



# FACT SHEET: *March 30, 2010*

## Revenue Estimates for FY 2010 and FY 2011 Project Further Declines

### Key Takeaway:

Revised revenue estimates project additional declines in tax collections for the remainder of this budget year and into next year. Responding to economic realities, the current year general fund revenue estimate was adjusted downward by \$119.4 million and the estimate for next year was adjusted downward by \$112.9 million.

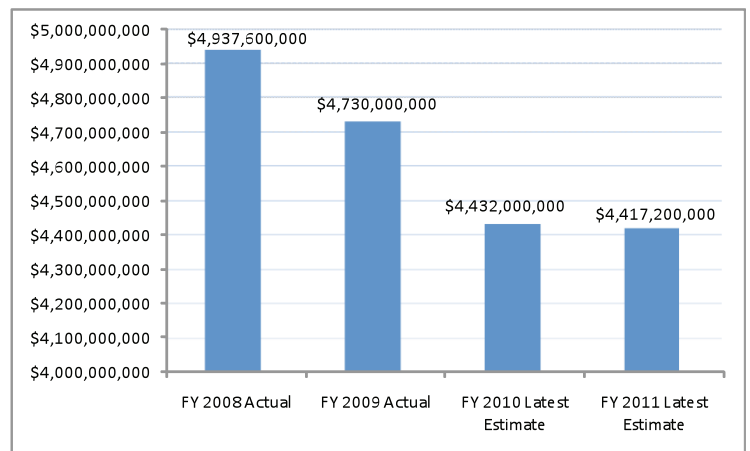
As a result, a fifth round of budget cuts has been announced and General Fund Revenues could decline for the third straight year. Given the challenges created by five rounds of budget cuts, a balanced approach that includes raising revenues is needed for the state to be competitive when prosperity returns.

### Current Budget:

In November, the Revenue Estimating Group revised the estimate of General Fund revenue that would be collected in 2010 downward from \$4.75 billion to \$4.55 billion. Money from the General Fund supports K-12 education, higher education and a number of other important services.

In March, the number was revised lower again to \$4.43 billion. Slower than anticipated sales tax and individual income tax collections have resulted in less money being available to fund education, healthcare and public safety in 2010.

GENERAL FUND REVENUE COLLECTIONS ACTUAL AND ESTIMATES FY 2008-2011



Source: Revenue Estimating Group State General Fund Revenue Estimate Worksheet, March 17, 2010.

### FY 2011 Budget:

Figure 1 shows how general fund revenue has declined from FY 2008 to FY 2011 during the economic downturn. From FY 2008 actual collections to the projected FY 2011 revenue anticipated, the state is expected to see a decline of \$520 million in general fund revenue.

### Conclusion:

With fewer resources to fund high quality education, to prepare Mississippi's workforce and to keep its communities healthy and safe, a balanced approach that includes raising revenues is needed to preserve these critical investments.