



# A Review of Additional Appropriations Granted by the Legislature for Fiscal Years 2021 to 2023

A Report to the Mississippi Legislature  
Report #694  
October 24, 2023



# PEER Committee

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Charles Younger, Vice-Chair

Sollie Norwood, Secretary

## Senators:

Kevin Blackwell

Lydia Chassaniol

Dean Kirby

Chad McMahan

John Polk

## Representatives:

Richard Bennett

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Timmy Ladner

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## Executive Director:

James F. (Ted) Booth

## About PEER:

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker of the House and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, the agency examined, and the general public.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.



# Joint Legislative Committee on Performance Evaluation and Expenditure Review

PEER Committee

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October 24, 2023

Honorable Tate Reeves, Governor

Honorable Delbert Hosemann, Lieutenant Governor

Honorable Philip Gunn, Speaker of the House

Members of the Mississippi State Legislature

On October 24, 2023, the PEER Committee authorized release of the report titled ***A Review of Additional Appropriations Granted by the Legislature for Fiscal Years 2021 to 2023.***

## Senators

Charles Younger  
Vice Chair

Sollie Norwood  
Secretary

Kevin Blackwell

Lydia Chassaniol

Dean Kirby

Chad McMahan

John Polk

A handwritten signature in black ink that reads "Jerry R. Turner". The signature is written in a cursive style with a large, looping initial "J".

Representative Jerry Turner, Chair

## Executive Director

James F. (Ted) Booth

**This report does not recommend increased funding or additional staff.**

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**CONCLUSION:** Additional appropriations are added to regular appropriation funding when subsequent funding needs are identified. Historically, no rules, regulations, or policies have been implemented regarding additional appropriations. The Deficit Prevention Act, enacted in 2023, created some requirements for entities requesting additional appropriations as the result of a deficit. The one-size-fits-all approach mandated in the Act could be counterproductive to the purposes of the Act.



## BACKGROUND

### Background

The PEER Committee, under its authority found in MISS. CODE ANN. Section 5-3-51 (1972) et seq., conducted a review of the Legislature's use of additional appropriations and causes attributed to the need for additional appropriations.

As entities progress through the fiscal year, the need for appropriation authority in excess of original appropriation may be identified. Additional appropriations can be used to provide additional appropriation authority in response to deficits, new opportunities or information, or unexpected emergencies.

When granted, the authority must designate both the amount of additional authority extended and the source of funds the entity will use. For this review, these sources of funds include general funds, special funds, and state support special funds.

The Mississippi Legislature enacted, through Chapter 463, Laws of 2023, the **Deficit Prevention Act** during the 2023 Legislative Session. This Act was passed with the intent of increasing transparency and oversight over the additional appropriations process.

The Act only pertains to entities seeking additional appropriations as the result of a determined likelihood of a deficit.



## KEY FINDINGS

- **From FYs 2021 through 2023, the Legislature granted approximately \$2.6 billion in additional appropriation authority.**  
Of these funds, approximately \$1.4 billion were related to COVID-19 pandemic funds. Of the remaining granted additional authority, only \$170.5 million was utilized for expenditures.
- **The Legislature's use of additional appropriations has increased over the last three legislative sessions and is above the historical average for the past 10 years.**  
The increased use of additional appropriations raises questions about the current incentive and controls surrounding their use.
- **Funding predictable expenses through the additional appropriations process may be an indicator of a potential inefficiency in the budgeting process.**  
Some requests may be for predictable expenses. Funding predictable expenses through the additional appropriations process may be an indicator of a potential inefficiency in the budgeting process.
- **By including predictable expenses in the regular budget process, the Legislature could reduce additional appropriations.**  
Utilizing historical estimates, and shifting additional appropriations to the regular budget process, could lead to an increase in transparency, allow decisionmakers more time to assess requests, and allow funding decisions to be made more holistically.
- **Historically, the Legislature, Legislative Budget Office (LBO), and Department of Finance and Administration (DFA) have not issued rules, regulations, or policies concerning additional appropriations.**  
Additional appropriation requests could be made at any time before the conference deadline for each legislative session.
- **The Deficit Prevention Act requires entities who have identified the likelihood of a deficit to notify the Governor, Lieutenant Governor, Speaker of the House, and chairs of the House and Senate Appropriations Committees within 15 days of determining the likelihood of a deficit.**  
LBO requires that these notifications be in writing and include the amount requested, the source of funds requested, and a detailed description of the need for the deficit.

## Entities Receiving Highest Totals of Additional Appropriations for the 2021 to 2023 Legislative Session

The following entities received the highest total additional appropriation authority from 2021 to 2023:

1. Division of Medicaid;
2. Department of Finance and Administration;
3. Department of Corrections;
4. Department of Education;
5. Mississippi Emergency Management Agency;
6. Veterans' Home Purchase Board;
7. Department of Mental Health;
8. Department of Health;
9. Department of Child Protection Services; and,
10. Department of Wildlife, Fisheries, and Parks.

Division of Medicaid, which received approximately \$912 million, received substantially more additional appropriation authority than any other entity. When Medicaid's total additional appropriation is removed from the analysis, the average total additional appropriation per entity is reduced to approximately \$11 million. Nine entities (not including Medicaid) received additional appropriations totaling more than this average during the review period.

Not including the top ten entities, the average additional appropriation authority is approximately \$2.5 million. This information demonstrates that only a few entities are receiving larger amounts, and most entities are receiving significantly smaller amounts.

## Benefits of the Deficit Prevention Act

The Act's greatest benefit is most likely to be seen when addressing deficits caused by inefficiencies in an entity's budget process.

Properly established and implemented mitigation plans, as outlined by the Deficit Prevention Act, could be implemented to potentially reduce the impact of the additionally needed funds. Mitigation plans could help amend the operations of the entity to account for the shortfall and provide incentive to amend the budgeting process to account for needed expenditures more accurately.

## Potential Improvement of the Deficit Prevention Act

A singular, one-size-fits-all approach could be detrimental to state operations and counterproductive to the purposes of the Act.

While the use of mitigation plans as required by the Deficit Prevention Act to be useful in helping to reduce or eliminate the need for additional appropriations related the operational deficits, in some cases, the mandatory application of cost-cutting measures specified in the Act may be problematic, especially in situations where the agency's deficit was due to a situation outside of the agency's control (i.e., is not due to an operational deficit).

Entities' requests for additional appropriations should be evaluated on a case-by-case basis. DFA's policy states that deficit mitigation plans will be developed on a case-by-case basis.



## RECOMMENDATIONS

The Legislature should consider:

1. amending Section (1) (3) of the Deficit Prevention Act to mandate all additional appropriations requests (not only those requested as a result of a determined likelihood of a deficit) comply with current notification requirements;
2. amending Section (1) (3) of the Act to require all entities requesting an additional appropriation complete a standardized request form;
3. amending Section (1) (4) of the Act to require all entities requesting an additional appropriation work with LBO and DFA to develop a plan to avoid or limit any deficit; and,
4. amending Section (1) (4) of the Act to:
  - a. remove lines 29 through 32 which mandate a one-size-fits-all response to all additional appropriations requests related to the determined likelihood of a deficit; and,
  - b. require LBO and DFA to create an individualized plan for each requesting agency based on the information provided by the entity in its standardized request form.

# A Review of Additional Appropriations Granted by the Legislature for Fiscal Years 2021 to 2023

## Introduction

### Authority

The PEER Committee, under its authority found in MISS. CODE ANN. Section 5-3-51 (1972) et seq., conducted a review of the Legislature's use of additional appropriations and causes attributed to the need for additional appropriations.

### Scope and Purpose

#### PEER sought to:

- describe the process for requesting additional appropriations;
- detail the Legislature's use of additional appropriations;
- assess the causes of additional appropriations; and,
- assess the impact of recent changes to regulations for additional appropriations.

### Method

#### To conduct this analysis, PEER:

- reviewed legislation from the 2021, 2022, and 2023 Legislative sessions;
- researched applicable background information from Mississippi Code;
- researched policies and procedures of the United States Government Accountability Office (GAO), Legislative Budget Office (LBO), and Mississippi Department of Finance and Administration (DFA);
- interviewed LBO and DFA staff; and,
- surveyed state agencies and other entities that received additional appropriations during the review period.

### Scope Limitations

PEER did not review the use or impact of Legislative reappropriations (i.e., bills permitting an agency to obligate appropriation authority that would otherwise expire if not reappropriated).

Additionally, PEER did not review additional appropriation authority as it relates to distribution of federal COVID-19 funding or receiving entities' usage and expenditure of these funds (i.e., whether receiving entities' expenditure of this additional authority complied with federal guidelines or whether these funds supplanted receiving entities use of funds from other sources).

# Background

## This chapter discusses:

- What are additional appropriations?
- Why do entities request additional appropriations?
- What funds are used for additional appropriations?
- How has the Legislature utilized additional appropriations during fiscal years 2021 through 2023?

## What are additional appropriations?

**Additional appropriations provide additional authority to entities to appropriate funds outside of the annual budget and regular appropriations process.**

Appropriation bills authorize the administration of a governmental unit to incur obligations and make payments for specified purposes. Appropriation bills are categorized as regular or additional appropriations. Regular appropriations fund the annual operation of entities<sup>1</sup> such as state agencies, departments, and institutions. Additional appropriations are added to regular appropriation funding when additional funding needs are identified. Additional appropriations may also be called supplemental and deficit appropriations.

## Why do entities request additional appropriations?

**Entities request additional appropriations for increases in appropriation authority. The need for this additional authority can be in response to deficit operation, new opportunities or information, or unexpected emergencies.**

As entities progress through the fiscal year, the need for appropriation authority in excess of original appropriation may be identified. Additional appropriations can be used to provide additional appropriation authority in response to deficits, new opportunities or information, or unexpected emergencies.

In its review of the Legislature's use of additional appropriation, PEER identified several common reasons that entities request additional appropriations. These reasons include:

- **Deficits** – Entity operations have created more current obligations than the entity has remaining authority from its regular appropriation to authorize. For example, the Mississippi

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<sup>1</sup> This report will utilize the term "entities" to refer to recipients of additional appropriation authority. This includes state agencies, state boards, and community colleges.

Department of Corrections (MDOC) received additional appropriation authority in the amount of \$23,865,997 to meet obligations related to the signing of a new inmate medical services contract. MDOC's commitment to this contract exceeded the agency's original appropriation for its operations in fiscal year 2023 and created a deficit.

- **Inestimable Obligations** – Entities may know that an obligation will exist but be unable to estimate the cost at the time of regular appropriations. For example, the Office of the Attorney General, as the legal representative of the state, is required to satisfy all judgments and settlements made against state entities. Until decided by a court of law or agreed to by all parties, the actual costs cannot be known.
- **Unknown Obligations** – During its operations for the fiscal year, an entity may incur an obligation that was not expected at the time of its regular appropriation that it must satisfy. For example, the Administrative Office of Courts received three additional appropriations during the 2023 Legislative Session, totaling \$3,169,697, for expenses related to the creation of the Capitol Complex Improvement District judicial jurisdiction.
- **Opportunity to Obligate Funds** – As entities operate, opportunities to access other funding sources may present themselves. While these funds originate from sources other than the state, state entities must utilize appropriation authority granted by the Legislature to obligate them. For example, the Mississippi Emergency Management Agency was given additional appropriation authority. This granted the agency the ability to obligate funds to satisfy the state match necessary to access Federal Emergency Management Agency funds for individuals impacted by severe weather events on March 24, 2023, and March 25, 2023.

## What funds are used for additional appropriations?

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**Additional appropriations can be used to grant additional budgetary spending authority for general funds, special funds, and state support special funds.**

Additional appropriations grant additional authority to obligate funds for the satisfaction of expenses. When granted, the authority must designate both the amount of additional authority extended and the source of funds the entity will use. For this review, these sources of funds include:

- **General funds:** This refers to funds used to account for the ordinary operation of entities financed from taxes and other general revenues. Appendix A on page 20 lists revenues collected for general funds.
- **Special funds:** This refers to funds generated by an entity to pay for entity operations. Special fund agencies are often boards or commissions that generate income through fees, licensure, or settlements.
- **State support special funds:** This refers to funds set aside by the state for a specific purpose (e.g., Capital Expense Fund). This includes general funds and excludes federal funds and agency-generated special funds. Appendix B on page 21 describes significant state support special funds.

## How has the Legislature utilized additional appropriations during fiscal years 2021 through 2023?

During the period from FY 2021 through FY 2023 the Legislature granted approximately \$2.6 billion in additional appropriation authority. Of these funds, approximately \$1.4 billion were related to COVID-19 pandemic funds. Of the remaining granted additional authority, only \$170.5 million was utilized for expenditures.

For a list of all additional appropriations granted from the 2021 Legislative Session to the 2023 Legislative Session, see Appendix C on page 23.

To assess how the Legislature has utilized its additional appropriation authority, PEER reviewed all legislation authorizing additional appropriations from the 2021 Legislative Session through the 2023 Legislative Session.

During this period the Legislature granted approximately \$2.6 billion in additional appropriation authority to 34 entities. The additional authority was distributed in 101 appropriations and designated for 158 separate commitments.

The Legislature required entities seeking to access funds received by the state in response to the COVID-19 pandemic to request additional appropriations.

For this report, PEER has removed from the analysis additional appropriation funds related to the COVID-19 pandemic (i.e., additional appropriation authority related to Coronavirus State Fiscal Recovery Funds and Coronavirus Local Fiscal Recovery Funds). This is because the Legislature specifically directed applicants to utilize this process, and because the amount of funds distributed (\$1.4 billion) were greater than all other additional appropriations combined.

After the removal of this funding source from the analysis, the Legislature granted additional appropriation authority of approximately \$1.2 billion, which will be the focus of this review.

### Total Additional Appropriations by Entity

Exhibit 1 on page 5 shows an analysis of the ten highest total additional appropriations, by entity.

**Exhibit 1: Ten Highest Totals of Additional Appropriations Granted by Receiving Entity for the 2021 Legislative Session through the 2023 Legislative Session**

State Agency	Funding Type			Total Additional Appropriated Authority from 2021 to 2023
	General Funds	State Support Special Funds	Special Funds	
Mississippi Division of Medicaid	-	-	\$ 912,451,767	\$ 912,451,767
Mississippi Department of Finance and Administration	\$ 371,679	\$ 39,830,000	\$ 30,275,870	\$ 70,477,549
Mississippi Department of Corrections	\$ 28,336,356	\$ 21,670,702	-	\$ 50,007,058
Mississippi Department of Education	\$ 20,000,000	\$ 3,064,417	\$ 20,000,000	\$ 43,064,417
Mississippi Emergency Management Agency	-	\$ 11,394,651	\$ 23,518,942	\$ 34,913,593
Veterans' Home Purchase Board of Mississippi	-	-	\$ 25,000,000	\$ 25,000,000
Mississippi Department of Mental Health	-	-	\$ 20,000,000	\$ 20,000,000
Mississippi State Department of Health	\$ 1,103,950	\$ 16,017,812	-	\$ 17,121,762
Mississippi Department of Child Protection Services	-	-	\$ 12,000,000	\$ 12,000,000
Mississippi Department of Wildlife, Fisheries, and Parks	-	\$ 1,376,228	\$ 10,000,000	\$ 11,376,228

**SOURCE:** PEER analysis of all additional appropriations bills for Legislative Sessions 2021 through 2023.

As shown in Exhibit 1, the Legislature granted the most additional appropriation authority to the Mississippi Division of Medicaid (Medicaid). Medicaid received approximately \$912 million in total additional appropriation authority over the review period.

The average total amount per entity of additional appropriation authority approved by the Legislature during the review period was approximately \$40 million. Four entities received more than the average during the review period (i.e., Medicaid, DFA, Mississippi Department of Corrections, and Mississippi Department of Education).

Medicaid received substantially more additional appropriation authority than any other entity; therefore, when Medicaid's total additional appropriation is removed from the analysis, the average total additional appropriation per entity is reduced to approximately \$11 million. Nine

entities (not including Medicaid) received additional appropriations totaling more than this average during the review period.

Not including the top ten entities, the average additional appropriation authority is approximately \$2.5 million.

This information demonstrates that only a few entities are receiving larger amounts, and most entities are receiving significantly smaller amounts.

**Additional Appropriations by Legislative Session**

Additional appropriations can also be assessed by evaluating how the Legislature has utilized them over time. For the period reviewed, the Legislature granted additional appropriation authority in each of the last three sessions. Exhibit 2 on page 6 shows an analysis of these appropriations and highlights to what extent these amounts were utilized by the receiving entities.

**Exhibit 2: Additional Appropriations Granted by Session for the 2021 Legislative Session through the 2023 Legislative Session**

Session	Additional Appropriation Authority Granted	Amount Expended <sup>1</sup>	From/After/Through Carry-over Amount <sup>2</sup>	Amount Remaining <sup>3</sup>
2021 Legislative Session	\$272,537,990	\$47,160,914	- <sup>4</sup>	\$225,377,076
2022 Legislative Session	\$537,525,566	\$16,241,611	- <sup>5</sup>	\$521,283,955
2023 Legislative Session	\$439,444,679	\$107,053,162	\$54,238,910 <sup>6</sup>	\$278,152,607
<b>Total</b>	<b>\$1,249,508,235</b>	<b>\$170,455,687</b>	<b>\$54,238,910</b>	<b>\$1,024,813,638</b>

1. The "Amount Expended" column represents the additional appropriation authority granted to an entity that was then expended to satisfy obligations of the entity (i.e., paid an invoice).
2. The "From/After/Through Carry-over Amount" column represents any additional appropriation authority that was unexpended by the end of the fiscal year granted but can be expended in a future period due to the Legislature authorizing the entity additional time in the authorizing legislation using a from/after/through designation.
3. The "Amount Remaining" column represents additional appropriation authority granted to an entity that was not expended by the end of the timeframe authorized in the entity's additional appropriation legislation.
4. Entities granted additional appropriation authority during the 2021 Legislative Session carried over \$543,584 in additional appropriation authority from FY 2021 to FY 2022. Of this amount, \$209,825 was expended during FY 2022 and is represented in the "Amount Expended" column for the 2021 Legislative Session. The remaining \$333,759 was not expended during FY 2022 and is included in the "Amount Remaining" column for the 2021 Legislative Session.
5. Entities granted additional appropriation authority during the 2022 Legislative Session carried over \$3,161,170 in additional appropriation authority from FY 2022 to FY 2023. Of this amount, \$1,552,451 was expended during FY 2022 and is represented in the "Amount Expended" column for the 2022 Legislative Session. The remaining \$1,608,719 was not expended during FY 2023 and is represented in the "Amount Remaining" column for the 2022 Legislative Session.
6. Entities granted additional appropriation authority during the 2023 Legislative Session carried over \$54,238,910 in additional appropriation authority from FY 2023 to FY 2024. Due to the scope of this report, the ultimate treatment of the remaining authority cannot be cataloged and is represented as a consolidated carried over amount.

**SOURCE:** PEER analysis of all additional appropriations bills for Legislative Sessions 2021 through 2023.



As shown in Exhibit 2, for each session reviewed, most additional appropriation authority granted by the Legislature remains unexpended. An agency not expending all its additional appropriation authority could be influenced by many factors such as, but not limited to, expenses being lower than projected, expenses being delayed until a future period, or changes in law or regulations.

### Additional Appropriations by Funding Source

Additional appropriations can also be assessed through the source of funds being authorized to be expended. The source of the additional appropriation funds can influence entities' abilities to access or limit how the funds may be used. For example, general funds can be expended for any purpose allowable under state law, whereas the use of state-support special funds is limited to only the purposes outlined in statute. Exhibit 3 on page 7 shows an analysis of the reviewed appropriations by the source of funds authorized in the legislation.

### Exhibit 3: Additional Appropriations Granted by Funding Source for the 2021 Legislative Session through the 2023 Legislative Session

Session	Additional Appropriation Authority Granted	Amount Expended <sup>1</sup>	From/After/Through Carry-over Amount <sup>2</sup>	Amount Remaining <sup>3</sup>
General Funds	\$57,161,686	\$51,648,613	\$4,292,110	\$1,220,963
State-support Special Funds	\$123,694,800	\$61,935,016	\$7,680,775	\$54,079,009
Special Funds	\$1,068,651,749	\$56,872,058	\$42,266,025	\$969,513,666
<b>Total</b>	<b>\$1,249,508,235</b>	<b>\$170,455,687</b>	<b>\$54,238,910</b>	<b>\$1,024,813,638</b>

1. The "Amount Expended" column represents the additional appropriation authority granted to an entity that was then expended to satisfy obligations of the entity (i.e., paid an invoice).
2. The "From/After/Through Carry-over Amount" column represents any additional appropriation authority that was unexpended by the end of the fiscal year granted but can be expended in a future period due to the Legislature authorizing the entity additional time in the authorizing legislation using a from/after/through designation.
3. The "Amount Remaining" column represents additional appropriation authority granted to an entity that was not expended by the end of the timeframe authorized in the entity's additional appropriation legislation.

**SOURCE:** PEER analysis of all additional appropriations bills for Legislative Sessions 2021 through 2023.

Exhibit 3 shows that additional appropriation authority for special funds (i.e., funds derived from non-state sources of revenue, such as a licensing fee or federal funds) accounts for the largest part of approvals (approximately 86%), while additional appropriation authority for general funds accounted for the smallest part (approximately 5%).

Whether analyzing the use of additional funds by session or by funding source, the total amount remaining from additional appropriations shows a potential inefficiency in entities' ability to estimate the need for additional funding. For example, Medicaid's non-use of its additional appropriations received in all years of the review period accounts for a total remaining amount of approximately \$912.5 million.

# Potential Inefficiencies in Budgeting

## This chapter discusses:

- How has the Legislature’s use of additional appropriations changed over time?
- What are the potential effects of additional appropriations?
- How can the Legislature reduce additional appropriations for predictable expenses?

## How has the Legislature’s use of additional appropriations changed over time?

**The Legislature’s use of additional appropriations has increased over the last three legislative sessions and is above the historical average for the past 10 years. The increased use of additional appropriations raises questions about agencies’ incentives to request additional appropriations and the controls surrounding their use.**

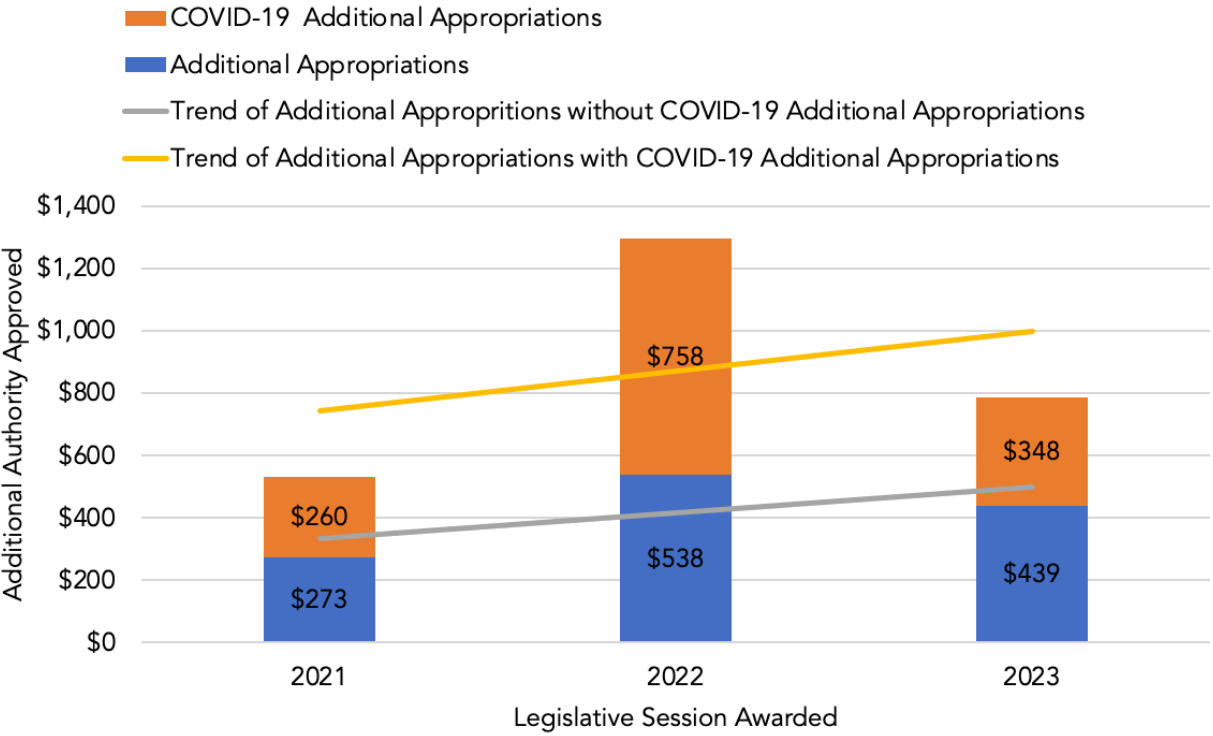
Trend analysis is analysis through the collection of information from multiple time periods and plotting the information on a horizontal line for review. As the total amount appropriated can vary from year to year, trend analysis can be used to highlight consistency to or deviation from a specific course of action. PEER’s analysis of the Legislature’s use of additional appropriation (in dollars) over the review period is shown in Exhibit 4 on page 9.

In Exhibit 4, each bar represents the total amount of additional appropriations approved by the Legislature during each session of the review period. This review is focused on the blue section of each bar, which represents non-COVID-19 additional appropriations. The orange section of each bar represents COVID-19 additional appropriations.

Analysis of the blue bars shows the Legislature’s approval of additional appropriation authority has increased at a rate of 27% per year. This is represented in Exhibit 4 as a gray line. As the line is read from left to right (from earlier sessions to later sessions) it shows an upward tilt. This means that over the review period, the Legislature has increased its use of additional appropriations (in dollars appropriated).

In addition to additional appropriation data from the review period (FYs 2021 through 2023), PEER staff also gathered total additional appropriation data from *State of Mississippi Budget Bulletin* for FYs 2014 through 2021. By expanding the data to cover a 10-year period, PEER was able to compare how the Legislature’s recent use of additional appropriations (the last three sessions) compares to a more historical frame of reference. Exhibit 5 on page 10 illustrates the trends of additional appropriations granted by the Legislature during FYs 2014 through 2023.

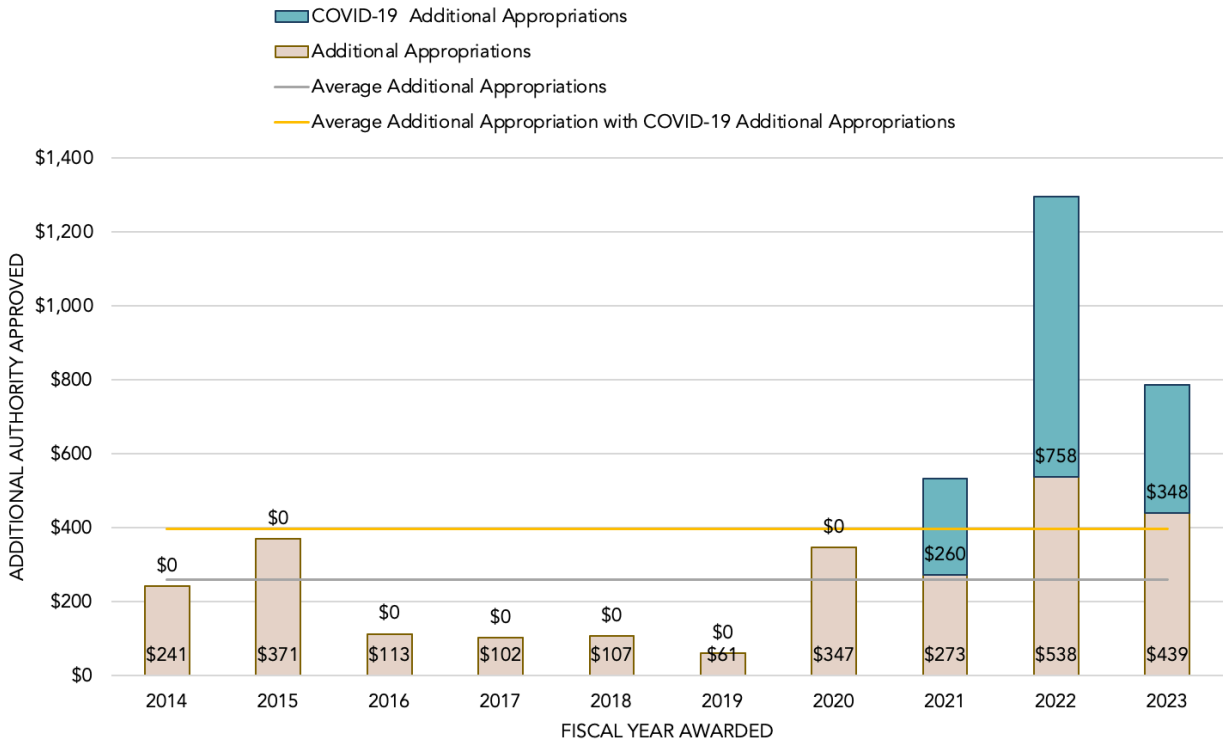
**Exhibit 4: Analysis of Additional Appropriations Granted by the Legislature during the 2021 through 2023 Legislative Sessions**



\*Figures in this exhibit represent actual dollars additionally appropriated by the Legislature. When inflation is considered, the Legislature’s use of additional appropriation increases 20% each year during the review period.

SOURCE PEER Analysis of *State of Mississippi Budget Bulletin* for FY 2022 through FY 2024.

### Exhibit 5: Additional Appropriations Granted by the Legislature from Fiscal Year 2014 through Fiscal Year 2023



SOURCE: PEER analysis of State of Mississippi Budget Bulletin for FY 2015 through FY 2024.

As represented by the blue bars in Exhibit 5, the total amount of additional appropriations (excluding COVID-19 additional appropriations) granted by the Legislature for each year during the review period exceeded the average amount granted for the 10-year period (represented by the yellow line). For two of the fiscal years reviewed (FYs 2022 and 2023) the Legislature’s non-COVID-19 additional appropriations exceeded the 10-year average additional appropriation when COVID-19 additional appropriations were included (gray line).

The results of this chart also highlight that the Legislature’s use of additional appropriations has increased in recent years. These increases, while within the purview of the Legislature, could represent a negative impact on the state’s budgeting process as a whole.

### What are the potential effects of additional appropriations?

**Funding predictable expenses through the additional appropriations process may be an indicator of a potential inefficiency in the budgeting process.**

Entities’ requests for additional appropriation are requests for funds that are not included in the regular appropriations granted by the Legislature during the normal budget cycle. (For a

detailed explanation of the 2024 budget cycle, see Appendix D on page 29.) As discussed on pages 2 and 3, there are many reasons that may precipitate the need for an additional appropriation. Some requests may be for predictable expenses. Funding predictable expenses through the additional appropriations process may be an indicator of a potential inefficiency in the budgeting process.

Exhibit 6 on page 11 shows the Office of the Attorney General’s requested and received additional appropriations.

**Exhibit 6: Additional Appropriations Received by the Office of the Attorney General during the 2021 Legislative Session through the 2023 Legislative Session**

Session	Additional Appropriation Authority Granted (FY) <sup>1</sup>	Additional Appropriation Authority Granted (FAT) <sup>2</sup>
2021 Regular Session	\$1,549,479	\$751,735
2022 Regular Session	\$1,188,068	\$1,750,000
2023 Regular Session	\$820,762	\$2,097,942
<b>Total</b>	<b>\$3,558,309</b>	<b>\$4,599,677</b>

1. Additional appropriation authority amounts in this column represent grants by the Legislature that authorize the use of funds for a designated time period that runs to the end of the fiscal year in which they were authorized.
2. Additional appropriation authority amounts in this column represent grants from the Legislature that authorize the use of funds “from/after/through” (FAT) the fiscal year that they were received to a designated time period that extends beyond the fiscal year in which they were granted.

**SOURCE:** PEER analysis of *State of Mississippi Budget Bulletins* fiscal year 2022, 2023, and 2024.

As Exhibit 6 highlights, the total amount of additional authority granted to the Office of the Attorney General for the review period was approximately \$8.2 million. The additional authority granted by the Legislature was purposed to satisfy approximately 60 settlements and judgments levied against the State of Mississippi and its component units. As the legal advocate for Mississippi, adjudicating cases against the state and negotiating settlements and judgments from those cases are the Office of the Attorney General’s primary responsibilities. While it can be argued that it is not possible to predict the number of cases decided against the state and its component units in any given year, and by extension the cost of each individual settlement/judgment, it can be expected that the state will likely be required to satisfy settlements and judgments on an annual basis.

Analysis shows that the Office of the Attorney General was granted nine separate additional appropriations during the review period. The average number of additional appropriations received by entities during the three-year review period was 2.69. Approximately 56% (18 of the 32 entities) received two or more additional appropriations.

The more frequently an entity receives an additional appropriation, the more likely it may be using that appropriation to pay historical or annually expected expenses. By funding historical or annually expected expenses through additional appropriation, the full cost of operating the Office of the Attorney General is underrepresented during the budget process. This can make

it more difficult to determine state spending as a whole and make it more difficult for the Legislature to allocate funds.

## How can the Legislature reduce additional appropriations for predictable expenses?

**Utilizing historical estimates, and shifting additional appropriations to the regular budget process, could lead to an increase in transparency, allow decisionmakers more time to assess requests, and allow funding decisions to be made more holistically.**

During fieldwork, PEER was made aware of one agency that is trying to shift its funding by additional appropriation to the annual budget process. For an explanation of the budget process, see Appendix E on page 30.

The Mississippi Emergency Management Agency (MEMA) is the state agency that is tasked with responding to disasters or emergencies of unprecedented size and destructiveness resulting from enemy attack, sabotage, or other hostile action, and from natural, man-made, or technological disasters. A component of its operations is to make payouts from funds set aside to help deal with costs associated with disasters. These types of expenditures, by nature, can be considered hard to predict or estimate. However, MEMA staff responsible for the budgeting function were able to use historical data and experience to determine that payouts from these funds have averaged approximately \$8 million per year over the time period from FY 2018 to FY 2023. MEMA included these estimated expenses in its FY 2024 budget.

Utilizing these estimates and shifting these additional appropriations to the regular budget appropriation process could lead to an increase in transparency, allow decisionmakers more time to assess requests, and allow funding to be reviewed holistically.

By including these estimates in its budget, the Legislature is made aware of the potential need with additional time to consider how best to fund this aspect of state operations. Agency budgets are due by August 1 of the year preceding the fiscal year to be funded. According to LBO staff, additional appropriations can be brought forward at any time before the deadline for filing conference reports on appropriation and revenue bills.

In addition, inclusion in the agency's budget also has the possibility to increase the transparency surrounding this cost of state operations. Placing additional appropriations within the budget process will require documentation from requesting entities and increase transparency.

# Additional Appropriation Request Process

## This chapter discusses:

- What is the Deficit Prevention Act and how does it impact the additional appropriations process?
- What processes should be incorporated into the Deficit Prevention Act to improve its usefulness to the appropriations process?

## What is the Deficit Prevention Act, and how does it impact the additional appropriations process?

**The Deficit Prevention Act requires all state agencies, departments, and institutions who have identified the likelihood of a deficit to notify the Governor, Lieutenant Governor, Speaker of the House, and chairs of the House and Senate Appropriations Committees within 15 days of determining the likelihood of a deficit. LBO requires that these notifications be in writing and include the amount requested, the source of funds requested, and a detailed description of the need for the deficit.**

Historically, the Mississippi Legislature, LBO, and DFA have not issued rules, regulations, or policies concerning additional appropriation requests except that additional appropriation requests could be made at any time before the conference deadline for each legislative session. For example, entities were not obligated to notify LBO about potential budget deficits within a specific period of time.

The Mississippi Legislature enacted, through Chapter 463, Laws of 2023, the Deficit Prevention Act during the 2023 Legislative Session.<sup>2</sup> This Act was passed with the intent of increasing transparency and oversight over the additional appropriations process. To read the Act in its entirety, see Appendix F on page 32.

Under this Act, each state agency, department, or institution must notify the Governor, Lieutenant Governor, Speaker of the House, and chairs of the House and Senate Appropriations Committees within 15 days of determining the likelihood of a deficit. The Act only pertains to entities seeking additional appropriations as the result of a determined likelihood of a deficit. Additional appropriations based on other needs such as opportunities to obligate additional funds would not be covered by the Act.

To implement the new actions required under this Act, LBO has developed new instructions requiring that these notifications must be in writing and include the amount requested, the source

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<sup>2</sup> This is now codified as MISS. CODE ANN. § 27-104-231 (1972).

of funds requested, and a detailed description of the need for the deficit. The new regulations allow the format used to be determined by the requesting entity.

The requirement for a defined timeframe for reporting the projected need for an additional appropriation could improve the consistency of information provided to decisionmakers when reviewing requests for additional appropriations. However, the effects of the Act may be limited due to the requirements only pertaining to one specific cause of the need for additional appropriations.

## What processes should be incorporated into the Deficit Prevention Act to improve its usefulness to the appropriations process?

**Expanding the requirements of the Deficit Prevention Act to all additional appropriation requests could lead to decisionmakers being informed about projected additional appropriation needs and could lead to more informed decisions about which additional appropriations to approve.**

As highlighted previously, the Deficit Prevention Act only applies to additional appropriations associated with projected deficits. So, only additional appropriations requests for deficits require early written notification of the amount requested, the source of funds requested, and a detailed description of the need for the deficit.

The Act does not apply to unexpected needs, events, or emergencies which are not caused by budget deficits. For example, the Mississippi Board of Animal Health's additional request for funding to treat a series of avian outbreaks was caused by an unexpected event instead of a budget deficit. Therefore, it does not fall under the Act and is not subject to the requirements for notification.

By requiring requesting entities to submit documentation, legislators could be better informed about entities' needs and make more informed decisions about what additional appropriations to approve.



# Restrictions on the Additional Appropriation Request Process

This chapter discusses:

- Historically, what restrictions have been placed on entities that request additional appropriations?
- What are the effects of implementing the Deficit Prevention Act?

## Historically, what restrictions have been placed on entities that request additional appropriations?

Historically, there have been no statutorily mandated restrictions on entities that receive additional appropriations. However, in the 2023 Legislative Session, the Legislature enacted the Deficit Prevention Act, which requires that all entities that determine the likelihood of a deficit must work with DFA and LBO to develop a plan to mitigate or limit the need for an additional appropriation.

Historically there have been no statutorily mandated restrictions on entities that request or receive additional appropriations. For example, state law does not require that an entity requesting or receiving additional appropriations reduce expenditures on commodities purchases to help alleviate or mitigate the need for additional appropriations. In addition, neither DFA nor LBO has implemented policies and procedures that include mandated restrictions regarding additional appropriations. However, according to LBO staff, when an entity identifies the need for an additional appropriation, LBO staff has worked with the requesting entity to potentially help avoid or limit any deficit.

### Restrictions Created by Deficit Prevention Act

The Deficit Prevention Act requires requesting entities to work with LBO and DFA to create a plan to mitigate the deficit and need for additional appropriation. The Act states:

*After the determination of the likelihood of a deficit, the state agency, department or institution shall work with the Legislative Budget Office and the Department of Finance and Administration to develop a plan to avoid or limit any deficit. Such plan shall include limiting travel and conference attendance to that deemed essential by the director of the agency, department or institution, and restricting the purchase of equipment, vehicles and other nonnecessities.*

Cost-cutting measures such as limiting travel and conference attendance and restricting the purchase of nonnecessities (e.g., equipment, vehicles) can help mitigate deficits.

LBO's policy states that LBO will defer to DFA's Budget and Accounting Division. DFA's newly adopted policy regarding the requirements in the Act states:

...The plan will be developed on a case-by-case basis. The Department of Finance and Administration, the Legislative Budget Office, and the notifying agency will work together to determine the most cost-effective measure.

## What are the effects of implementing the Deficit Prevention Act?

Analysis shows that there are potential benefits and challenges associated with the implementation of the additional appropriation mitigation plans mandated by the Act. While these plans have the capability to reduce or eliminate the need for additional appropriation requests from agencies that incurred an operational deficit, it is possible that these plans could hinder requesting entities from completing their operational mandates when experiencing a deficit due to events outside their control.

Analysis of the changes enacted by the Act shows that there are potential benefits and challenges associated with the implementation of the deficit mitigation plans mandated by the Act.

### Potential Benefits from Implementation

The Act requires all entities that have determined the likelihood of a deficit to work with LBO and DFA to develop a plan to avoid or limit any deficit, and by extension a need for additional appropriations. The Act's greatest benefit is most likely to be seen when addressing deficits caused by inefficiencies in an entity's budget process.

For example, during the 2021 and 2023 Regular Sessions the Legislature approved additional appropriations totaling approximately \$50 million for MDOC. The need for these additional appropriations was the result of deficit incurred by MDOC related to the payment of contractual expenses for the inmate medical program and payments for MDOC contracts with regional and private prisons for inmate housing. As MDOC is solely responsible for the housing and maintenance of the state inmate population, expenses related to housing inmates should be expected, and thus do not meet the definition of emergency expenditures as defined by the Budget Control Act of 2011.

The Budget Control Act of 2011 (Pub. L. 112-25) defines the term "emergency" as a situation that requires new budget authority and outlays for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security, and is unanticipated.

While MDOC's need for additional appropriations could have been impacted by additional expenditures related to COVID-19, MDOC's repeated receipt of additional appropriations for the same types of expenditures suggests an inefficiency in MDOC's budgetary process.

Properly established and implemented mitigation plans, as outlined by the Deficit Prevention Act, could be implemented to potentially reduce the impact of the additionally needed funds. Mitigation plans could help amend the operations of the entity to account for the shortfall and provide incentive to amend the budgeting process to account for needed expenditures more accurately.

## Potential Challenges from Implementation

A singular, one-size-fits-all approach could be detrimental to state operations and counterproductive to the purposes of the Act.

An operational deficit occurs when an entity does not have sufficient funds to cover all standard operating costs for a given period.

Use of mitigation plans as required by the Deficit Prevention Act could be useful in helping to reduce or eliminate the need for additional appropriations related the operational deficits. However, in some cases, the mandatory cost-cutting measures specified

in the Act may be problematic. This is especially relevant in situations where the agency's deficit was due to a situation outside of the agency's control (i.e., is not due to an operational deficit).

For example, during its 2023 Regular Session, the Legislature approved an additional appropriation of \$1.5 million for the Mississippi State Department of Health (MSDH). The additional authority was used to reimburse MSDH for funds provided to the Sharkey-Issaquena Hospital and Nursing Home for expenses incurred related to impacts from the severe weather storms on March 24, 2023, and March 25, 2023. As these expenditures were incurred by MSDH as the result a natural disaster that could not have been expected, these expenditures represent an operational deficit that was not in MSDH's ability to control.

Under the provisions of the Act, MSDH would be required to work with LBO and DFA to create a mitigation plan to help reduce or eliminate the need for an additional appropriation. The mandated reductions in travel could hinder MSDH inspectors from being able to conduct inspections and the limitations on equipment purchases could prevent MSDH from purchasing equipment it had originally budgeted to purchase, even though these expenditures that created the deficit do not represent expenses incurred from the operation of the agency itself.

As this example illustrates, entities' requests for additional appropriations should be evaluated on a case-by-case basis because mitigation plans may not be applicable in all situations. DFA's new policy states that deficit mitigation plans will be developed on a case-by-case basis.

# Conclusions and Recommendations

This chapter discusses:

- Improvements to the additional appropriations process; and,
- Recommendations.

## Improvements to the Additional Appropriations Process

**When faced with requests for additional appropriations, the Legislature should have a clearly defined process to accept and consider these requests. A defined process should outline the timeframe for requests, what information is necessary to make a request, and how requests for additional appropriations should be evaluated.**

Despite the controls and the care with which appropriations are made during the session, the Legislature's historic use of additional appropriations demonstrates that governmental operation needs a process for entities to request appropriation authority above the authority granted through the regular appropriation process.

When faced with requests for additional appropriation the Legislature should have a clearly defined process to address these requests. A defined process should outline the timeframe for requests, what information is necessary to make a request, and how received requests should be evaluated.

### **Mandatory Notification Deadlines for All Additional Appropriation Requests**

The disparate nature of additional appropriations requests makes it difficult to institute a defined scheduled for the requesting process comparable to the budget process for regular appropriations. The provisions outlined in the Deficit Prevention Act have begun formalization of this process. However, as discussed on page 16, the requirements outlined by the Act are limited to only additional appropriations based on operational deficits. These requirements should be expanded to mandate the notification requirements to all additional appropriations.

### **Standardized Request Form**

The Deficit Prevention Act also attempts to address the Legislature's need for information related to additional appropriation requests, but only for additional appropriation requests based on the determined likelihood of an operational deficit. To formalize this component of the Act, LBO released new instructions detailing what information must be provided. The regulations require that the notifications must be in writing and include the amount requested, the source of funds requested, and a detailed description of the need for the deficit. However, the new regulations allow the requesting entity to determine the format that will be utilized.

As a component of its additional appropriation request process, Arkansas has similar requirements mandating requesting entities provide contextual information relevant to its additional appropriation request. Unlike the Act and LBO's policies, the form applies to all additional appropriations requests and is standardized. For Arkansas' standardized form, see Appendix G on

page 34. The form also extends past the information required by LBO's policies by requiring all entities to provide:

- a description of the projected impact if the additional appropriation is not approved; and,
- alternative actions the agency can implement instead of using additional appropriations.

The Appropriations Committee, Joint Legislative Budget Committee (JLBC), and LBO staff should consider working together to define what information is relevant and necessary for the Legislature to make informed decisions about entities' budget requests and develop a standardized request form to gather this information.

### Evaluations of Additional Appropriation Requests

To limit the impact of the projected need for additional appropriations based on deficit operation, the Deficit Prevention Act instituted mandatory deficit mitigation plans be developed by the requesting entity in concert with DFA and recommendations from LBO.

Due to the varied nature of circumstances that could give rise to the need for an additional appropriation (even just additional appropriations due to deficit operation), a standardized approach to addressing and potentially limiting these additional appropriations is restrictive. Additionally, by requiring all requesting entities to complete a standardized form that includes information related to possible mitigation strategies, the need for the development of a separate mitigation plan is unnecessary.

## Recommendations

### **The Legislature should consider amending amend Section (1) (3) and removing Section (1) (4) of the Deficit Prevention Act.**

The Legislature should consider:

- amending Section (1) (3) of the Deficit Prevention Act to mandate all additional appropriations requests (not only those requested as a result of a determined likelihood of a deficit) comply with current notification requirements;
- amending Section (1) (3) of the Act to require all entities requesting an additional appropriation complete a standardized request form;
- amending Section (1) (4) of the Act to require all entities requesting an additional appropriation work with LBO and DFA to develop a plan to avoid or limit any deficit; and,
- amending Section (1) (4) of the Act to:
  - remove lines 29 through 32 which mandate a one-size-fits-all response to all additional appropriations requests related to the determined likelihood of a deficit; and,
  - require LBO and DFA to create an individualized plan for each requesting agency based on the information provided by the entity in its standardized request form.

# Appendix A: State General Fund Revenue Estimate

## State General Fund Revenue Estimate FY 2023 Sine Die and FY 2024

Adopted by the Joint Legislative Budget Committee - November 9, 2022  
(Dollar Figures in Millions)

Department of Revenue Collections	FY 2022		FY 2023		FY 2024	
	FY22 Actuals	% over/under FY 22 Sine Die	FY23 Sine Die	% over/under FY 22 Actual	FY24 Nov. Estimate	% over/under FY23 Sine Die
Sales Tax	\$ 2,553.7	13.8%	\$ 2,554.8	0.0%	\$ 2,722.8	6.6%
Individual Income Tax	2,499.6	32.7%	2,250.0	-10.0%	2,431.4	8.1%
Corp. Inc. & Franchise Tax	854.6	74.4%	735.4	-13.9%	897.5	22.0%
Use Tax	429.0	11.3%	415.7	-3.1%	404.0	-2.8%
Insurance Premium Tax	342.5	3.3%	341.4	-0.3%	348.2	2.0%
Tobacco Tax	135.7	-3.7%	140.5	3.6%	131.6	-6.3%
ABC Tax	108.8	15.8%	106.2	-2.4%	109.4	3.0%
Beer & Wine Taxes	28.3	-2.4%	29.0	2.5%	28.0	-3.4%
Oil Severance Taxes	30.2	101.4%	23.9	-20.9%	28.6	19.7%
Gas Severance Taxes	3.4	90.1%	3.1	-9.4%	3.4	9.7%
Auto Tag Fees	8.6	-8.0%	10.0	16.8%	6.7	-33.0%
Installment Loan Taxes	14.3	17.0%	14.0	-1.9%	14.2	1.4%
Nuclear Plant In-Lieu	1.2	0.0%	1.2	0.0%	1.2	0.0%
Miscellaneous Taxes	10.8	-7.1%	11.6	7.6%	11.9	2.6%
Medical Cannabis Excise Tax and Dispensary License Fees	0.0	0.0%	15.7	100.0%	20.0	27.4%
Gaming Fee & Taxes	169.1	40.9%	143.2	-15.3%	160.7	12.2%
<b>Total Dept. of Revenue</b>	<b>\$ 7,189.6</b>	<b>24.6%</b>	<b>\$ 6,795.7</b>	<b>-5.5%</b>	<b>\$ 7,319.6</b>	<b>7.7%</b>
<b>Other Than Department of Revenue</b>						
Interest on Investments	\$ 15.9	26.9%	\$ 17.5	10.3%	\$ 30.0	71.4%
Highway Safety Patrol	19.7	5.3%	18.7	-5.1%	18.7	0.0%
Insurance Department	43.5	44.9%	39.0	-10.3%	39.0	0.0%
Licenses, Fees and Permits	68.9	32.5%	65.0	-5.6%	65.0	0.0%
Crime Tax/Criminal Law Assessment	39.3	5.7%	41.0	4.3%	41.0	0.0%
Miscellaneous Collections	5.0	107.9%	3.3	-33.9%	3.3	0.0%
Gaming Fees	4.9	-2.4%	5.0	2.5%	5.0	0.0%
Medical Cannabis Establishment License Fees	0.0	0.0%	2.2	100.0%	2.2	0.0%
Settlements/Other Collections	0.0	0.0%	0.0	-100.0%	0.0	0.0%
<b>Total Other Than DOR</b>	<b>\$ 197.1</b>	<b>24.9%</b>	<b>\$ 191.7</b>	<b>-2.7%</b>	<b>\$ 204.2</b>	<b>6.5%</b>
<b>Total General Fund</b>	<b>\$ 7,386.7</b>	<b>24.6%</b>	<b>\$ 6,987.4</b>	<b>-5.4%</b>	<b>\$ 7,523.8</b>	<b>7.7%</b>

Note: Figures may not add due to rounding.

\$536.4

SOURCE: Revenue estimate adopted by the Joint Legislative Budget Committee on November 9, 2022.

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## Appendix B: Support Special Funds

### Budget Contingency Fund (BCF)

MISS. CODE ANN. § 27-103-301 (1972) created a fund to receive transfers from other fund sources, including general and special funds. The Budget Contingency Fund (BCF) was first used in FY 2002 to supplement the State General Fund. Funds expended from the Budget Contingency Fund are considered non-recurring. In FY 2017, the BCF received the first installment payment of \$150 million from the BP Litigation Settlement, which was later transferred to various recipients. In FY 2021, the BCF received \$900 million in Coronavirus Relief Funds. In accordance with H.B. 1814 of the 2020 Regular Session, all funds that had not been expended by December 15, 2020, were transferred to the Unemployment Insurance (UI) Trust Fund by December 30, 2020.

### BP Settlement Fund (BPSF)

MISS. CODE ANN. § 27-103-302.1 (1972) created a fund in S.B. 2002 (2018 1st Extraordinary Session). The fund receives 25% of the court-ordered payments due the State of Mississippi as a result of the BP Settlement litigation. The fund began receiving \$10 million annually in FY 2019 and will continue through FY 2034. DFA administers the fund at the direction of the Legislature through appropriations.

### Capital Expense Fund (CEF)

MISS. CODE ANN. § 27-103-303 (1972) created a fund to support capital expenses needs, repair and renovation of state-owned properties, and specific projects authorized by the Legislature. The fund receives non-recurring additional funds from other fund sources, including general and special funds. The general funds received are derived from a distribution of the fiscal year unencumbered ending General Fund cash balance as set out in the statute.

### Education Enhancement Fund (EEF)

MISS. CODE ANN. § 37-61-33 (1972) created a fund for the additional support of K-12, Two-Year Colleges, and 4-Year Institutions of Higher Learning. The statute requires that a percentage of state sales and use tax collections be deposited into the Education Enhancement Fund. These funds are then allocated based on a statutory formula to K-12 Education, Two-Year Colleges, and 4-Year Institutions of Higher Learning. S.B. 2001 of the 2018 1<sup>st</sup> Extraordinary Session established the state lottery and required net lottery proceeds in excess of \$80 million to be deposited into the Education Enhancement Fund each fiscal year.

### Gulf Coast Restoration Fund (GCRF)

MISS. CODE ANN. § 57-119-1 (1972) created a fund in S.B. 2002 of the 2018 1st Extraordinary Session. The fund receives 75% of the court-ordered payments due the State of Mississippi as a result of the BP Settlement litigation. The fund began receiving \$30 million annually in FY 2019 and will continue through FY 2034. The Mississippi Development Authority administers the fund at the direction of the Legislature through appropriations.

### Health Care Expendable Fund (HCEF)

MISS. CODE ANN. § 43-13-407 (1972) created a fund to receive statutorily authorized transfers from the Health Care Trust Fund. The Health Care Expendable Fund receives the court-ordered payments due to the State of Mississippi as a result of the lawsuit won against tobacco manufacturers. Health Care Expendable Funds are to be appropriated for health-related purposes.

### **Tobacco Control Fund (TCF)**

MISS. CODE ANN. § 41-113-11 (1972) created a fund for the support of tobacco cessation programs. The Tobacco Control Fund receives a portion of the court-ordered payments due to the State of Mississippi as a result of the lawsuit won against tobacco manufacturers.

### **Working Cash Stabilization Reserve Fund (WCSRF)**

MISS. CODE ANN. § 27-103-203 (1972) created a fund to aid the Office of the State Treasurer with cash flow needs throughout the fiscal year, cover any projected General Fund revenue shortfalls that may occur in a fiscal year, and provide funds for the Disaster Assistance Trust Fund when requested. These funds are derived from a distribution of the fiscal year unencumbered ending General Fund cash balance after the close-out period has been completed as set out in the statute. In accordance with S.B. 2002 (FORTIFY Act) of the 2017 1st Extraordinary Session, the FY 2018 cap is calculated by taking 10% of the appropriation amounts reflected in the State of Mississippi's Budget Bulletin, which includes appropriations, reappropriations, and additional/deficits for the fiscal year that the unencumbered General Fund cash balance represents. Prior to FY 2018, the cap was 7.5%.

### **Coronavirus Aid, Relief, and Economic Security Act (CARES)**

Funds were received from the Federal government to provide fast and direct economic assistance for American workers, families, small businesses, and industries in March 2020. The CARES Act implemented various programs to address issues related to the onset of the COVID-19 pandemic. Mississippi received \$1.3 billion in funds that were allocated to state agencies and programs to be used for COVID-19-related expenses, Education Stabilization Fund for costs related to coronavirus, Disaster Relief, National Guard, unemployment compensation, and for state and local health agencies to prevent, prepare for and respond to coronavirus.

### **Coronavirus State Fiscal Recovery Funds (CSFRF)**

MISS. CODE ANN. § 27-104-321 (1972) created a fund during the 2022 Regular Session to appropriate the \$1.8 billion of funds received from the Federal government through the American Rescue Plan Act (ARPA). Through this fund, various programs were created. Per federal guidelines, the funds must be obligated by December 31, 2024, and fully expended by December 31, 2026. Each agency's appropriated amount is intended to be used over the timeline of the funds and not expended in one year unless the program states otherwise.

#### **Coronavirus State Fiscal Recovery – Lost Revenue Fund**

Funds from the CSFRF may also be used to cover reductions in general revenue due to the public health emergency over a period of performance. The CSFRF Lost Revenue Fund was created in MISS. CODE ANN. § 27-104-325 (1972). The lost revenue must be calculated; this calculation begins with the revenue in the last full fiscal year prior to the COVID-19 public health emergency; for Mississippi, this was FY 2019. The amount of revenue loss gives broad latitude to use funds for the provision of government services to the extent of reduction in revenue due to the pandemic. Lost revenue does have ineligible uses, which include offsetting a reduction in net tax revenue, depositing into the pension fund, replenishing financial reserves, paying pay debt, satisfy settlements and judgments.

SOURCE: Legislative Budget Office.

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## Appendix C: List of All Additional Appropriations from Legislative Session 2021 to Legislative Session 2023

Session	Agency	Fund	FY or FAT	Budget Bulletin	Budget Bulletin Amount
Regular Session 2021	Administrative Office of Courts	CEF	FY	Special Judge Appointments	\$ 375,000
Regular Session 2021	Mississippi Board of Animal Health	Special Funds	FY	Equipment Purchase	\$ 15,000
Regular Session 2021	Mississippi Department of Agriculture and Commerce	Special Funds	FY	Operational Expenses	\$ 76,120
Regular Session 2021	Mississippi Department of Corrections	CEF	FY	Medical Services Program Expenses	\$ 8,225,975
Regular Session 2021	Mississippi Department of Corrections	CEF	FY	Private Prisons Facility Expenses	\$ 5,507,734
Regular Session 2021	Mississippi Department of Corrections	CEF	FY	Regional Facilities Expenses	\$ 5,310,823
Regular Session 2021	Mississippi Department of Corrections	CEF	FY	Local Confinement Facilities Expenses	\$ 2,626,170
Regular Session 2021	Mississippi Department of Education	CEF	FY	Vocational & Technical Education	\$ 3,064,417
Regular Session 2021	Mississippi Department of Finance and Administration	CEF	FY	Mental Health Accessibility Coordinator	\$ 230,000
Regular Session 2021	Mississippi Department of Finance and Administration	Special Funds	FY	Operational Expenses	\$ 124,370
Regular Session 2021	Mississippi Department of Finance and Administration	CLFRF	FAT	Non-Entitlement Units - Coronavirus Funds	\$ 260,000,000
Regular Session 2021	Mississippi Department of Information Technology Services	Special Funds	FY	Passthrough Billing for State Agencies	\$ 700,000
Regular Session 2021	Mississippi Department of Marine Resources	Special Funds	FY	Tidelands - Ongoing Projects	\$ 2,000,000
Regular Session 2021	Mississippi Department of Mental Health	Special Funds	FY	Operational Expenses	\$ 20,000,000
Regular Session 2021	Mississippi Department of Public Safety	CEF	FY	Driver Services Bureau	\$ 625,000
Regular Session 2021	Mississippi Department of Public Safety	CEF	FY	Highway Patrol Trooper School Class	\$ 1,522,743
Regular Session 2021	Mississippi Department of Public Safety	CEF	FY	Office of Forensics Laboratories	\$ 111,667

Session	Agency	Fund	FY or FAT	Budget Bulletin	Budget Bulletin Amount
Regular Session 2021	Mississippi Department of Revenue	Special Funds	FY	Operational Expenses	\$ 554,193
Regular Session 2021	Mississippi Division of Medicaid	Special Funds	FY	Federal Matching Funds	\$ 199,710,000
Regular Session 2021	Mississippi Emergency Management Agency	CEF	FY	Disaster Trust Fund	\$ 6,818,328
Regular Session 2021	Mississippi Institutions of Higher Learning	CEF/Special Funds	FY	Office of Student Financial Aid	\$ 4,100,000
Regular Session 2021	Mississippi Insurance Department	Special Funds	FY	Rural Fire Truck Acquisition Assistance Program	\$ 2,300,000
Regular Session 2021	Mississippi Insurance Department	Special Funds	FY	Workforce Development Courses	\$ 315,700
Regular Session 2021	Mississippi Secretary of State	Special Funds	FY	Operational Expenses	\$ 267,479
Regular Session 2021	Mississippi State Board of Medical Licensure	Special Funds	FY	Operational Expenses	\$ 75,000
Regular Session 2021	Mississippi Veterans Affairs Board	CEF	FY	Mississippi State Veteran's Home System - Operational Expense	\$ 5,250,000
Regular Session 2021	Mississippi Wireless Communication Commission	CEF	FY	System Maintenance	\$ 331,057
Regular Session 2021	Office of the Attorney General	CEF	FY	Judgments & Settlements	\$ 447,413
Regular Session 2021	Office of the Attorney General	CEF	FY	Judgments & Settlements	\$ 1,102,066
Regular Session 2021	Office of the Attorney General	CEF	FAT	Judgments & Settlements	\$ 751,735
Regular Session 2022	Mississippi Department of Agriculture and Commerce	Special Funds	FAT	Express Grain Surety Bond	\$ 1,100,000
Regular Session 2022	Mississippi Department of Environmental Quality	CLFRF	FAT	MCWI Grant Program	\$ 450,000,000
Regular Session 2022	Mississippi Department of Finance and Administration	CEF/Special Funds	FAT	Mississippi Broadband Commission	\$ 351,500
Regular Session 2022	Mississippi Department of Finance and Administration	CEF	FY	Bureau of Buildings - New DPS Headquarters Building	\$ 39,400,000
Regular Session 2022	Mississippi Department of Finance and Administration	CLFRF	FY	Non-Entitlement Units - Coronavirus Funds	\$ 8,046,958

Session	Agency	Fund	FY or FAT	Budget Bulletin	Budget Bulletin Amount
Regular Session 2022	Mississippi Department of Revenue	CEF	FY	Mississippi Medical Cannabis - Operational Expenses	\$ 3,631,268
Regular Session 2022	Mississippi Division of Medicaid	Special Funds	FY	Federal Matching Funds	\$ 466,786,240
Regular Session 2022	Mississippi Emergency Management Agency	CEF	FY	Disaster Trust Fund	\$ 4,576,323
Regular Session 2022	Mississippi Institutions of Higher Learning	Special Funds	FY	Office of Student Financial Aid	\$ 3,500,000
Regular Session 2022	Mississippi State Department of Health	CEF	FAT	Legal Expenses	\$ 865,000
Regular Session 2022	Mississippi State Department of Health	CEF	FY	Mississippi Medical Cannabis - Operational Expenses	\$ 3,800,128
Regular Session 2022	Mississippi State Department of Health	CEF	FY	Victims of Crime Act (VOCA) Grants	\$ 9,852,684
Regular Session 2022	Mississippi State Department of Health	CSFRF	FAT	ARPA Rural Water Association Infrastructure Grant Program	\$ 300,000,000
Regular Session 2022	Mississippi Veterans Affairs Board	CEF	FY	ACA Penalty	\$ 103,113
Regular Session 2022	Mississippi Wireless Communication Commission	CEF	FY	System Maintenance	\$ 606,242
Regular Session 2022	Office of the Attorney General	CEF	FY	Judgments & Settlements	\$ 1,188,068
Regular Session 2022	Office of the Attorney General	CEF	FAT	Judgments & Settlements	\$ 1,750,000
Regular Session 2022	The Mississippi Standing Joint Committee on Reapportionment and Redistricting	CEF	FY	Legal Services Expense	\$ 15,000
Regular Session 2023	Administrative Office of Courts	General Funds	FAT	Operational Expenses	\$ 389,665
Regular Session 2023	Administrative Office of Courts	General Funds	FY	Special Judges Cost	\$ 335,000
Regular Session 2023	Administrative Office of Courts	General Funds	FAT	Special Judges Cost	\$ 1,299,160
Regular Session 2023	Administrative Office of Courts	General Funds	FY	Youth Court Support Program	\$ 625,000
Regular Session 2023	Administrative Office of Courts	CSFRF	FAT	Trial Judges - State Case Backlog	\$ 1,480,872

Session	Agency	Fund	FY or FAT	Budget Bulletin	Budget Bulletin Amount
Regular Session 2023	East Central Community College	CEF	FY	Career/Technical Education Teachers	\$ 101,182
Regular Session 2023	Hinds Community College	CEF	FY	Career/Technical Education Teachers	\$ 169,572
Regular Session 2023	Mississippi Army National Guard	CSFRF	FAT	Camp Shelby Capital Projects	\$ 5,000,000
Regular Session 2023	Mississippi Board of Animal Health	CEF	FY	Operational Expenses	\$ 220,783
Regular Session 2023	Mississippi Department of Agriculture and Commerce	Special Funds	FAT	Agriculture & Commerce-Security Payments to DPS	\$ 1,000,000
Regular Session 2023	Mississippi Department of Agriculture and Commerce	Special Funds	FY	Agriculture & Commerce-Operational Expenses	\$ 400,985
Regular Session 2023	Mississippi Department of Banking and Consumer Finance	Special Funds	FY	Operational Expenses	\$ 1,316,969
Regular Session 2023	Mississippi Department of Child Protection Services	Special Funds	FY	Increase of expenditure in Title IV-E Funding	\$ 12,000,000
Regular Session 2023	Mississippi Department of Corrections	General Funds	FY	Medical Services	\$ 23,865,997
Regular Session 2023	Mississippi Department of Corrections	General Funds	FY	Private Prisons	\$ 2,873,765
Regular Session 2023	Mississippi Department of Corrections	General Funds	FY	Regional Facilities	\$ 1,596,594
Regular Session 2023	Mississippi Department of Education	General Funds	FY	MAEP Expenses	\$ 20,000,000
Regular Session 2023	Mississippi Department of Education	Special Funds	FY	Education Facilities Revolving Loan Fund Program	\$ 20,000,000
Regular Session 2023	Mississippi Department of Employment Security	CSFRF	FAT	Workforce Development Office	\$ 28,000,000
Regular Session 2023	Mississippi Department of Environmental Quality	CLFRF	FAT	MCWI Grant Program	\$ 41,000,000
Regular Session 2023	Mississippi Department of Finance and Administration	General Funds	FAT	District Attorneys & Staff	\$ 371,679
Regular Session 2023	Mississippi Department of Finance and Administration	Special Funds	FAT	Capital City Water/Sewer Projects Fund	\$ 30,000,000

Session	Agency	Fund	FY or FAT	Budget Bulletin	Budget Bulletin Amount
Regular Session 2023	Mississippi Department of Finance and Administration	CSFRF	FAT	District Attorneys & Staff	\$ 880,958
Regular Session 2023	Mississippi Department of Finance and Administration	CSFRF	FAT	DFA - Eligible Administrative/Reporting Expenses	\$ 6,000,000
Regular Session 2023	Mississippi Department of Finance and Administration	CSFRF	FAT	Bureau of Buildings - Eligible Projects - State Agencies/Institutions/JUCO	\$ 42,919,505
Regular Session 2023	Mississippi Department of Finance and Administration	CSFRF	FAT	Mississippi Main Street Association	\$ 3,000,000
Regular Session 2023	Mississippi Department of Finance and Administration	CSFRF	FAT	State/School Employees' Life/Health Insurance	\$ 35,000,000
Regular Session 2023	Mississippi Department of Information Technology Services	CEF	FAT	Private Cloud Environment	\$ 5,500,000
Regular Session 2023	Mississippi Department of Public Safety	CEF	FY	Support Services - ACA Penalty	\$ 932,902
Regular Session 2023	Mississippi Department of Public Safety	General Funds	FAT	Capitol Police - Operational Expenses	\$ 2,900,000
Regular Session 2023	Mississippi Department of Wildlife, Fisheries, and Parks	CEF	FY	ACA Penalty	\$ 1,376,228
Regular Session 2023	Mississippi Department of Wildlife, Fisheries, and Parks	Special Funds	FY	Operational Expense	\$ 10,000,000
Regular Session 2023	Mississippi Division of Medicaid	Special Funds	FY	Federal Matching Funds	\$ 245,955,527
Regular Session 2023	Mississippi Emergency Management Agency	Special Funds	FY	Hazard Mitigation & Jackson Water	\$ 6,518,942
Regular Session 2023	Mississippi Emergency Management Agency	Special Funds	FAT	Disaster Trust - March 2023 Storms	\$ 7,000,000
Regular Session 2023	Mississippi Emergency Management Agency	Special Funds	FAT	Disaster Trust - School District Match	\$ 3,000,000
Regular Session 2023	Mississippi Emergency Management Agency	Special Funds	FAT	Housing Mission Fund - March 2023	\$ 7,000,000
Regular Session 2023	Mississippi Ethics Commission	General Funds	FY	Operational Expenses	\$ 24,961
Regular Session 2023	Mississippi Institutions of Higher Learning	CSFRF	FAT	UMMC - Psychiatric Adolescent Facility Repair and Remodel	\$ 6,000,000

Session	Agency	Fund	FY or FAT	Budget Bulletin	Budget Bulletin Amount
Regular Session 2023	Mississippi State Board of Registered Professional Geologists	Special Funds	FY	Geologists Board, Registered Professional-Expenses	\$ 17,699
Regular Session 2023	Mississippi State Department of Health	General Funds	FY	Legal Expenses	\$ 1,103,950
Regular Session 2023	Mississippi State Department of Health	CEF	FAT	Sharkey-Issaquena Hospital/Nursing Home	\$ 1,500,000
Regular Session 2023	Mississippi State Department of Health	CSFRF	FAT	ARPA Rural Water Associations Infrastructure Grant Program	\$ 74,000,000
Regular Session 2023	Mississippi State Department of Health	CSFRF	FAT	Mississippi Hospital Sustainability Grant Program	\$ 103,700,000
Regular Session 2023	Mississippi Veterans Affairs Board	CEF	FY	ACA Penalty	\$ 416,869
Regular Session 2023	Mississippi Veterans Affairs Board	Special Funds	FAT	State Veterans' Home System - Capital Repairs	\$ 1,266,025
Regular Session 2023	Office of the Attorney General	General Funds	FY	Judgments & Settlements	\$ 216,452
Regular Session 2023	Office of the Attorney General	General Funds	FAT	Judgments & Settlements	\$ 1,112,942
Regular Session 2023	Office of the Attorney General	CEF	FY	Judgments & Settlements	\$ 604,310
Regular Session 2023	Office of the Attorney General	CEF	FAT	Judgments & Settlements	\$ 985,000
Regular Session 2023	Office of the State Public Defender	General Funds	FAT	Operational Expenses	\$ 446,521
Regular Session 2023	Office of the State Public Defender	CSFRF	FAT	State Case Backlog	\$ 638,170
Regular Session 2023	Veterans' Home Purchase Board of Mississippi	Special Funds	FY	Veterans' Home Purchase Board	\$ 25,000,000

SOURCE: PEER analysis of budget bulletins, legislative bills, and agency information requests.

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## Appendix D: FY 2024 Budget Cycle

### Request Phase

June 1: Budget Request Forms Distributed to All State Agencies and Institutions

August 1: Budget Requests Due to LBO and DFA

September 21: Budget Hearings Before Joint Legislative Budget Committee (JLBC)

### Recommendation Phase

October 1 – November 15:

- Staff Recommendation per JLBC Guidelines
- LBO Staff Recommendation Presented to JLBC
- Revenue Recommendation Developed by Revenue Estimating Group (REG)
- Revenue Recommendation to JLBC and Governor
- Joint Revenue Estimate Adopted

November 15: Governor Releases Budget Recommendation

- Due by January 31st during the First Year of a New Term

December 7: JLBC Adopts State Budget Recommendation

### Appropriation Phase

January 4:

- Legislature convenes.
- Budget hearings begin before House and Senate Appropriation Committees and Subcommittees.

February 23: Deadline for 1st House Action on Appropriation Bills

March 15: Deadline for 2nd House Action on Appropriation Bills

March 26: Deadline for Filing Conference Reports on Appropriation Bills

March 28: Deadline for Final Adoption of Conference Reports on Appropriation Bills

April 2: Legislature Adjourns Sine Die

May: LBO Publishes FY 2024 Budget Bulletin

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SOURCE: Legislative Budget Office.

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## Appendix E: Mississippi's Budget Process

Mississippi's budget process allows the Governor and Legislature to allocate resources among entities and ensure revenue adequate to fund them. Mississippi issues an annual budget that funds entities from July 1 through June 30.<sup>3</sup> State law limits the budget to 98% of the available funds in a fiscal year.

### Agencies that Support the Budget Process

The Legislative Budget Office (LBO) helps the Joint Legislative Budget Committee (JLBC) develop its annual State Budget Recommendation. LBO assists the Legislature in developing the appropriation bills, which will collectively comprise the State Budget.

The Department of Finance and Administration (DFA) Office of Budget and Fund Management (OBFM) creates and presents the annual executive budget recommendation to the Legislature. OBFM is also responsible for the implementation, execution, and control of the state budget as promulgated by the Legislature through the appropriation process.

### Steps in the Budget Process

Mississippi's budget and appropriation process can be divided into six steps.

#### Step 1 – Revenue Estimate

Because budgets must balance annually, entities need revenue estimates for the upcoming year. The Revenue Estimating Group, consisting of the State Economist, State Fiscal Officer, Commissioner of Revenue, State Treasurer, and Director of the Legislative Budget Office, develops revenue forecasts for the Governor and JLBC approval. Before a new budget cycle, the group develops a revenue estimate for the next fiscal year and an adjustment for the current fiscal year to be adopted in November. The Governor and JLBC can vote to adopt the new estimate for the new fiscal year and the adjustment for the current fiscal year or adopt it for the new fiscal year. The group, upon request, may meet in the Spring to discuss revisions to the November revenue estimates.

#### Step 2 – Request Phase

DFA and LBO send budget request forms to all entities from June to September. Entities complete requests based on anticipated costs to maintain existing services, pay for one-time needs, or fund new or growing initiatives. JLBC considers these requests at budget hearings. Budget request hearings are open to the public.

#### Step 3 – Recommendation Phase

From October to December, the Governor and JLBC develop recommendations independently, amounts for each entity within the estimated available funds. The Governor releases budget recommendations by the 15th of each November except the first year following a gubernatorial election, when it is due on January 31. JLBC then adopts its state budget recommendation before December 15. Copies of the JLBC recommendation are provided to every member on the first day of the session.

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<sup>3</sup> Some appropriations bills continue to fund entities after the fiscal year.



#### Step 4 – Appropriation Phase

During the Legislative Session, the Legislature reviews the Governor’s and JLBC’s budget proposals.<sup>4</sup> An appropriation bill is prepared for each entity. The bills are referred to appropriation committees or subcommittees, with approximately half originating in the House and half in the Senate. Committee and subcommittee hearings are open to the public. The bills are passed out of committee, passed in the originating chamber, and sent to the other chamber to complete the legislative process. When both chambers have approved (the conference process may be necessary to reconcile differences in bills passed within each house), appropriation bills are sent to the Governor for signature, approval without signature, or veto.

#### Step 5 – Governor Signs or Vetoes the Budget

Appropriation bills passed by the Legislature are sent to the Governor for signature, approval without signature, or veto. The Governor can line-item veto appropriation bills. The Governor’s signature and veto are required within five days while the Legislature is in session or 15 days after the session has adjourned. A super-majority is required to override the Governor’s veto.

#### Step 6 – Budget Implementation

Once the final budget is adopted and the fiscal year begins, entities begin to implement the budget. Entities may need to revise the budget during the year. During these revisions, it may be necessary for an agency to request transfers within specific budget categories; this must have approval by the Appropriations Chairmen. This transfer request could be for moving funds in and out of salaries. If an agency has received new federal funds, it can escalate these funds through the Department of Finance and Administration. If other funds are received during the year, if the agency does not have enough spending authority, it may request a deficit or additional appropriation, or request the funds to be spent in the next fiscal year.

SOURCE: Legislative Budget Office.

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<sup>4</sup> The appropriation phase starts on the first Tuesday in January and runs for up to 90 days unless it is a Governor’s inaugural session, which may be up to 125 days.

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# Appendix F: Deficit Prevention Act

MISSISSIPPI LEGISLATURE

REGULAR SESSION 2023

By: Senator(s) Polk, England, Butler (36th),  
Hickman, Norwood, Simmons (12th)

To: Accountability,  
Efficiency, Transparency

SENATE BILL NO. 2053  
(As Passed the Senate)

1 AN ACT TO CREATE THE "DEFICIT PREVENTION ACT"; TO REQUIRE A  
2 STATE AGENCY, DEPARTMENT OR INSTITUTION TO NOTIFY THE GOVERNOR,  
3 LIEUTENANT GOVERNOR, SPEAKER OF THE HOUSE, AND CHAIRS OF THE  
4 SENATE AND HOUSE APPROPRIATIONS COMMITTEES WITHIN 15 DAYS OF A  
5 DETERMINATION THAT THE LIKELIHOOD OF A DEFICIT FOR THE CURRENT  
6 FISCAL YEAR EXISTS; TO REQUIRE A STATE AGENCY, DEPARTMENT OR  
7 INSTITUTION TO WORK WITH THE LEGISLATIVE BUDGET OFFICE AND THE  
8 DEPARTMENT OF FINANCE AND ADMINISTRATION TO DEVELOP A PLAN TO  
9 AVOID OR LIMIT ANY DEFICIT; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** (1) This section shall be known and may be cited  
12 as the "Deficit Prevention Act."

13 (2) It is the responsibility of each state agency,  
14 department and institution to operate within the limits of its  
15 annual appropriations by the Legislature and any other approved  
16 expenditures of monies. A state agency, department or institution  
17 shall not operate in a manner that results in a year-end deficit,  
18 except as provided in this act.

19 (3) If it is determined by a state agency, department or  
20 institution that the likelihood of a deficit for the current  
21 fiscal year exists, the state agency, department or institution



22 shall notify the Governor, Lieutenant Governor, Speaker of the  
23 House, and Chairs of the House and Senate Appropriations  
24 Committees within fifteen (15) days of this determination.

25 (4) After the determination of the likelihood of a deficit,  
26 the state agency, department or institution shall work with the  
27 Legislative Budget Office and the Department of Finance and  
28 Administration to develop a plan to avoid or limit any deficit.  
29 Such plan shall include limiting travel and conference attendance  
30 to that deemed essential by the director of the agency, department  
31 or institution, and restricting the purchase of equipment,  
32 vehicles and other nonnecessities.

33 (5) For purposes of this section, the term "state agency"  
34 shall have the same meaning as provided in Section 27-103-103.

35 **SECTION 2.** This act shall take effect and be in force from  
36 and after July 1, 2023.

S. B. No. 2053  
23/SS36/R329PS  
PAGE 2



~ OFFICIAL ~

ST: Deficit Prevention Act; require state agencies to notify certain officials when likelihood of a deficit exists.

SOURCE: Senate Bill 2053.

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# Appendix G: Arkansas Additional Appropriation Form

## SUPPLEMENTAL APPROPRIATION REQUEST FORM

Agency: \_\_\_\_\_

Program Title: \_\_\_\_\_

Appropriation only:  Yes  No

General Revenue Funding Amount Requested: \$ \_\_\_\_\_ None: \_\_\_\_\_

Other Funding Amount Requested: \$ \_\_\_\_\_ None: \_\_\_\_\_

Source of Other Funding: \_\_\_\_\_

Accounting Information:

Business Area: \_\_\_\_\_ Funds Center:  Fund:  Functional Area: \_\_\_\_\_

	Authorized FY20	Supplemental Request FY20	Executive Recommendation
Regular Salaries			
Number of Positions			
Extra Help			
Number of Positions			
Personal Services Matching			
Operating Expenses			
Conference & Travel Expenses			
Professional Fees			
Capital Outlay			
Data Processing			
Other:			
Other:			
<b>Total</b>	\$	\$	\$

IGS Approval (if applicable) \_\_\_\_\_ Date \_\_\_\_\_ Items requested for information technology must be in compliance with Technology Plans as submitted to IGS.

### Supplemental Personnel Positions Requested:

Position Title	Class Code	Grade	Line Item Maximum	# of Positions Requested
Total Positions Requested				

Current Authorization(s):

Section	Act

OPM Approval (if applicable) \_\_\_\_\_

Summary of Request and Statement of Need: (If IT related reference the location/number in the agency's IT Plan)

Impact if Not Approved:

Alternatives:

Executive Recommendation:

Revised 11/13/2018

## Supplemental Appropriation Request Form Instructions

**INSTRUCTIONS RECEIVED: December 5, 2018**

**DEADLINE FOR SUBMISSIONS: COB – December 19, 2018**

### Form Items

- 1) **Agency** - Enter the name of the agency requesting Supplemental Appropriation.
- 2) **Program Title** - Enter the name of the program.
- 3) **Appropriation only** - Enter an "X" in yes or no.
- 4) **Funding Information:**
  - General Revenue Funding Amount Requested** - Enter the specific amount of supplemental General Revenue funding the agency is requesting. Enter an "X" in "None" if the agency is not requesting supplemental General Revenue funding.
  - Other Funding Amount Requested** - Enter the specific amount of other supplemental funding the agency is requesting. Enter an "X" in "None" if the agency is not requesting other supplemental funding.
  - Source of Other Funding** - Enter a description of the source of funding if an amount was requested in "Other Funding Amount Requested".
- 5) **Accounting Information:**
  - Business Area Code** - Enter the four-digit code of the agency.
  - Funds Center Code** - Enter the existing appropriation code. If the request is for a new appropriation, leave blank.
  - Fund Code** - Enter the seven-digit fund code. If a new fund must be established, leave blank.
  - Functional Area Code** - Enter the functional area of the agency.
- 6) **Appropriation Request:**
  - Budgeted FY19** - Enter the agency's total FY19 Original Budget, which can be found on the Available Budget report in AASIS.
  - Supplemental Request FY19** - Enter the requested supplemental appropriation amount by line item. If "other" is requested enter a short description. If the request is for funding only, leave supplemental request column blank.
  - Executive Recommendation** - Leave blank. This amount will be entered by DFA-Office of Budget after Executive Review.
- 7) **DFA IGS State Technology Planning Approval** - IGS's signature will be obtained, by DFA-Office of Budget, to signify the review and approval of any action requested by applicable state agencies for the purpose of information technology related items in accordance with applicable Technology Plans previously submitted to IGS by the requesting agency(s). Constitutional Offices, Institutions of Higher Education and Legislative/Judicial agencies are exempt from this process.
- 8) **Supplemental Personnel Positions Requested** - Enter information only if new positions are to be established.
  - Position Title** - For each position being established, enter the existing Position Title as authorized in A.C.A. §21-5-208.
  - Class Code** - For each position being established, enter the Class Code corresponding to the Position Title as authorized in A.C.A. §21-5-208.
  - Grade** - For each position being established, enter the Grade corresponding to the Position Title and Class Code as authorized in A.C.A. §21-5-208.
  - Line Item Maximum** - For each unclassified position being established enter a line item maximum salary rate set out in dollars.
  - # of Positions Requested** - Enter the number of positions needed for each position title.
- 9) **Current Authorization(s)** - Enter the section and the act number of the authorizing act(s) which references the appropriation for which the supplemental is being requested.
- 10) **Summary of Request and Statement of Need** - Enter a thorough description of the need for the supplemental appropriation request and/or funding. If Information Technology (IT) related items are included in the request, the agency must include the location (major agency application, support or project) and location number in the agency's IT Plan referencing the requested item (example major application #2).
- 11) **Impact if Not Approved** - Enter a statement that reflects the impact on the agency if the request is not approved.
- 12) **Alternatives** - Enter a statement giving alternative actions the agency can in lieu of the request.
- 13) **Executive Recommendation** - Leave blank. This statement will be entered by DFA-Office of Budget after Executive Review.

SOURCE: Budget forms issued by the Arkansas Department of Finance and Administration.

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# Agency Response

## MISSISSIPPI Joint Legislative Budget Committee



DELBERT HOSEMANN  
Lieutenant Governor  
SENATOR DEAN KIRBY  
President Pro Tempore  
SENATOR W. BRIGGS HOPSON III  
Chair, Appropriations Committee  
SENATOR JOSH HARKINS  
Chair, Finance Committee  
SENATOR JOEY FILLINGANE  
Chair, Judiciary, Division B  
SENATOR JOHN HORHN  
Chair, Labor Committee  
SENATOR NICOLE BOYD  
Vice Chair, Universities and Colleges

Chair  
DELBERT HOSEMANN, LIEUTENANT GOVERNOR

TONY M. GREER, DIRECTOR  
Legislative Budget Office

501 North West Street, Suite 201-B  
Jackson, Mississippi 39201  
601-359-1580 FAX 601-359-1629

PHILIP GUNN  
Speaker of the House  
REPRESENTATIVE JASON WHITE  
Speaker Pro Tempore  
REPRESENTATIVE JOHN READ  
Chair, Appropriations Committee  
REPRESENTATIVE TREY LAMAR  
Chair, Ways and Means Committee  
REPRESENTATIVE ANGELA COCKERHAM  
Chair, Judiciary A Committee  
REPRESENTATIVE C. SCOTT BOUNDS  
Chair, Public Utilities Committee  
REPRESENTATIVE PERCY W. WATSON  
Vice Chair, Ethics Committee

October 16, 2023

Ted Booth, Executive Director  
Joint Committee on Performance Evaluation and Expenditure Review  
Woolfolk Building Suite 301-A  
501 N. West Street  
Jackson, MS 39201

RE: A Review of Additional Appropriations Granted by the Legislature for Fiscal Years 2021-2023

Mr. Booth:

Thank you for allowing the staff of the Legislative Budget Office to review the report regarding deficits and additional during the past few years. Due to the COVID-19 pandemic, the past three years have had an unprecedented amount of deficits and additional appropriations. While the report excludes this, it is necessary to point out that with the increase in the amount of funds that have come to the state, the staff of the Legislative Budget Office has provided advice to the Legislature in order to get funds out quickly for emergency situations.

In working with the Speaker, Lieutenant Governor, and the Chairmen of Appropriations in the House and Senate, the staff provides documentation from each agency on their needs for additional funding. The staff of the Legislative Budget Office works closely with each agency to ensure the need for the deficit and an accurate amount of funds that are needed. During the session, staff discuss these deficits in meetings with the Chairmen, Sub-Committee Chairmen assigned to that agency, and the full Appropriations Committees in both the House and Senate. This documentation is available for any member of the Legislature upon request and is also discussed when the bills come to the floor for debate and voting. There are usually multiple questions in committee meetings and floor debates that detail the requests and needs for these additional appropriations.

One change that has occurred during Fiscal Year 2023 is controls now being placed on salary spending by state agencies. While language was provided in the appropriations bills that explained this change, it did catch some agencies off guard. For years, agencies had been able to move funds in and out of all line item categories. When the Legislature decided to "lock" salaries during Fiscal Year 2023, it required the Legislative Budget Office staff to work with each agency to determine the correct amount in the salary category because some agencies reported inflated salary figures. This resulted in a few state agencies requesting additional; this includes the Department of Banking and Consumer Finance and the Department of Wildlife, Fisheries, and Parks.

The additional appropriations for Judgments and Settlements with the Attorney General's Office have historically been funded through deficits and additional appropriations. In the past few years, the Office has begun to request fiscal year funding; at this time, the Legislature has chosen to continue to fund these requests through deficits and additional. Each year, we have multiple meetings with the Office and the Chairman of Appropriations in the House and Senate, these meetings are very detailed, and each request is discussed.

The additional requests from the Mississippi Emergency Management Agency began with new leadership over the past few years. The staff has meetings throughout the year and after every disaster that has occurred. The past few years have included COVID-related expenses, the Jackson Water Crisis, and multiple tornadoes. We will continue to work with the Agency in order to ensure that the Disaster Trust Fund is adequately funded, but that is a prerogative of the Legislature on what level of funding will be provided and through what mechanism.

The Legislative Budget Office has always requested detailed information from agencies when they request additional funding. We do agree that requesting the impact, if additional funding is not given, is an important piece of information. We will begin to request that in our letters and documentation.

Our staff has found reviewing this report and discussing it with your staff very helpful. We appreciate all the feedback and working closely with the PEER Committee in order to support the directives of the Mississippi Legislature.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tony Greer', with a stylized flourish underneath.

Tony Greer  
Executive Director  
Legislative Budget Office

**James F. (Ted) Booth, Executive Director**

Reapportionment

Ben Collins

Administration

Kirby Arinder

Stephanie Harris

Gale Taylor

Quality Assurance and Reporting

Tracy Bobo

Hannah Jane Costilow

Performance Evaluation

Lonnie Edgar, Deputy Director

Jennifer Sebren, Deputy Director

Drew Allen

Emily Cloys

Kim Cummins

Matthew Dry

Matthew Holmes

Drew Johnson

Billy Loper

Debra Monroe

Taylor Mullins

Meri Clare Ringer

Sarah Williamson

Julie Winkeljohn

Ray Wright