

By: Senator(s) Jackson

To: Appropriations

SENATE BILL NO. 3008

1 AN ACT TO PROVIDE FOR THE TRANSFER OF A CERTAIN AMOUNT OF  
 2 FUNDS FROM THE WORKING CASH-STABILIZATION RESERVE FUND TO THE  
 3 STATE AGENCY REPAIR AND RENOVATION FUND, THE INSTITUTIONS OF  
 4 HIGHER LEARNING REPAIR AND RENOVATION FUND AND THE COMMUNITY  
 5 COLLEGE REPAIR AND RENOVATION FUND; TO AMEND SECTION 27-103-203,  
 6 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT UNDER CERTAIN  
 7 CIRCUMSTANCES A CERTAIN AMOUNT OF UNENCUMBERED CASH IN THE GENERAL  
 8 FUND SHALL BE TRANSFERRED TO THE REPAIR AND RENOVATION FUNDS; TO  
 9 AMEND SECTIONS 27-103-125 AND 27-103-139, MISSISSIPPI CODE OF  
 10 1972, TO PROVIDE THAT FOR THE PURPOSE OF THE FORMULATION OF A  
 11 BALANCED BUDGET FOR THE STATE, THE UNENCUMBERED BALANCES IN  
 12 GENERAL FUNDS THAT WILL BE AVAILABLE AT THE CLOSE OF THE FISCAL  
 13 YEAR SHALL NOT INCLUDE PROJECTED AMOUNTS REQUIRED TO BE DEPOSITED  
 14 INTO THE REPAIR AND RENOVATION FUND; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** On October 15, 2002, any balances in excess of  
 17 Two Hundred Million Dollars (\$200,000,000.00) in the Working  
 18 Cash-Stabilization Reserve Fund created pursuant to Section  
 19 27-103-203, Mississippi Code of 1972, shall be transferred by the  
 20 State Treasurer as follows:

21 (a) Fifty percent (50%) to the State Agency Repair and  
 22 Renovation Fund created pursuant to Section 29-17-4, Mississippi  
 23 Code of 1972;

24 (b) Twenty-five percent (25%) to the Institutions of  
 25 Higher Learning Repair and Renovation Fund created pursuant to  
 26 Section 37-101-81, Mississippi Code of 1972; and

27 (c) Twenty-five percent (25%) to the Community College  
 28 Repair and Renovation Fund created pursuant to Section 37-29-268,  
 29 Mississippi Code of 1972.

30 **SECTION 2.** Section 27-103-203, Mississippi Code of 1972, is  
 31 amended as follows:

32 27-103-203. (1) (a) There is created in the State Treasury  
 33 a special fund, separate and apart from any other fund, to be



34 designated the Working Cash-Stabilization Reserve Fund, into which  
35 (b) There shall be deposited into the Working  
36 Cash-Stabilization Reserve Fund one hundred percent (100%) of the  
37 unencumbered General Fund cash balance at the close of each fiscal  
38 year until such time as the balance in the fund reaches Forty  
39 Million Dollars (\$40,000,000.00).

40 (c) Except as otherwise provided in paragraph (d) of  
41 this subsection (1), after the balance in the fund reaches Forty  
42 Million Dollars (\$40,000,000.00), fifty percent (50%) of the  
43 unencumbered General Fund cash balance at the close of each fiscal  
44 year, not to exceed Two Hundred Million Dollars (\$200,000.00),  
45 shall be deposited into the fund. The remainder of the year-end  
46 unencumbered cash after transfer to the Working Cash-Stabilization  
47 Reserve Fund shall remain in the General Fund; however, if the  
48 remainder is in excess of Thirty Million Dollars (\$30,000,000.00),  
49 fifty percent (50%) of such remainder, not to exceed Twenty  
50 Million Dollars (\$20,000,000.00), shall remain in the General  
51 Fund, and the rest of such remainder, not to exceed Twenty Million  
52 Dollars (\$20,000,000.00), shall be transferred as follows:

53 (i) Fifty percent (50%) to the State Agency Repair  
54 and Renovation Fund created pursuant to Section 29-17-4;

55 (ii) Twenty-five percent (25%) to the Institutions  
56 of Higher Learning Repair and Renovation Fund created pursuant to  
57 Section 37-101-81; and

58 (iii) Twenty-five percent (25%) to the Community  
59 College Repair and Renovation Fund created pursuant to Section  
60 37-29-268.

61 Any remaining General Fund cash balance shall remain in the  
62 General Fund. Unencumbered cash in the General Fund may be used  
63 for new year cash flow needs and may also be used for deficit  
64 appropriations or regular appropriations.

65 (2) The Working Cash-Stabilization Reserve Fund shall not be  
66 considered as a surplus or available funds when adopting a



67 balanced budget as required by law. The State Treasurer shall  
68 invest all sums in the Working Cash-Stabilization Reserve Fund not  
69 needed for the purposes provided for in this section in  
70 certificates of deposit, repurchase agreements and other  
71 securities as authorized in Sections 27-105-33(d) or 7-9-103, as  
72 the State Treasurer may determine to yield the highest market rate  
73 available. If the Ayers Settlement Fund is created pursuant to  
74 Section 37-101-27(5), the first Five Million Dollars  
75 (\$5,000,000.00) of interest earned on such sums each fiscal year  
76 shall be deposited into that fund until a total of Seventy Million  
77 Dollars (\$70,000,000.00) has been deposited into the fund. The  
78 interest, or the remaining interest if the Ayers Settlement Fund  
79 is created, which is earned on such sums shall be deposited in the  
80 Working Cash-Stabilization Reserve Fund until the balance of  
81 principal and interest therein reaches Two Hundred Million Dollars  
82 (\$200,000.00) for the current fiscal year, and all interest earned  
83 in excess of amounts necessary to maintain the Two Hundred Million  
84 Dollar (\$200,000.00) fund balance requirement shall be deposited  
85 by the State Treasurer into the State General Fund.

86 (3) The Working Cash-Stabilization Reserve Fund, except for  
87 Nineteen Million Dollars (\$19,000,000.00) and the amount of the  
88 interest and income earned on the principal of the Ayers Endowment  
89 Trust created by Section 37-101-27, shall be used by the State  
90 Treasurer for cash flow needs throughout the year when the  
91 Executive Director of the Department of Finance and Administration  
92 certifies that in his opinion there will be cash flow deficiencies  
93 in the State General Fund. No borrowing of monies from other  
94 special funds for such purposes as authorized by Section 31-17-101  
95 et seq. shall be made as long as an unencumbered balance in excess  
96 of Nineteen Million Dollars (\$19,000,000.00) and the interest and  
97 income earned on the principal of the Ayers Endowment Trust  
98 created by Section 37-101-27 remains in the fund. The State  
99 Treasurer shall reimburse the fund for all sums borrowed for such



100 purposes from General Fund revenues collected during the fiscal  
101 year in which such funds are used. The State Treasurer shall  
102 immediately notify the Legislative Budget Office and the State  
103 Department of Finance and Administration of each transfer into and  
104 out of such fund. Four Million Dollars (\$4,000,000.00) in the  
105 Working Cash-Stabilization Reserve Fund shall remain available for  
106 use pursuant to Section 27-103-81. Fifteen Million Dollars  
107 (\$15,000,000.00) in the Working Cash-Stabilization Reserve Fund  
108 shall remain available for exclusive use of the Ayers Endowment  
109 Trust created by Section 37-101-27. If the Ayers Settlement Fund  
110 is created pursuant to Section 37-101-27(5), beginning when a  
111 total of Fifty-five Million Dollars (\$55,000,000.00) has been  
112 deposited into the fund, for each annual deposit of interest to  
113 that fund under subsection (2) of this section, the Ayers  
114 Endowment Trust created under Section 37-101-27(1) shall be  
115 reduced by an equal amount annually until the Ayers Endowment  
116 Trust reaches Zero Dollars (\$0.00), at which time any requirements  
117 concerning the Ayers Endowment Trust in this section shall be null  
118 and void.

119 (4) The Working Cash-Stabilization Reserve Fund, except for  
120 Forty Million Dollars (\$40,000,000.00), shall also be used for the  
121 purpose of covering any projected deficits that may occur in the  
122 General Fund at the end of a fiscal year as a result of revenue  
123 shortfalls. If the Governor determines that a deficit in revenues  
124 from all sources may occur, it shall be the duty of the Executive  
125 Director of the Department of Finance and Administration to  
126 transfer such funds as necessary to the General Fund to alleviate  
127 the deficit in accordance with Sections 27-104-13 and 31-17-123;  
128 however, not more than Fifty Million Dollars (\$50,000,000.00) may  
129 be transferred from the fund for such purpose in any one (1)  
130 fiscal year. If it becomes necessary to apply a part of the fund  
131 to this purpose, the amount so applied shall be restored to the  
132 Working Cash-Stabilization Reserve Fund out of future annual



133 surpluses, as provided in subsection (1) of this section, until  
134 the Two Hundred Million Dollar (\$200,000.00) fund balance is again  
135 attained.

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

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

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

155 **SECTION 3.** Section 27-103-125, Mississippi Code of 1972, is  
156 amended as follows:

157 27-103-125. The proposed budget of each state agency shall  
158 show the amounts required for operating expenses separately from  
159 the amounts required for permanent improvements. The overall  
160 budget shall show, separately by each source, the estimated amount  
161 of general fund revenue and of special fund revenues of general  
162 fund agencies. The total proposed expenditures in Part 1 of the  
163 overall budget shall not exceed the amount of estimated revenues  
164 which will be available in the general and special funds for  
165 appropriation or use during the succeeding fiscal year, including



166 any balances which will be on hand in the general and special  
167 funds at the close of the then current fiscal year. Beginning  
168 with the budget for fiscal year 1994, the total proposed  
169 expenditures from the General Fund in Part 1 of the overall budget  
170 shall not exceed ninety-eight percent (98%) of the amount of  
171 General Fund revenue estimate for the succeeding fiscal year, plus  
172 any unencumbered balances in general funds that will be available  
173 and on hand at the close of the then current fiscal year. The  
174 General Fund revenue estimate shall be the estimate jointly  
175 adopted by the Governor and the Joint Legislative Budget  
176 Committee. Unencumbered balances in general funds that will be  
177 available and on hand at the close of the current fiscal year  
178 shall not include projected amounts required to be deposited into  
179 the Working Cash-Stabilization Reserve Fund, the Institutions of  
180 Higher Learning Repair and Renovation Fund, the Community College  
181 Repair and Renovation Fund and the State Agency Repair and  
182 Renovation Fund pursuant to Section 27-103-203. The Legislative  
183 Budget Office may recommend additional taxes or sources of revenue  
184 if in its judgment such additional funds are necessary to  
185 adequately support the functions of the state government.

186       **SECTION 4.** Section 27-103-139, Mississippi Code of 1972, is  
187 amended as follows:

188       27-103-139. On or before November 15 preceding each regular  
189 session of the Legislature, except the first regular session of a  
190 new term of office, the Governor shall submit to the members of  
191 the Legislature, the Legislative Budget Office or the  
192 members-elect, as the case may be, and to the executive head of  
193 each state agency a balanced budget for the succeeding fiscal  
194 year. Beginning with the 1996 fiscal year, the budget submitted  
195 shall be prepared in a format which will include performance  
196 measurement data associated with the various programs operated by  
197 each agency. The total proposed expenditures in the balanced  
198 budget shall not exceed the amount of estimated revenues that will



199 be available for appropriation or use during the succeeding fiscal  
200 year, including any balances that will be on hand at the close of  
201 the then current fiscal year, as determined by the revenue  
202 estimate jointly adopted by the Governor and the Legislative  
203 Budget Committee. Beginning with the budget for Fiscal Year 1994,  
204 the total proposed expenditures from the General Fund in the  
205 balanced budget shall not exceed ninety-eight percent (98%) of the  
206 amount of General Fund revenue estimate for the succeeding fiscal  
207 year, plus any unencumbered balances in general funds that will be  
208 available and on hand at the close of the then current fiscal  
209 year. The General Fund revenue estimate shall be the estimate  
210 jointly adopted by the Governor and the Joint Legislative Budget  
211 Committee. Unencumbered balances in general funds that will be  
212 available and on hand at the close of the fiscal year shall not  
213 include projected amounts required to be deposited into the  
214 Working Cash-Stabilization Reserve Fund, the Institutions of  
215 Higher Learning Repair and Renovation Fund, the Community College  
216 Repair and Renovation Fund and the State Agency Repair and  
217 Renovation Fund pursuant to Section 27-103-203.

218 The revenues used in preparing the balanced budget shall be  
219 only those revenues that will be available under the general laws  
220 of the state as they exist when the balanced budget is prepared,  
221 and shall not include any proposed revenues that would become  
222 available only after the enactment of new legislation. If the  
223 Governor has any recommendations for additional proposed  
224 expenditures or proposed revenues that are not included in his  
225 balanced budget, he shall submit those recommendations in a  
226 supplement that is separate from his balanced budget, and whenever  
227 the Governor recommends any such additional proposed expenditures,  
228 he also shall recommend proposed revenues that are sufficient to  
229 fund the additional proposed expenditures, providing specific  
230 details regarding the sources and the total amount of those  
231 proposed revenues.



232           The Governor may employ a budget officer for the purpose of  
233 receiving information from the State Fiscal Officer and preparing  
234 his recommendations on the budget. In the event the Governor  
235 determines that information received from the State Fiscal Officer  
236 is not sufficient to enable him to prepare his budget  
237 recommendations, he may request an appropriation from the  
238 Legislature to provide additional staff within the Governor's  
239 Office for such purpose. At the first regular session after his  
240 election for Governor, the Governor shall submit any budget  
241 recommendations plus the required revenue source recommendations  
242 no later than January 31 of such year.

243           **SECTION 5.** This act shall take effect and be in force from  
244 and after October 15, 2002.

