



# FACT SHEET: *March 9, 2010*

## FY 2010 Budget Cuts Restored with Special Funds; More Revenue Still Needed

### KEY TAKEAWAY:

The Mississippi legislature has approved a measure to restore \$82 million of FY 2010 cuts made by Barbour due to the state's revenue shortfall. The legislation transfers special funds, such as those from the tobacco settlement, to be used in the current fiscal year for programs such as the Mississippi Adequate Education Program. The \$82 million will restore part of the \$459 million in cuts for this fiscal year which ends June 30, 2010.

### FY 2010 Funds Restored by Legislation:

State revenue has now come in under estimate for over seventeen months. Four rounds of budget cuts have been made in the current year alone totaling \$459 million. The legislation restores less than 20% of those cuts for selected agencies and programs and more cuts may still be made this year if shortfalls continue. Figure 1 shows the amount of funds restored to each of the selected agencies or programs.

Agency/Program	Amount Restored	Agency/Program Continued	Amount Restored
District Attorneys and Staff	\$1,491,817	Department of Corrections	\$16,000,000
State Tax Commission	\$1,000,000	Department of Human Services	\$2,500,000
Department of Education-Nat'l Board Certification	\$2,036,095	Department of Rehabilitation Services	\$200,000
Department of Education-Chuckasaw Cession Counties	\$1,126,768	Military Department	\$61,856
Department of Education-MS Adequate Education Program	\$33,908,173	Department of Public Safety-Crime Lab	\$45,421
IHL-Ayers Funding	\$2,248,369	Department of Public Safety-Hwy Safety Patrol Division	\$1,765,198
IHL-Univ. of MS Medical Center	\$750,000	Department of Public Safety-Bureau of Narcotics	\$69,947
IHL-ASU-Agricultural Programs	\$139,384	Veteran's Affairs Board	\$1,173,727
IHL-MSU-Agriculture and Forestry Experiment Station	\$267,778	Department of Finance and Administration-Property Insurance	\$7,100,00
IHL-MSU-Cooperative Extension Services	\$267,777	Department of Finance and Administration-Cost Allocation Due Federal Government	\$3,300,000
IHL-MSU-College of Veterinary Medicine	\$385,784	Attorney General-Judgements and Settlements	\$1,286,906
State Department of Health	\$875,000	<b>TOTAL</b>	<b>\$82,000,000</b>
Department of Mental Health	\$4,000,000		
<i>Source: SB 2495 Report of Conference Committee, 2010</i>			



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4 Old River Place, Suite A • Jackson, MS 39202 • 601-944-4186 • [www.mepconline.org](http://www.mepconline.org)

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#### **Conclusion:**

The budget picture for the next two fiscal years does not look much better than this year's. Use of reserve funds is appropriate in such a budget crisis, but will not be enough as revenue shortfalls continue. However, a cut-heavy approach compromises the quality of state services like education and public safety. Investments in these areas are required not only for the quality of life of state residents, but also to maintain a viable economic climate. A balanced approach that includes raising revenue is necessary to preserve jobs and education opportunities for Mississippi to move forward.