



FACT SHEET: *April 19, 2010*

Governor Barbour's Revised Budget Recommendation Proposes More Cuts

Key Takeaway:

Due to reductions in the revenue estimate for FY 2011, Governor Barbour announced a reduced executive budget recommendation in advance of the legislature's adoption of appropriations for FY 2011.

These proposed reductions are in addition to the multiple budget cuts made to the FY 2010 budget. The proposed reductions include an additional **\$114 million** cut for the Mississippi Adequate Education Program

The revised recommendation proposes reduced spending for most agencies below not only the original FY 2010 appropriations, but also below current agency budgets after the five rounds of mid-year budget cuts. The table below shows the recommendation by budget category in comparison with the FY 2010 budget.

	FY 2010		FY 2011	
	FY 2010 State Support Appropriations + ARRA funds	FY 2010 Projected State Support + ARRA Funds Actual (After Cuts)	FY 2011 Governor's Modified State Support + ARRA Funds Recommendation	Difference Between FY 2011 Recommendation and Projected FY 2010 Actual Budget
Legislative	\$26,004,726	\$26,004,726	\$22,884,159	\$(3,120,567)
Judiciary & Justice	\$62,972,631	\$62,689,040	\$60,005,653	\$(2,683,387)
Executive & Administrative	\$3,666,637	\$3,328,676	\$3,125,704	\$(202,972)
Fiscal Affairs	\$115,940,049	\$107,636,867	\$78,669,426	\$(28,967,441)
Public Education	\$2,544,279,562	\$2,355,489,010	\$2,262,213,048	\$(93,275,962)
MAEP	\$2,231,137,884	\$2,068,844,545	\$1,954,601,338	\$(114,243,207)
Higher Education-IHL	\$714,211,944	\$654,816,334	\$636,203,722	\$(18,612,612)
Higher Education-Community and Junior Colleges	\$264,999,986	\$241,238,149	\$224,289,358	\$(16,948,791)
Public Health	\$61,110,120	\$58,972,740	\$53,516,629	\$(5,456,111)
Hospital and Hospital Schools	\$272,072,096	\$255,186,110	\$239,222,096	\$(15,964,014)
Agriculture	\$11,169,605	\$10,111,218	\$9,559,385	\$(551,833)
IHL Agriculture	\$82,136,020	\$75,573,080	\$68,242,344	\$(7,330,736)
Economic Development	\$25,198,524	\$22,810,813	\$22,066,462	\$(744,351)
Conservation	\$55,652,628	\$50,379,206	\$48,310,905	\$(2,068,301)
Corrections	\$328,556,678	\$313,802,978	\$312,939,804	\$(863,174)
Social Welfare	\$858,116,806	\$823,199,105	\$922,839,047	\$99,639,942
Medicaid	\$707,337,710	\$683,337,710	\$781,849,284	\$98,511,574
Military, Police & Veteran's Affairs	\$96,857,212	\$90,826,970	\$89,642,546	\$(1,184,424)
Local Assistance	\$84,150,000	\$76,176,281	\$72,379,697	\$(3,796,584)
Arts Commission	\$1,907,411	\$1,726,673	\$1,640,616	\$(86,057)
Debt Service	\$347,187,030	\$347,187,030	\$367,187,030	\$20,000,000
Total General Fund Agencies	\$5,956,189,665	\$5,577,155,006	\$5,494,937,632	\$(82,217,374)
Windpool Appropriation	\$20,000,000	\$18,104,880	\$-	\$(18,104,880)
Health Insurance Exchange	\$-	\$-	\$1,466,126	\$1,466,126
Total State Support	\$5,976,189,665	\$5,595,259,886	\$5,496,403,758	\$(98,856,128)

Source: MEPC Analysis of data from the Governor's Office Press Release, April 14, 2010

For more information on state budget issues and revenue options, visit the Mississippi Economic Policy Center's website at www.mepconline.org



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Conclusion:

Successive budget cuts are affecting the quality and availability of state services. These cuts are resulting in layoffs and furloughs, as well as, school districts increasing class sizes, and increases in tuition at state universities.

A cuts only strategy not only hurts working families, but also hurts the state's economy. A balanced approach that includes raising revenue, especially through measures that take into account one's ability to pay, has been shown to be

less harmful to a state's economy than state budget cuts. The approach also preserves critical investments in education, health care and public safety to move the state forward when prosperity returns.

About the Recommendations:

Each year as required by law, the Governor provides a budget recommendation to the legislature in November in advance of the legislative session. Last week the Governor released a revised recommendation that included further budget reductions in response to continued revenue declines. The Legislature is currently in recess, but will return to decide on a FY 2011 budget tomorrow.

Note: State support funds include General Funds, Budget Contingency Funds, Healthcare Expendable Funds, Tobacco Control Funds, and Education Enhancement Funds.