

By: Representative Frierson

To: Appropriations

HOUSE BILL NO. 878

1 AN ACT TO BRING FORWARD SECTIONS 27-103-125, 27-103-139,
2 27-103-203, 27-103-211, 27-103-213, 27-103-302, 27-103-303,
3 43-13-407 AND 65-37-13, MISSISSIPPI CODE OF 1972, WHICH RELATE TO
4 VARIOUS ASPECTS OF THE BUDGET PROCESS, FOR THE PURPOSES OF
5 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 27-103-125, Mississippi Code of 1972, is
8 brought forward as follows:

9 27-103-125. The proposed budget of each state agency shall
10 show the amounts required for operating expenses separately from
11 the amounts required for permanent improvements. The overall
12 budget shall show, separately by each source, the estimated amount
13 of general fund revenue and of special fund revenues of general
14 fund agencies. The total proposed expenditures in Part 1 of the
15 overall budget shall not exceed the amount of estimated revenues
16 that will be available in the general and special funds for
17 appropriation or use during the succeeding fiscal year, including
18 any balances that will be on hand in the general and special funds
19 at the close of the then current fiscal year. The total proposed



20 expenditures from the State General Fund in Part 1 of the overall
21 budget shall not exceed ninety-eight percent (98%) of the amount
22 of general fund revenue estimate for the succeeding fiscal year,
23 plus any unencumbered balances in general funds that will be
24 available and on hand at the close of the then current fiscal
25 year. However, for fiscal years 2010, 2011, 2012 and 2016 only,
26 the total proposed expenditures from the State General Fund in
27 Part 1 of the overall budget shall not exceed one hundred percent
28 (100%) of the amount of the general fund revenue estimate for the
29 succeeding fiscal year, plus any unencumbered balances in general
30 funds that will be available and on hand at the close of the then
31 current fiscal year. The general fund revenue estimate shall be
32 the estimate jointly adopted by the Governor and the Joint
33 Legislative Budget Committee. Unencumbered balances in general
34 funds that will be available and on hand at the close of the
35 current fiscal year shall not include projected amounts required
36 to be deposited into the Working Cash-Stabilization Reserve Fund
37 under Section 27-103-203. The Legislative Budget Office may
38 recommend additional taxes or sources of revenue if in its
39 judgment those additional funds are necessary to adequately
40 support the functions of the state 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 that
55 will be on hand at the close of the then current fiscal year, as
56 determined by the revenue estimate jointly adopted by the Governor
57 and the Legislative Budget Committee. The total proposed
58 expenditures from the State General Fund in the balanced budget
59 shall not exceed ninety-eight percent (98%) of the amount of
60 general fund revenue estimate for the succeeding fiscal year, plus
61 any unencumbered balances in general funds that will be available
62 and on hand at the close of the then current fiscal year.
63 However, for fiscal years 2010, 2011, 2012 and 2016 only, the
64 total proposed expenditures from the State General Fund in the
65 balanced budget shall not exceed one hundred percent (100%) of the
66 amount of the general fund revenue estimate for the succeeding
67 fiscal year, plus any unencumbered balances in general funds that
68 will be available and on hand at the close of the then current
69 fiscal year. The general fund revenue estimate shall be the



70 estimate jointly adopted by the Governor and the Joint Legislative
71 Budget Committee. Unencumbered balances in general funds that
72 will be available and on hand at the close of the fiscal year
73 shall not include projected amounts required to be deposited into
74 the Working Cash-Stabilization Reserve Fund and the Education
75 Enhancement Fund under Section 27-103-203.

76 The revenues used in preparing the balanced budget shall be
77 only those revenues that will be available under the general laws
78 of the state as they exist when the balanced budget is prepared,
79 and shall not include any proposed revenues that would become
80 available only after the enactment of new legislation. If the
81 Governor has any recommendations for additional proposed
82 expenditures or proposed revenues that are not included in his
83 balanced budget, he shall submit those recommendations in a
84 supplement that is separate from his balanced budget, and whenever
85 the Governor recommends any such additional proposed expenditures,
86 he also shall recommend proposed revenues that are sufficient to
87 fund the additional proposed expenditures, providing specific
88 details regarding the sources and the total amount of those
89 proposed revenues.

90 The Governor may employ a budget officer for the purpose of
91 receiving information from the State Fiscal Officer and preparing
92 his recommendations on the budget. If the Governor determines
93 that information received from the State Fiscal Officer is not
94 sufficient to enable him to prepare his budget recommendations, he



95 may request an appropriation from the Legislature to provide
96 additional staff within the Governor's office for that purpose.
97 At the first regular session after his election for Governor, the
98 Governor shall submit any budget recommendations plus the required
99 revenue source recommendations no later than January 31 of that
100 year.

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

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

106 (2) The Working Cash-Stabilization Reserve Fund shall not be
107 considered as a surplus or available funds when adopting a
108 balanced budget as required by law. The State Treasurer shall
109 invest all sums in the Working Cash-Stabilization Reserve Fund not
110 needed for the purposes provided for in this section in
111 certificates of deposit, repurchase agreements and other
112 securities as authorized in Section 27-105-33(d) or Section
113 7-9-103, as the State Treasurer may determine to yield the highest
114 market rate available. If the Ayers Settlement Fund is created
115 under Section 37-101-27(5), the first Five Million Dollars
116 (\$5,000,000.00) of interest earned on those sums each fiscal year
117 shall be deposited into that fund until a total of Seventy Million
118 Dollars (\$70,000,000.00) has been deposited into the fund. The
119 interest, or the remaining interest if the Ayers Settlement Fund



120 is created, that is earned on those sums shall be deposited in the
121 Working Cash-Stabilization Reserve Fund until the balance of
122 principal and interest in the fund reaches seven and one-half
123 percent (7-1/2%) of the total General Fund appropriations for the
124 current fiscal year, and all interest earned in excess of amounts
125 necessary to maintain the seven and one-half percent (7-1/2%) fund
126 balance requirement shall be deposited by the State Treasurer into
127 the State General Fund.

128 (3) The Working Cash-Stabilization Reserve Fund, except for
129 Fifteen Million Dollars (\$15,000,000.00) and the amount of the
130 interest and income earned on the principal of the Ayers Endowment
131 Trust created by Section 37-101-27, shall be used by the State
132 Treasurer for cash flow needs throughout the year when the
133 Executive Director of the Department of Finance and Administration
134 certifies that in his opinion there will be cash flow deficiencies
135 in the State General Fund. No borrowing of monies from other
136 special funds for such purposes as authorized by Section 31-17-101
137 et seq., shall be made as long as an unencumbered balance in
138 excess of Fifteen Million Dollars (\$15,000,000.00) and the
139 interest and income earned on the principal of the Ayers Endowment
140 Trust created by Section 37-101-27 remains in the fund. The State
141 Treasurer shall reimburse the fund for all sums borrowed for those
142 purposes from General Fund revenues collected during the fiscal
143 year in which those funds are used. The State Treasurer shall
144 immediately notify the Legislative Budget Office and the State



145 Department of Finance and Administration of each transfer into and
146 out of the fund. Fifteen Million Dollars (\$15,000,000.00) in the
147 Working Cash-Stabilization Reserve Fund shall remain available for
148 exclusive use of the Ayers Endowment Trust created by Section
149 37-101-27. If the Ayers Settlement Fund is created under Section
150 37-101-27(5), beginning when a total of Fifty-five Million Dollars
151 (\$55,000,000.00) has been deposited into the fund, for each annual
152 deposit of interest to that fund under subsection (2) of this
153 section, the Ayers Endowment Trust created under Section
154 37-101-27(1) shall be reduced by an equal amount annually until
155 the Ayers Endowment Trust reaches Zero Dollars (\$0.00), at which
156 time any requirements concerning the Ayers Endowment Trust in this
157 section shall be null and void.

158 (4) The Working Cash-Stabilization Reserve Fund, except for
159 Forty Million Dollars (\$40,000,000.00), shall also be used for the
160 purpose of covering any projected deficits that may occur in the
161 General Fund at the end of a fiscal year as a result of revenue
162 shortfalls. If the Governor determines that a deficit in revenues
163 from all sources may occur, it shall be the duty of the Executive
164 Director of the Department of Finance and Administration to
165 transfer such funds as necessary to the General Fund to alleviate
166 the deficit in accordance with Sections 27-104-13 and 31-17-123;
167 however, not more than Fifty Million Dollars (\$50,000,000.00) may
168 be transferred from the fund for that purpose in any one (1)
169 fiscal year.



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

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

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

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

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



195 27-103-211. The total sum appropriated by the Legislature
196 from the State General Fund for any fiscal year shall not exceed
197 ninety-eight percent (98%) of the general fund revenue estimate
198 for that fiscal year developed by the Department of Revenue and
199 the University Research Center and adopted by the Joint
200 Legislative Budget Committee, plus any unencumbered balances in
201 general funds that will be available and on hand at the close of
202 the then current fiscal year. The unencumbered balances in
203 general funds that will be available and on hand at the close of
204 the fiscal year shall not include projected amounts required to be
205 deposited into the Working Cash-Stabilization Reserve Fund under
206 Section 27-103-203. However, for fiscal years 2010, 2011, 2012,
207 2015 and 2016 only, the total sum appropriated by the Legislature
208 from the State General Fund shall not exceed one hundred percent
209 (100%) of the amount of the general fund revenue estimate for that
210 fiscal year, plus any unencumbered balances in general funds that
211 will be available and on hand at the close of the then current
212 fiscal year.

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

215 27-203-213. (1) The unencumbered cash balance in the
216 General Fund in the State Treasury at the close of each fiscal
217 year shall be distributed to the Municipal Revolving Fund, the
218 Working Cash-Stabilization Reserve Fund and the Capital Expense
219 Fund in the manner provided in this section, except for fiscal



220 year 2014 in which the unencumbered cash balance at the close of
221 fiscal year 2014 shall be distributed as provided in subsection
222 (4) of this section.

223 (2) (a) At the end of each fiscal year, the Director of the
224 Department of Finance and Administration and the State Treasurer
225 shall determine the extent of the unencumbered cash balance
226 existing in the General Fund in the State Treasury.

227 (b) As used in this section, the term "unencumbered
228 cash balance" or "unencumbered General Fund cash balance" means
229 the amount in the State General Fund after deducting all
230 appropriations and other expenditures. However, if the
231 Legislature has authorized additional or deficit appropriations or
232 transfers from the State General Fund for that fiscal year, those
233 amounts shall be subtracted from the unencumbered cash balance in
234 the General Fund before determining the amount available for
235 distribution. The unencumbered General Fund cash balance shall
236 not be determined until after August 31 of each year, and it shall
237 not be made until the State Treasurer has received a certificate
238 in writing from the Director of the Department of Finance and
239 Administration, with notification to the Legislative Budget
240 Office, showing the amount of the unencumbered General Fund cash
241 balance.

242 (3) If any unencumbered General Fund cash balance is
243 available for distribution under this section, the distribution of



244 those funds shall be made by the Director of the Department of
245 Finance and Administration in the following order:

246 (a) To the Municipal Revolving Fund, an amount equal to
247 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if
248 the amount of the unencumbered General Fund cash balance is less
249 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the
250 total amount of the unencumbered General Fund cash balance shall
251 be distributed to the Municipal Revolving Fund.

252 (b) To the Working Cash—Stabilization Reserve Fund, the
253 amount of the unencumbered General Fund cash balance not
254 distributed under paragraph (a) until such time as the balance in
255 the fund reaches Forty Million Dollars (\$40,000,000.00).

256 (c) To remain in the State General Fund, an amount
257 equal to one percent (1%) of the General Fund appropriations for
258 the fiscal year that the unencumbered General Fund cash balance
259 represents; however, if the amount of the unencumbered General
260 Fund cash balance after the distributions are made under
261 paragraphs (a) and (b) is less than one percent (1%) of the
262 General Fund appropriations, then the total amount of the
263 unencumbered General Fund cash balance not distributed under
264 paragraphs (a) and (b) shall remain in the State General Fund.
265 For the purposes of this paragraph (c), the appropriations for the
266 fiscal year shall be the total amount contained in the actual
267 appropriation bills passed by the Legislature.



268 (d) To the Working Cash-Stabilization Reserve Fund,
269 fifty percent (50%) of the amount of the unencumbered General Fund
270 cash balance after the distributions are made under paragraphs
271 (a), (b) and (c), not to exceed seven and one-half percent
272 (7-1/2%) of the General Fund appropriations for the fiscal year
273 that the unencumbered General Fund cash balance represents. For
274 the purposes of this paragraph (d), the appropriations for the
275 fiscal year shall be the total amount contained in the actual
276 appropriation bills passed by the Legislature.

277 (e) To the Capital Expense Fund, any remaining amount
278 of the unencumbered General Fund cash balance after the
279 distributions are made under paragraphs (a), (b), (c) and (d).

280 (4) For fiscal year 2014, if any unencumbered General Fund
281 cash balance is available for distribution under this section at
282 the close of the fiscal year, the distribution of those funds
283 shall be made by the Director of the Department of Finance and
284 Administration in the following order:

285 (a) To the Municipal Revolving Fund, an amount equal to
286 Seven Hundred Fifty Thousand Dollars (\$750,000.00); however, if
287 the amount of the unencumbered General Fund cash balance is less
288 than Seven Hundred Fifty Thousand Dollars (\$750,000.00), then the
289 total amount of the unencumbered General Fund cash balance shall
290 be distributed to the Municipal Revolving Fund.

291 (b) To the Working Cash-Stabilization Reserve Fund, the
292 amount of the unencumbered General Fund cash balance not



293 distributed under paragraph (a) until such time as the balance in
294 the fund reaches Forty Million Dollars (\$40,000,000.00).

295 (c) To the Working Cash-Stabilization Reserve Fund, Two
296 Hundred Eighty-six Million Nine Hundred Fifty-nine Thousand Seven
297 Hundred Ninety-eight Dollars (\$286,959,798.00) of the amount of
298 the unencumbered General Fund cash balance after the distributions
299 are made under paragraphs (a) and (b); however, if the amount of
300 the unencumbered General Fund cash balance is less than Two
301 Hundred Eighty-six Million Nine Hundred Fifty-nine Thousand Seven
302 Hundred Ninety-eight Dollars (\$286,959,798.00), then the total
303 amount of the unencumbered General Fund cash balance after the
304 distributions are made under paragraphs (a) and (b) shall be
305 distributed to the Working Cash-Stabilization Reserve Fund. For
306 the purposes of this paragraph (c), the appropriations for the
307 fiscal year shall be the total amount contained in the actual
308 appropriation bills passed by the Legislature.

309 (d) To the Capital Expense Fund, any remaining amount
310 of the unencumbered General Fund cash balance after the
311 distributions are made under paragraphs (a), (b) and (c).

312 **SECTION 6.** Section 27-103-302, Mississippi Code of 1972, is
313 brought forward as follows:

314 27-103-302. All funds received by or on behalf of the State
315 of Mississippi through a negotiated settlement for economic
316 damages in connection with the explosion on, and sinking of, the
317 mobile offshore drilling unit Deepwater Horizon, except for any



318 funds that are required by the settlement to be paid to any other
319 public entity, shall be deposited into the Budget Contingency Fund
320 for appropriation by the Legislature.

321 **SECTION 7.** Section 27-103-303, Mississippi Code of 1972, is
322 brought forward as follows:

323 27-103-303. (1) There is created in the State Treasury a
324 special fund, separate and apart from any other fund, to be
325 designated the Capital Expense Fund.

326 (2) The Capital Expense Fund shall not be considered as a
327 surplus or available funds when adopting a balanced budget as
328 required by law. The State Treasurer shall invest all sums in the
329 Capital Expense Fund not needed for the purposes provided for in
330 this section in certificates of deposit, repurchase agreements and
331 other securities as authorized in Section 27-105-33(d) or Section
332 7-9-103, as the State Treasurer may determine to yield the highest
333 market rate available. Interest earned on this fund shall be
334 deposited by the State Treasurer into the State General Fund.

335 (3) The Capital Expense Fund shall be used for capital
336 expense needs, repair and renovation of state-owned properties and
337 specific projects authorized by the Legislature. The Legislature
338 shall designate those capital expense projects, repair and
339 renovation projects and other authorized projects in an
340 appropriation act passed by the Legislature, which shall direct
341 the Director of the Department of Finance and Administration to
342 administer the projects.



343 (4) In addition to the purposes specified in subsection (3)
344 of this section, the Capital Expense Fund shall be used to provide
345 funds for emergency repairs on state-owned buildings, upon
346 requisition of the Director of the Department of Finance and
347 Administration. Whenever the director determines that funds are
348 immediately needed for emergency repairs on state-owned buildings,
349 he shall requisition the funds needed from the Capital Expense
350 Fund, which shall be subject to the limitations set forth in this
351 subsection. At the same time he makes the requisition, the
352 director shall notify the Lieutenant Governor, the Speaker of the
353 House of Representatives, the respective Chairmen of the Senate
354 Appropriations Committee, the Senate Finance Committee, the House
355 Appropriations Committee and the House Ways and Means Committee
356 and the Legislative Budget Office of his determination of the need
357 for the funds, the amount that he has requisitioned and where the
358 funds will be used. If the amount requisitioned is available in
359 the Capital Expense Fund, is not allocated for any specific
360 projects as authorized in subsection (3) of this section and is
361 within the limitations set forth below in this subsection, then
362 the director may escalate the budget of the Bureau of Building,
363 Grounds and Real Property Management to use the full amount of the
364 requisitioned funds for the emergency repairs, and transfer that
365 amount to the bureau for that purpose. If the amount
366 requisitioned is more than the amount available in the Capital
367 Expense Fund or above the limitations set forth below in this



368 subsection, then the director may escalate the budget of the
369 bureau to use the amount that is available within the limitations
370 for the emergency repairs, and transfer that amount to the bureau
371 for that purpose. The maximum amount that may be transferred from
372 the Capital Expense Fund to the bureau for any single emergency
373 shall be Five Hundred Thousand Dollars (\$500,000.00), and the
374 maximum amount that may be transferred to the bureau for all
375 emergencies during any fiscal year shall be Two Million Dollars
376 (\$2,000,000.00).

377 (5) Funds deposited in the Capital Expense Fund shall be
378 used only for the purposes specified in this section, and as long
379 as the provisions of this section remain in effect, no other
380 expenditure, appropriation or transfer of funds in the Capital
381 Expense Fund shall be made except by act of the Legislature making
382 specific reference to the Capital Expense Fund as the source of
383 those funds.

384 (6) Unexpended funds in the Capital Expense Fund at the end
385 of a fiscal year shall not lapse into the State General Fund but
386 shall remain in the fund for use under this section. Any funds
387 appropriated from the Capital Expense Fund that are unexpended at
388 the end of a fiscal year shall lapse into the Capital Expense
389 Fund.

390 **SECTION 8.** Section 43-13-407, Mississippi Code of 1972, is
391 brought forward as follows:



392 43-13-407. (1) In accordance with the purposes of this
393 article, there is established in the State Treasury the Health
394 Care Expendable Fund, into which shall be transferred from the
395 Health Care Trust Fund the following sums:

396 (a) In fiscal year 2005, Four Hundred Fifty-six Million
397 Dollars (\$456,000,000.00);

398 (b) In fiscal year 2006, One Hundred Eighty-six Million
399 Dollars (\$186,000,000.00);

400 (c) In fiscal year 2007, One Hundred Eighty-six Million
401 Dollars (\$186,000,000.00);

402 (d) In fiscal year 2008, One Hundred Six Million
403 Dollars (\$106,000,000.00);

404 (e) In fiscal year 2009, Ninety-two Million Two Hundred
405 Fifty Thousand Dollars (\$92,250,000.00);

406 (f) In the fiscal year beginning after the calendar
407 year in which none of the amount of the annual tobacco settlement
408 installment payment will be deposited into the Health Care
409 Expendable Fund as provided in subsection (3) (d) of this section,
410 and in each fiscal year thereafter, a sum equal to the average
411 annual amount of the dividends, interest and other income,
412 including increases in value of the principal, earned on the funds
413 in the Health Care Trust Fund during the preceding four (4) fiscal
414 years.

415 (2) In any fiscal year in which interest, dividends and
416 other income from the investment of the funds in the Health Care



417 Trust Fund are not sufficient to fund the full amount of the
418 annual transfer into the Health Care Expendable Fund as required
419 in subsection (1)(f) of this section, the State Treasurer shall
420 transfer from tobacco settlement installment payments an amount
421 that is sufficient to fully fund the amount of the annual
422 transfer.

423 (3) Beginning with calendar year 2009, at the time that the
424 State of Mississippi receives the tobacco settlement installment
425 payment for each calendar year, the State Treasurer shall deposit
426 the following amounts of each of those installment payments into
427 the Health Care Expendable Fund:

428 (a) In calendar years 2009 and 2010, the total amount
429 of the installment payment;

430 (b) In calendar year 2011, the amount of the
431 installment payment less Ten Million Dollars (\$10,000,000.00);

432 (c) In calendar years 2012, 2013 and 2014, the total
433 amount of the installment payment;

434 (d) In calendar year 2015, and each calendar year
435 thereafter, the total amount of the installment payment.

436 (4) (a) In addition to any other sums required to be
437 transferred from the Health Care Trust Fund to the Health Care
438 Expendable Fund, the sum of One Hundred Twelve Million Dollars
439 (\$112,000,000.00) shall be transferred from the Health Care Trust
440 Fund to the Health Care Expendable Fund in fiscal year 2011.



441 (b) In addition to any other sums required to be
442 transferred from the Health Care Trust Fund to the Health Care
443 Expendable Fund, the sum of Fifty-six Million Two Hundred
444 Sixty-three Thousand Four Hundred Thirty-eight Dollars
445 (\$56,263,438.00) shall be transferred from the Health Care Trust
446 Fund to the Health Care Expendable Fund during fiscal year 2012.

447 (c) In addition to any other sums required to be
448 transferred from the Health Care Trust Fund to the Health Care
449 Expendable Fund, the sum of Ninety-seven Million Four Hundred
450 Fifty Thousand Three Hundred Thirty-two Dollars (\$97,450,332.00)
451 shall be transferred from the Health Care Trust Fund to the Health
452 Care Expendable Fund during fiscal year 2013.

453 (d) In addition to any other sums required to be
454 transferred from the Health Care Trust Fund to the Health Care
455 Expendable Fund, the sum of Twenty-three Million One Hundred
456 Thousand Dollars (\$23,100,000.00) shall be transferred from the
457 Health Care Trust Fund to the Health Care Expendable Fund during
458 fiscal year 2014.

459 (e) The State Fiscal Officer shall transfer the entire
460 balance in the Health Care Trust Fund to the Health Care
461 Expendable Fund during fiscal year 2015.

462 (5) If Medicaid expenditures are projected to exceed the
463 amount of funds appropriated to the Division of Medicaid in any
464 fiscal year in excess of the expenditure reductions to providers,
465 funds shall be transferred by the State Fiscal Officer from the



466 Health Care Trust Fund into the Health Care Expendable Fund and
467 then to the Governor's Office, Division of Medicaid, in the amount
468 and at such time as requested by the Governor to reconcile the
469 deficit.

470 (6) All income from the investment of the funds in the
471 Health Care Expendable Fund shall be credited to the account of
472 the Health Care Expendable Fund. Any funds in the Health Care
473 Expendable Fund at the end of a fiscal year shall not lapse into
474 the State General Fund. Any funds appropriated from the Health
475 Care Expendable Fund that are unexpended at the end of a fiscal
476 year shall lapse into the Health Care Expendable Fund.

477 (7) The funds in the Health Care Expendable Fund shall be
478 available for expenditure under specific appropriation by the
479 Legislature beginning in fiscal year 2000, and shall be expended
480 exclusively for health care purposes.

481 (8) The provisions of subsection (1) of this section may not
482 be changed in any manner except upon amendment to that subsection
483 by a bill enacted by the Legislature with a vote of not less than
484 three-fifths (3/5) of the members of each house present and
485 voting.

486 (9) If the State Treasurer, in consultation with the
487 Executive Director of the Department of Finance and
488 Administration, determines that there is a need to borrow funds to
489 offset any temporary cash-flow deficiencies in the Health Care
490 Expendable Fund created in this section, the Treasurer may borrow



491 those funds from any state-source special funds in the State
492 Treasury in amounts that can be repaid from the Health Care
493 Expendable Fund during the fiscal year in which the funds are
494 borrowed. The State Treasurer shall immediately notify the
495 Legislative Budget Office and the Department of Finance and
496 Administration of each transfer into and out of the Health Care
497 Expendable Fund.

498 (10) No later than September 30, 2011, the State Treasurer
499 shall transfer from the Health Care Expendable Fund to the Health
500 Care Trust Fund an amount equivalent to the unencumbered ending
501 cash balance of the Health Care Expendable Fund as of June 30,
502 2011, less Three Million Eight Hundred Forty Thousand Dollars
503 (\$3,840,000.00).

504 (11) Subsections (1), (2), (3), (5), (6) and (7) of this
505 section shall stand repealed on July 1, 2019.

506 **SECTION 9.** Section 65-37-13, Mississippi Code of 1972, is
507 brought forward as follows:

508 65-37-13. (1) There is created in the State Treasury a
509 special fund to be designated as the "Local System Bridge
510 Replacement and Rehabilitation Fund." The fund shall consist of
511 monies that the Legislature appropriates under subsection (2) of
512 this section, the proceeds of bonds issued under Section 10 of
513 Chapter 557, Laws of 2009, and any other monies that the
514 Legislature may designate for deposit into the fund. Monies in
515 the fund may be expended upon legislative appropriation in



516 accordance with the provisions of Sections 65-37-1 through
517 65-37-15.

518 (2) (a) During each regular legislative session held in
519 calendar years 1995, 1996, 1997 and 1998, if the official General
520 Fund revenue estimate for the succeeding fiscal year for which
521 appropriations are being made reflects a growth in General Fund
522 revenues of three percent (3%) or more for that succeeding fiscal
523 year, then the Legislature shall appropriate Twenty-five Million
524 Dollars (\$25,000,000.00) from the State General Fund for deposit
525 into the Local System Bridge Replacement and Rehabilitation Fund.

526 (b) During the regular legislative session held in
527 calendar year 1999, if the official General Fund revenue estimate
528 for the succeeding fiscal year for which appropriations are being
529 made reflects a growth in General Fund revenues of two percent
530 (2%) or more for the succeeding fiscal year, then the Legislature
531 shall appropriate Ten Million Dollars (\$10,000,000.00) from the
532 State General Fund for deposit into the Local System Bridge
533 Replacement and Rehabilitation Fund.

534 (c) Except as otherwise provided in this paragraph (c),
535 during each regular legislative session held in calendar years
536 2001 through 2016, if the official General Fund revenue estimate
537 for the succeeding fiscal year for which appropriations are being
538 made reflects a growth in General Fund revenues of two percent
539 (2%) or more for the succeeding fiscal year, then the Legislature
540 shall appropriate Twenty Million Dollars (\$20,000,000.00) from the



541 State General Fund for deposit into the Local System Bridge
542 Replacement and Rehabilitation Fund. However, during the regular
543 legislative sessions held in calendar years 2003, 2004, 2005,
544 2006, 2007, 2008, 2009, 2010, 2011, 2014 and 2015, the Legislature
545 shall not be required to appropriate funds for deposit into the
546 Local System Bridge Replacement and Rehabilitation Fund.

547 (3) Monies that are deposited into the fund under the
548 provisions of this section may be expended upon requisition
549 therefor by the State Aid Engineer in accordance with the
550 provisions of Sections 65-37-1 through 65-37-15. The Office of
551 State Aid Road Construction shall be entitled to reimbursement
552 from monies in the fund, upon requisitions therefor by the State
553 Aid Engineer, for the actual expenses incurred by the office in
554 administering the provisions of the Local System Bridge
555 Replacement and Rehabilitation Program. Unexpended amounts
556 remaining in the fund at the end of a fiscal year shall not lapse
557 into the State General Fund, and any interest earned on amounts in
558 the fund shall be deposited to the credit of the fund.

559 (4) Monies in the Local System Bridge Replacement and
560 Rehabilitation Fund shall be allocated and become available for
561 distribution to counties in accordance with the formula prescribed
562 in Section 65-37-3 beginning January 1, 1995, on a
563 project-by-project basis. Monies in the Local System Bridge
564 Replacement and Rehabilitation Fund may not be used or expended



565 for any purpose except as authorized under Sections 65-37-1
566 through 65-37-15.

567 (5) Monies in the Local System Bridge Replacement and
568 Rehabilitation Fund may be credited to a county in advance of the
569 normal accrual to finance certain projects, subject to the
570 approval of the State Aid Engineer and subject further to the
571 following limitations:

572 (a) That the maximum amount of such monies that may be
573 advanced to any county shall not exceed ninety percent (90%) of
574 the funds estimated to accrue to such county during the remainder
575 of the term of office of the board of supervisors of such county;

576 (b) That no advance credit of funds will be made to any
577 county when the unobligated balance in the Local System Bridge
578 Replacement and Rehabilitation Fund is less than One Million
579 Dollars (\$1,000,000.00); and

580 (c) That such advance crediting of funds be effected by
581 the State Aid Engineer at the time of the approval of the plans
582 and specifications for the proposed projects.

583 It is the intent of this provision to utilize to the fullest
584 practicable extent the balance of monies in the Local System
585 Bridge Replacement and Rehabilitation Fund on hand at all times.

586 **SECTION 10.** This act shall take effect and be in force from
587 and after July 1, 2016.

