203, from the Working
106 Cash-Stabilization Reserve Fund to the General Fund to supplement
107 the General Fund revenue. In the event that the estimates of
108 general funds and state-source special funds of all General Fund
109 and special fund agencies, and of the "administration and other
110 expenses" budget of the State Highway Department, have been
111 reduced by five percent (5%), additional reductions may be made
112 but shall consist of a uniform percentage reduction of general
113 funds and state-source special funds to all General Fund and
114 special fund agencies, and to the "administration and other
115 expenses" budget of the State Highway Department. Any
116 state-source special funds reduced under the provisions of this
117 section shall be transferred to the State General Fund upon
118 requisitions for warrants signed by the respective agency head and
119 said transfer shall be made within a reasonable period to be
120 determined by the State Fiscal Officer.

121 For the purpose of this section, "state-source special funds"
122 shall be construed to mean any special funds in any agency derived
123 from any source, but shall not include the following special
124 funds: special funds derived from federal sources, from local or
125 regional political subdivisions, or from donations; special funds
126 held in a fiduciary capacity for the benefit of specific persons
127 or classes of persons; self-generated special funds of the State
128 Institutions of Higher Learning or the state junior colleges;
129 special funds of Mississippi Industries for the Blind, the State
130 Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
131 District, Pearl River Basin Development District, Pearl River
132 Valley Water Management District, Tombigbee River Valley Water
133 Management District, Yellow Creek Watershed Authority, or Coast
134 Coliseum Commission; special funds of the Department of Wildlife,
135 Fisheries and Parks derived from the issuance of hunting or



136 fishing licenses; and special funds generated by agencies whose
137 primary function includes the establishment of standards and the
138 issuance of licenses for the practice of a profession within the
139 State of Mississippi.

140 **SECTION 4.** Section 31-17-123, Mississippi Code of 1972, is
141 brought forward as follows:

142 31-17-123. The intent of the Legislature is to authorize
143 borrowing funds under the provisions of Sections 31-17-101 through
144 31-17-123 to offset any temporary cash flow deficiencies and
145 should not be construed to authorize the borrowing of any funds in
146 an amount which cannot be repaid during the fiscal year in which
147 such funds are borrowed. The State Tax Commission and University
148 Research Center, utilizing all available revenue forecast data,
149 shall annually develop a General Fund revenue estimate to be
150 adopted by the Legislative Budget Office as of the date of sine
151 die adjournment. If, at the end of October, or at the end of any
152 month thereafter of any fiscal year, the revenues received for the
153 fiscal year shall fall below ninety-eight percent (98%) of the
154 Legislative Budget Office General Fund revenue estimate at the
155 date of sine die adjournment, the State Fiscal Officer shall
156 reduce allocations of general funds and state-source special funds
157 to General Fund and special fund agencies and to the
158 "administration and other expenses" budget of the State Highway
159 Department in an amount necessary to keep expenditures within the
160 sum of actual General Fund receipts including any transfers to the
161 General Fund from the Working Cash-Stabilization Reserve Fund for
162 the fiscal year. The State Fiscal Officer may, upon his
163 determination of need based on the revenue shortfall, transfer
164 funds as provided in Section 27-103-203, from the Working
165 Cash-Stabilization Reserve Fund to the General Fund to supplement
166 the General Fund revenue. State-source special funds in an amount
167 equal to any reduction made under the provisions of this section
168 shall be transferred to the State General Fund upon requisitions



169 for warrants signed by the respective agency head and such
170 transfer shall be made within a reasonable period to be determined
171 by the State Fiscal Officer. No agency's allocation shall be
172 reduced in an amount to exceed five percent (5%); however, in the
173 event that the allocations of general funds and state-source
174 special funds to all General Fund and special fund agencies and to
175 the "administration and other expenses" budget of the State
176 Highway Department have been reduced by five percent (5%), any
177 additional reductions required to be made hereunder shall consist
178 of a uniform percentage reduction of general funds and
179 state-source special funds to all General Fund and special fund
180 agencies, and to the "administration and other expenses" budget of
181 the State Highway Department. Any receipt from loans authorized
182 by Sections 31-17-101 through 31-17-123 shall not be included as
183 revenue receipts. The State Fiscal Officer shall immediately send
184 notice of any action taken under authority of this section to the
185 Legislative Budget Office.

186 For the purpose of this section, "state-source special funds"
187 shall be construed to mean any special funds in any agency derived
188 from any source, but shall not include the following special
189 funds: special funds derived from federal sources, from local or
190 regional political subdivisions, or from donations; special funds
191 held in a fiduciary capacity for the benefit of specific persons
192 or classes of persons; self-generated special funds of the State
193 Institutions of Higher Learning or the state junior colleges;
194 special funds of Mississippi Industries for the Blind, the State
195 Port at Gulfport, Yellow Creek Inland Port, Pat Harrison Waterway
196 District, Pearl River Basin Development District, Pearl River
197 Valley Water Management District, Tombigbee River Valley Water
198 Management District, Yellow Creek Watershed Authority, or Coast
199 Coliseum Commission; special funds of the Department of Wildlife,
200 Fisheries and Parks derived from the issuance of hunting or
201 fishing licenses; and special funds generated by agencies whose



202 primary function includes the establishment of standards and the
203 issuance of licenses for the practice of a profession within the
204 State of Mississippi.

205 **SECTION 5.** This act shall take effect and be in force from
206 and after its passage.

