

STATE OF MISSISSIPPI

# LEGISLATIVE BUDGET REPORT

FOR FISCAL YEAR

July 1, 2021 – June 30, 2022



SUBMITTED BY

JOINT LEGISLATIVE BUDGET COMMITTEE

To The

MISSISSIPPI LEGISLATURE

2021 SESSION



STATE OF MISSISSIPPI

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TO MEMBERS OF THE MISSISSIPPI LEGISLATURE:

In compliance with the provisions of Section 27-103-113, Mississippi Code of 1972, the Joint Legislative Budget Committee submits for your consideration the Proposed Budget for the State of Mississippi for FY 2022.

Section 27-103-113, Mississippi Code of 1972, states that "It shall be the duty of the Legislative Budget Office to prepare an overall balanced budget of the entire expenses and income of the state for each fiscal year, which budget shall encompass the operations of all general-fund agencies and all special-fund agencies and the Mississippi Department of Transportation (including Office of State Aid Road Construction). Beginning with the 1996 fiscal year, such budget shall be prepared in a format which will include performance measurement data associated with various programs operated by each agency. Said overall budget shall be completed prior to December 15 before the convening of the Legislature at the regular session."

In compliance with Section 27-103-113, the Joint Legislative Budget Committee prepares its budget recommendation in a format which includes performance measurement data. The Joint Legislative Budget Committee requires all state agencies to identify programs, the costs associated with each program, and the present and anticipated activities and objectives of each program. In addition to agency budget recommendations being made by major object of expenditure, recommendations are also made by the various programs of each agency as required by statute.

#### JOINT LEGISLATIVE BUDGET COMMITTEE RECOMMENDATIONS FOR FY 2022

Prior to the preparation of this budget, detailed budget request documents were received from all state agencies in support of their requests for FY 2022. Governing boards and executive heads of agencies appeared before the members of the Joint Legislative Budget Committee to further explain their needs and problems. Following the conclusion of this process, the members of the Committee agreed to submit this budget report for the consideration of the Legislature. Copies of the budget requests as received from all state agencies are contained in files which are maintained in the offices of the Senate and House of Representatives Appropriations Committees as well as the Legislative Budget Office. Budget requests are also available online.

Joint Legislative Budget Committee recommendations for FY 2022 will require, if adopted, total appropriations of \$5,603,809,737 from the General Fund. FY 2022 revenues are projected to increase by 1.1% above the Sine Die revenue estimate for FY 2021 under current law. The Joint Legislative Budget Committee is recommending that \$877.5 million of reserve funds be retained for: 1) allocation by the Legislature to address additional needs in the FY 2021 and/or 2022 budgets, 2) allocation during future budget years, or 3) maintaining as reserves.

Total State Support Funding is set forth on pages 25-26. This schedule identifies those funds that are considered state source special funds. State support funding is the combination of state General Funds and state source special funds. The state source special funds include BP Settlement Funds, Budget Contingency Funds, Capital Expense Funds, Education Enhancement Funds, Gulf Coast Restoration Funds, Health Care Expendable Funds, and Tobacco Control Funds.

At a meeting on November 10, 2020, a revenue estimate for FY 2022 was adopted by the Governor and the Joint Legislative Budget Committee in the amount of \$5,754,300,000 which is 1.1% above the FY 2021 Sine Die revenue estimate under current law.

In reviewing these recommendations, attention must be focused on total funds and not just General Funds. General Funds alone are not an adequate measure of financial support. The Committee has properly considered the Special Fund revenues available to state agencies and utilized them wherever possible to offset the demand on the General Fund. The preparation of a state budget under the law required the Committee to face the difficult task of attempting to satisfy virtually unlimited needs with very limited resources. This report is the Joint Legislative Budget Committee's best effort to lay out a financial blueprint for the 2021 Legislature to consider.

ESTIMATE OF BUDGET REVENUES - FY 2022

At a meeting on November 10, 2020, the Governor and the Joint Legislative Budget Committee adopted an estimate of \$5,754,300,000 in General Fund receipts for FY 2022 under current law.

The State Economist presented the FY 2022 revenue estimate as recommended by the Revenue Estimating Group. The five members of the Revenue Estimating Group are the State Economist, the State Fiscal Officer, State Treasurer, Commissioner of Revenue, and Director of the Legislative Budget Office. The FY 2022 estimate took into account a review of collections for the first three months of FY 2021. Through September 2020, FY 2021 collections were approximately \$131.9 million above the sine die estimate for FY 2021.

The FY 2022 revenue estimate is an increase of 1.1% above the sine die estimate for FY 2021 under current law. Sales tax collections are expected to increase by \$141.4 million and individual income taxes are expected to decrease by \$155.0 million in FY 2022. There are other increases and decreases in other revenue categories, but the key to the FY 2022 revenue estimate will be the projections for sales and individual income tax.

The economic assumptions underlying the FY 2022 revenue estimate are shown below. The Revenue Estimating Group's estimate reflects the group's outlook for FY 2022. The economic indicators for Mississippi project a 3.1% increase in the gross domestic product for FY 2022. The assumptions upon which the revenue estimate is based are shown in comparison to the United States as reflected below.

PROJECTED ECONOMIC TRENDS IN MISSISSIPPI, FY 2021 AND FY 2022

	<u>FY 2021</u>	<u>FY 2022</u>
Gross Domestic Product (Percentage Change)	3.0	3.1
Real Gross Domestic Product (Percentage Change)	1.2	1.1
Price Level (Percentage Change)	1.9	2.6
Total Employment (Percentage Change/Payroll)	1.6	0.7
Unemployment Rate (Percent)	6.6	5.8
Total Personal Income (Percentage Change)	-0.1	2.6

COMPARISON OF PROJECTED ECONOMIC INDICATORS, FY 2022, MISSISSIPPI AND U.S.

	<u>MISSISSIPPI</u>	<u>U.S.</u>
Gross Domestic Product (Percentage Change)	3.1	4.6
Real Domestic Product (Percentage Change)	1.1	2.5
Price Level (Percentage Change)	2.6	2.6
Total Employment (Percentage Change/Payroll)	0.7	2.6
Unemployment Rate (Percent)	5.8	4.7
Total Personal Income (Percentage Change)	2.6	3.6

FUNDING THE BUDGET FOR FY 2022

Statement II of this report reflects the net revenue estimated to be received from each General Fund revenue source during FY 2021 and FY 2022.

The General Fund revised revenue estimate for FY 2021 anticipates the collection of \$5,690.7 million, which represents a decrease of \$126.4 million or 2.2% below actual collections for FY 2020. Actual collections for FY 2020 compared to actual collections for FY 2019 reflected a decrease of \$150.7 million or 2.5%.

The estimated General Fund collections for FY 2022 are \$5,754,300,000, which represents a decrease of \$63.6 million, or 1.1% above the Sine Die FY 2021 estimate under current law.

SUMMARY OF ANTICIPATED GENERAL FUNDS AVAILABLE FOR FY 2022

Projected Beginning Cash Balance July 1, 2021	\$	0
Anticipated Receipts for FY 2022 under current law		5,754,300,000
Less: Two Percent (2%) of Projected FY 2022 Revenue & Beginning Cash		<u>(115,086,000)</u>
Total General Funds Available for FY 2022 Appropriations		5,639,214,000
Less: FY 2022 General Fund Legislative Budget Committee's Recommendation		<u>(5,603,809,737)</u>
Estimated General Fund Balance June 30, 2022	\$	<u>35,404,263</u>

FY 2022 RESERVES

The Joint Legislative Budget Committee's FY 2022 Budget Recommendation leaves unallocated at the end of FY 2022 the following sources of funds:

Working Cash Stabilization Reserve Funds	\$	538,693,045
Two Percent (2%) General Fund Set-Aside		115,086,000
Capital Expense Funds		81,894,799
Gulf Coast Restoration Funds		52,868,504
General Funds Available/Not Allocated		35,404,263
Idle Special Fund Cash Balances		15,856,714
Education Enhancement Funds		15,557,016
BP Settlement Funds		13,005,314
Health Care Expendable Funds		<u>9,011,241</u>
Total Reserves	\$	<u>877,376,896</u>

## GUIDELINES FOR BUDGET DEVELOPMENT

The Joint Legislative Budget Committee instructed the staff to develop recommendations on individual agency budgets. These staff recommendations were developed utilizing budget guidelines adopted by the Committee.

Following completion of the staff recommendation, the Committee was furnished information on each agency summarizing the staff's recommendation. In addition to the summary, the Committee received a verbal briefing or recommendation from the staff prior to final approval by the full Committee. Any deviations from the guidelines were made by the Committee and not by the staff.

In preparation of the budget recommendation, attention has been focused on minimizing the funding of vacant positions, reducing unnecessary travel, and deferring equipment purchases. The dominant concern in the development of the recommendations was to maintain adequate funding for continuation of current operations within the confines of the adopted estimate of General Fund revenue plus other state source funds estimated to be available during FY 2022.

The guidelines as adopted by the Committee on September 24, 2020 are as follows:

1. In addition to agency budget recommendations being made by major object of expenditure, recommendations will also be made by the various approved programs of each agency. Performance targets should be recommended for agencies that have targets set out in their FY 2021 appropriation bills.
2. The aggregate total of FY 2022 General Fund recommendations for continuation purposes shall not exceed the FY 2021 General Fund Appropriation (except increases approved by the Joint Legislative Budget Committee). Individual agency recommendations shall be less than FY 2021 when feasible.
3. No recommendation of new positions or new or expanded programs and activities shall be included except for operations mandated by state or federal statutes, regulations, court orders or commitments. However, staff is granted flexibility to recommend new positions identified and considered highly vulnerable or deemed to be in a high-risk area.
4. Reductions in authorized staffing levels will be made in conjunction with information being furnished by the State Personnel Board relative to non-mandatory, long-term vacancies exceeding 180 days. Staff is directed to recommend no funding of remaining vacancies. Staff shall have discretion in recommending the funding and retaining of seasonal or essential vacant positions. Staff is directed to recommend attrition adjustments on filled positions in budgets where historical employee turnover rates and other criteria would support such adjustments. Staff recommendations for salaries, wages, and fringe benefits shall not exceed the FY 2021 estimated level except in the case of fully funding filled positions.

Exempt from this guideline are any agencies that have been taken out of the purview of the State Personnel Board.

5. No funding for reallocation or reclassification of positions not previously approved by legislative action will be allowed.
6. No recommendation shall exceed the agency request for funding.
7. No increases above the FY 2021 level for overtime pay or liability insurance shall be included, except where the purchase of liability insurance has been authorized by the Legislature.
8. Attention shall be directed at the relationship of General vs. Special Funds and any impact of the agency's request on this relationship to ensure that General Funds are not being provided to replace lost federal funds.
9. Agency requests for budget authorization in special and/or federal funds which exceed FY 2021 continuation levels and funded solely from non-general fund sources may be considered for inclusion.
10. Staff will identify critical needs above the FY 2021 level that are not included in the staff recommendation.
11. Recommendations for vehicles will be considered in conjunction with information being furnished by the Office of Fleet Management (if Fleet Management recommendations are available).
12. Grant staff discretion to recommend the utilization of a spend-down of special fund cash balances where deemed feasible.
13. The staff is directed to identify any non-recurring revenue sources utilized to fund the FY 2022 budget recommendation.
14. The staff is directed to recommend minimum levels of funding in the areas of salaries, travel, contract workers, vehicles, and other equipment.
15. The staff is directed to recommend the replacement of non-recurring sources of funds utilized to fund recurring expenditures in the FY 2021 budget and to recommend a plan to provide the source of these replacement funds.

EXPLANATION OF FY 2022 DELETED POSITIONS

The Joint Legislative Budget Committee reduced authorized (vacant) positions and funding for vacant positions across all state agencies and institutions. This deletion will permanently reduce the state's potential salaries requirement. All state agencies and institutions should be aware of the continuation of this policy in the FY 2022 Budget Recommendation and should be extremely careful about filling any currently vacant positions in FY 2021.

The Joint Legislative Budget Committee recommended that a total of 4,119 vacant positions be abolished, along with the elimination of funding for these positions.

SUMMARY GENERAL FUND RECOMMENDATIONS BY MAJOR FUNCTION OF GOVERNMENT

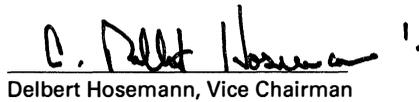
The following schedule reflects the differences between the Joint Legislative Budget Committee General Fund recommendations for FY 2022 and the FY 2021 appropriation level by major functions of state government:

	<u>INCREASE OR DECREASE AMOUNT</u>
Legislative	\$ (669,206)
Judiciary & Justice	(1,390,641)
Executive & Administrative	(2,042,374)
Fiscal Affairs	(2,364,838)
Public Education	(12,637,753)
Higher Education	(17,683,369)
Public Health	(788,825)
Hospitals & Hospital Schools	(4,530,616)
Agriculture & Economic Development	(2,704,183)
Conservation	(1,545,077)
Insurance & Banking	(415,849)
Corrections	(9,127,979)
Social Welfare	80,469,692
Military, Police & Veterans Affairs	(3,782,884)
Local Assistance	(1,975,337)
Miscellaneous	(609,361)
Debt Service	<u>0</u>
 TOTAL DECREASE	 <u>\$ 18,201,400</u>

Section 27-103-127, Mississippi Code of 1972, provides that "no special fund agency shall make expenditures from special funds available to such agency unless such expenditures are set forth in a budget approved by the Legislature." Part II and Part III of this Budget Report contain this Committee's Special Fund and Mississippi Department of Transportation (including Office of State Aid Road Construction) recommendations. "Expenditures approved or authorized by the Legislature for any special fund agency shall constitute a maximum to be expended or encumbered by such agency, and shall not constitute authority to expend or encumber more than the amount of revenue actually collected or otherwise received." In making this recommendation, due care was exercised on the premise that Special Fund agencies also operate with public funds, regardless of source, and are accountable as General Fund agencies.

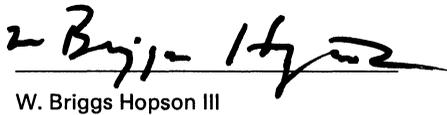
Respectfully submitted,

  
Philip Gunn, Chairman

  
Delbert Hosemann, Vice Chairman

  
Dean Kirby

  
Jason White

  
W. Briggs Hopson III

  
John Read

  
Josh Harkins

  
Trey Lamar

  
Joe Fillingame

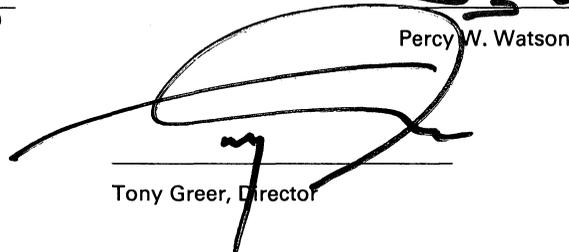
  
Angela Cockerham

  
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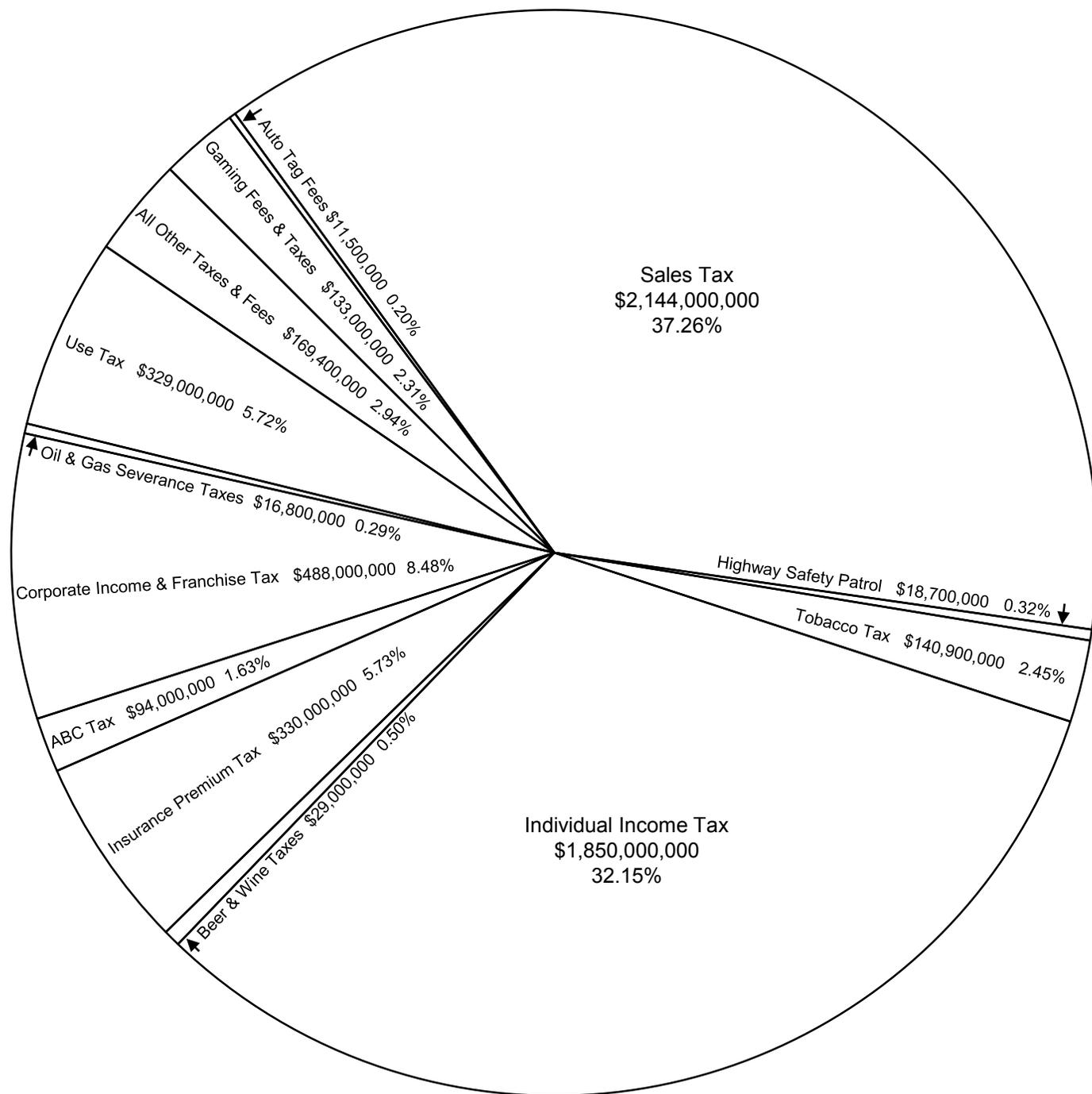
  
Nicole Boyd

  
Percy W. Watson

  
Tony Greer, Director

# General Fund Revenues Estimated For Fiscal Year 2022 Budget

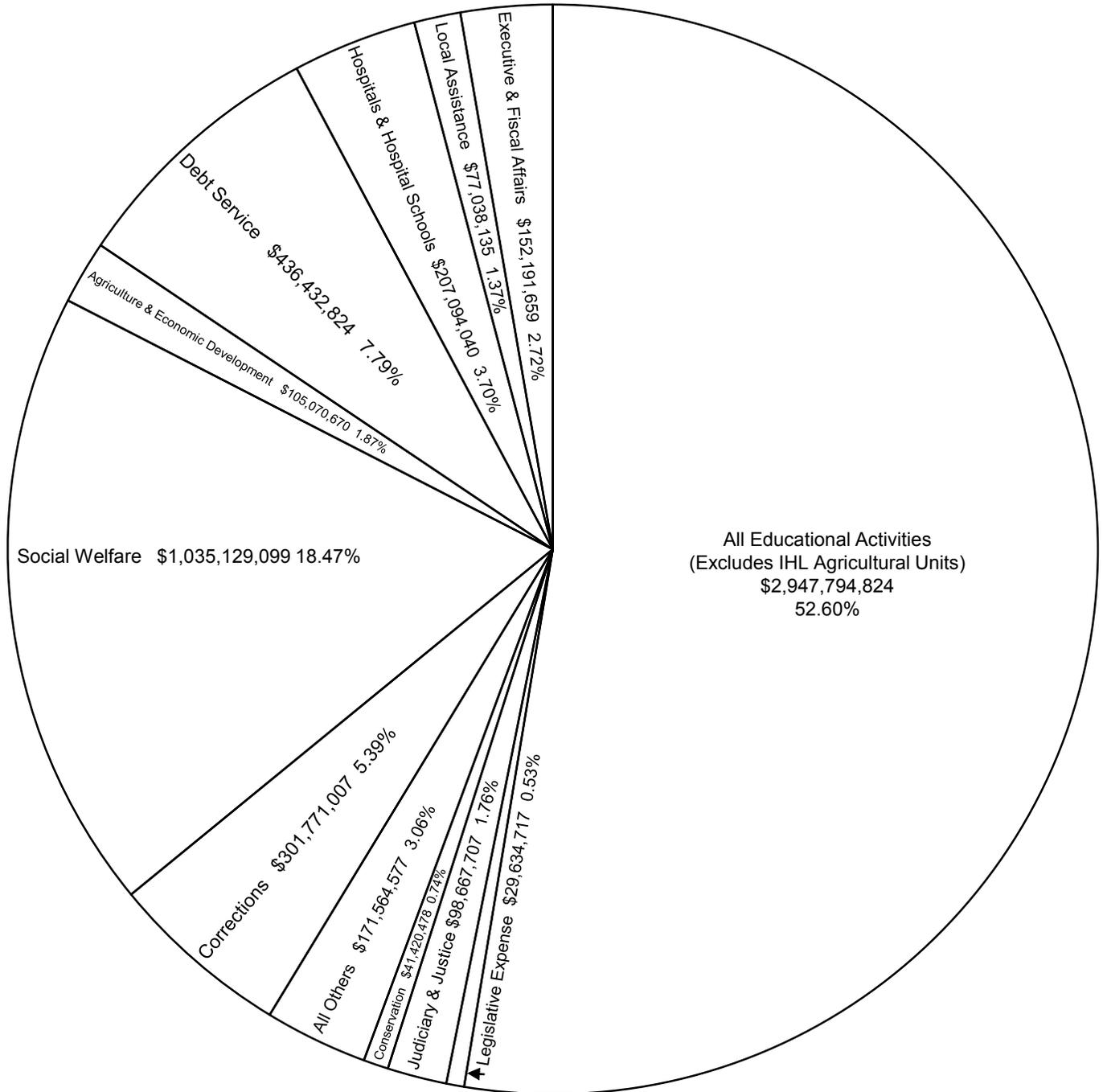
(For Detail See Statement II)



General Fund Revenue Estimate FY 2022 (Chart Total)	\$5,754,300,000
Less: Two Percent Set-Aside	(115,086,000)
Less: Projected Ending Balance	<u>(35,404,263)</u>
Total General Fund Allocated for FY 2022 Budget	<u>\$5,603,809,737</u>

# Regular General Fund Appropriations For Fiscal Year 2022 Budget

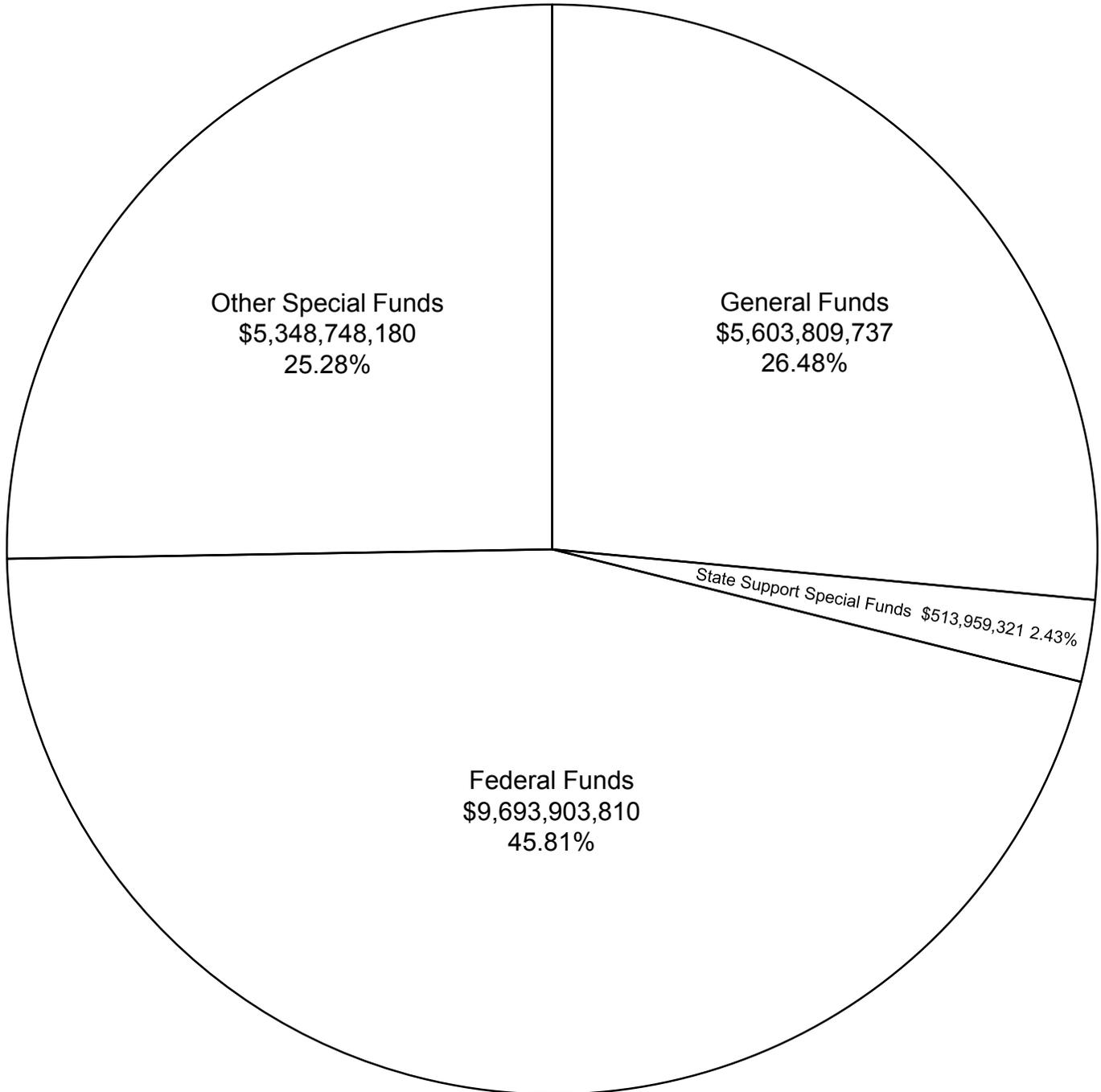
(For Detail See Statement III)



Total Regular General Fund Appropriations (Chart Total)	\$ 5,603,809,737
Other Transfers In/Out	<u>0</u>
Total Regular General Fund Appropriations for Fiscal Year 2022	<u>\$ 5,603,809,737</u>

# Funding Sources For Appropriations Fiscal Year 2022 Budget

(For Detail See Statement VI)



General Funds	\$ 5,603,809,737
State Support Special Funds	513,959,321
Federal Funds	9,693,903,810
Other Special Funds	<u>5,348,748,180</u>
Total State Budget for Fiscal Year 2022	<u>\$ 21,160,421,048</u>

**ESTIMATED GENERAL FUND COLLECTIONS FOR FY 2021  
 COMPARED WITH ESTIMATED GENERAL FUND COLLECTIONS FOR FY 2022**  
 (FY 2022 Data used in Pie Chart on page 13)

	<u>Estimate FY 2021 Sine Die</u>		<u>Estimate FY 2022</u>		<u>Increase or Decrease FY 2021 vs. FY 2022</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent</u>
Sales Tax	\$ 2,002,600,000	35.19%	\$ 2,144,000,000	37.26%	\$ 141,400,000	7.06%
Individual Income Tax	2,005,000,000	35.23%	1,850,000,000	32.15%	(155,000,000)	-7.73%
Corp. Inc. & Franchise Tax	480,700,000	8.45%	488,000,000	8.48%	7,300,000	1.52%
Use Tax	288,400,000	5.07%	329,000,000	5.72%	40,600,000	14.08%
Insurance Premium Tax	320,400,000	5.63%	330,000,000	5.73%	9,600,000	3.00%
Tobacco Tax	133,700,000	2.35%	140,900,000	2.45%	7,200,000	5.39%
ABC Tax	90,800,000	1.60%	94,000,000	1.63%	3,200,000	3.52%
Beer & Wine Taxes	29,000,000	0.51%	29,000,000	0.50%	0	0.00%
Oil & Gas Severance Taxes	22,000,000	0.39%	16,800,000	0.29%	(5,200,000)	-23.64%
Gaming Fees & Taxes	114,300,000	2.01%	133,000,000	2.31%	18,700,000	16.36%
Highway Safety Patrol	18,700,000	0.33%	18,700,000	0.32%	0	0.00%
Auto Tag Fees	11,500,000	0.20%	11,500,000	0.20%	0	0.00%
All Other Taxes & Fees	<u>173,600,000</u>	<u>3.05%</u>	<u>169,400,000</u>	<u>2.94%</u>	<u>(4,200,000)</u>	<u>-2.42%</u>
<b>Total General Fund</b>	<b><u>\$ 5,690,700,000</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 5,754,300,000</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 63,600,000</u></b>	<b><u>1.12%</u></b>

**ESTIMATED GENERAL FUND BUDGET FOR FY 2021  
 COMPARED WITH RECOMMENDED GENERAL FUND BUDGET FOR FY 2022**  
 (FY 2022 Data used in Pie Chart on page 14)

	<u>Estimated Expenditures FY 2021</u>		<u>Recommended Expenditures FY 2022</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>
All Educational Activities*	\$ 2,978,115,946	53.32%	\$ 2,947,794,824	52.60%
Legislative Expense	30,303,923	0.54%	29,634,717	0.53%
Judiciary & Justice	100,058,348	1.79%	98,667,707	1.76%
Conservation	42,965,555	0.77%	41,420,478	0.74%
Social Welfare	954,659,407	17.09%	1,035,129,099	18.47%
Corrections	310,898,986	5.57%	301,771,007	5.39%
Hospitals & Hospital Schools	211,624,656	3.79%	207,094,040	3.70%
Debt Service	436,432,824	7.81%	436,432,824	7.79%
Agriculture & Economic Development	107,774,853	1.93%	105,070,670	1.87%
Local Assistance	79,013,472	1.41%	77,038,135	1.37%
Executive & Fiscal Affairs	156,598,871	2.80%	152,191,659	2.72%
All Others	<u>177,161,496</u>	<u>3.17%</u>	<u>171,564,577</u>	<u>3.06%</u>
<b>Total</b>	<b><u>\$ 5,585,608,337</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 5,603,809,737</u></b>	<b><u>100.00%</u></b>

\* Excludes IHL Agricultural Units

Note: Figures may not add due to rounding.

**STATEMENT I  
GENERAL FUND  
Preliminary Funds Available for FY 2021 and FY 2022  
November 2020 - JLBC LBR**

**FY 2021**

1. Estimated General Fund Beginning Cash, July 1, 2020		\$ 0
2. General Fund Reappropriations for FY 2021 from FY 2020		8,722,337
3. Estimated FY 2021 General Fund Revenue (Sine Die \$5,690.7M)		5,690,700,000
4. Less: 2% of Projected FY 2021 Revenue		<u>(113,814,000)</u>
5. Total General Funds Available for FY 2021 Appropriations		5,585,608,337
6. Less: General Fund Budget for FY 2021:		
General Fund FY 2021 Final Action	(5,576,886,000)	
General Fund Reappropriations for FY 2021 from FY 2020	<u>(8,722,337)</u>	
7. Total FY 2021 General Fund Budget		(5,585,608,337)
8. Plus: 2% of Projected FY 2021 Revenue		<u>113,814,000</u>
9. Total Estimated FY 2021 General Fund Ending Cash Available for Distribution		113,814,000
10. Estimated Distribution of Ending Cash Balance:		
Transfer to Municipal Aid Fund	(750,000)	
Transfer to Working Cash Stabilization Reserve Fund	(56,532,000)	
Transfer to Capital Expense Fund	<u>(56,532,000)</u>	
11. Less: Total Transfers		<u>(113,814,000)</u>
12. Estimated General Fund Balance, June 30, 2021		<u><u>\$ 0</u></u>

**FY 2022**

13. Estimated General Fund Beginning Cash, July 1, 2021		\$ 0
14. Estimated FY 2022 General Fund Revenue		5,754,300,000
15. Less: 2% of Projected FY 2022 Revenue		<u>(115,086,000)</u>
16. Total General Funds Available for FY 2022 Appropriations		5,639,214,000
17. Less: General Fund Budget for FY 2022:		
General Fund FY 2022 LBR	(5,603,809,737)	
General Fund Reappropriations for FY 2022 from FY 2021	<u>0</u>	
18. Total FY 2022 General Fund Budget		<u>(5,603,809,737)</u>
19. Estimated General Fund Balance Available for Distribution, June 30, 2022		<u><u>\$ 35,404,263</u></u>

Note: Figures may not add due to rounding.

**STATEMENT II**  
**GENERAL FUND REVENUE ESTIMATE FOR FISCAL YEAR 2022 COMPARED**  
**TO FISCAL YEAR 2021 SINE DIE REVENUE ESTIMATE**

	<u>FY 2020</u> <u>Collections*</u>	<u>FY 2021</u> <u>Sine Die Estimate**</u>	<u>FY 2022</u> <u>Estimate***</u>	<u>FY 2022 Estimate</u> <u>Over FY 2021</u>	<u>% Increase</u> <u>Over FY 2021</u>
<b><u>Department of Revenue Collections</u></b>					
Sales Tax	\$ 2,156,122,116	\$ 2,002,600,000	\$ 2,144,000,000	\$ 141,400,000	7.06%
Individual Income Tax	1,819,610,333	2,005,000,000	1,850,000,000	(155,000,000)	-7.73%
Corp. Inc. & Franchise Tax	548,728,829	480,700,000	488,000,000	7,300,000	1.52%
Use Tax	339,863,553	288,400,000	329,000,000	40,600,000	14.08%
Insurance Premium Tax	312,762,228	320,400,000	330,000,000	9,600,000	3.00%
Tobacco Tax	139,206,037	133,700,000	140,900,000	7,200,000	5.39%
ABC Tax	88,622,555	90,800,000	94,000,000	3,200,000	3.52%
Beer & Wine Taxes	27,727,976	29,000,000	29,000,000	0	0.00%
Oil Severance Taxes	21,213,506	20,200,000	15,000,000	(5,200,000)	-25.74%
Gas Severance Taxes	1,775,004	1,800,000	1,800,000	0	0.00%
Auto Tag Fees	13,532,878	11,500,000	11,500,000	0	0.00%
Installment Loan Tax	12,163,289	12,200,000	12,200,000	0	0.00%
Nuclear In-Lieu Payment	1,200,000	1,200,000	1,200,000	0	0.00%
Miscellaneous Taxes	11,235,302	11,600,000	11,600,000	0	0.00%
Gaming Fees & Taxes	<u>110,694,305</u>	<u>114,300,000</u>	<u>133,000,000</u>	<u>18,700,000</u>	<u>16.36%</u>
<b>TOTAL DEPARTMENT OF REVENUE</b>	<b>\$ 5,604,457,913</b>	<b>\$ 5,523,400,000</b>	<b>\$ 5,591,200,000</b>	<b>\$ 67,800,000</b>	<b>1.23%</b>
<b><u>Other Than Department of Revenue Collections</u></b>					
Interest on Investments	\$ 29,331,625	\$ 14,500,000	\$ 12,500,000	\$ (2,000,000)	-13.79%
Highway Safety Patrol	18,430,959	18,700,000	18,700,000	0	0.00%
Insurance Department	28,925,611	29,200,000	30,000,000	800,000	2.74%
Licenses, Fees & Permits	51,188,639	52,000,000	52,000,000	0	0.00%
Crime Tax/Criminal Law Assessment <sup>^</sup>	37,173,545	43,500,000	43,500,000	0	0.00%
Miscellaneous Collections <sup>^^</sup>	2,384,485	2,400,000	2,400,000	0	0.00%
Gaming Fees	<u>5,184,698</u>	<u>7,000,000</u>	<u>4,000,000</u>	<u>(3,000,000)</u>	<u>-42.86%</u>
<b>TOTAL OTHER THAN DEPARTMENT OF REVENUE COLLECTIONS</b>	<b>\$ 172,619,561</b>	<b>\$ 167,300,000</b>	<b>\$ 163,100,000</b>	<b>\$ (4,200,000)</b>	<b>-2.51%</b>
Settlements/Other Collections	36,481,061	0	0	0	0.00%
WCSRF Transfers In	0	0	0	0	0.00%
Other Non-Budget Transfers In	3,569,628	0	0	0	0.00%
Budget Reduction Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
<b>TOTAL GENERAL FUND</b>	<b>\$ 5,817,128,163</b>	<b>\$ 5,690,700,000</b>	<b>\$ 5,754,300,000</b>	<b>\$ 63,600,000</b>	<b>1.12%</b>

\* Source: Department of Finance & Administration August 2020 Revenue Report.

\*\* FY 2021 Sine Die Revenue Estimate adopted by the Joint Legislative Budget Committee on June 15, 2020.

\*\*\* FY 2022 Revenue Estimate adopted by the Governor and the Joint Legislative Budget Committee on November 10, 2020.

<sup>^</sup> Combined Crime Tax and Criminal Law Assessment categories in FY 2019.

<sup>^^</sup> Combined From Special Funds and Miscellaneous Collections categories in FY 2019.

**OUT-YEAR BUDGET PROJECTIONS**  
(Historical Experience/Budget Projections)

In response to the Financial and Operational Responses That Invigorate Future Years Act of 2017, a historical experience schedule and an out-year revenue and expenditure projection is prepared each fall as the budget recommendation for the upcoming fiscal year is under consideration.

The out-year budget projection shown below includes official estimates of General Fund revenues for FY 2021 and FY 2022. Revenue estimates for FY 2023, FY 2024 and FY 2025 are projections recommended by the University Research Center. The out-year budget projection shows that, beginning with FY 2023, revenues are expected to grow 1.5%, 2.5% and 5.2%, respectively, through the year FY 2025.

The FY 2022 column on the out-year budget projection reflects the FY 2022 Joint Legislative Budget Committee's Recommendation. The outlined multi-year agency plan includes all available funding sources and is based upon the statutory provision that proposed expenditures shall not exceed estimated general and special fund revenues, Section 27-103-125, Mississippi Code of 1972.

The schedule includes projected and available state cash reserves provided from the General Fund Two Percent (2%) Set-Aside and the Working Cash Stabilization Reserve Fund (WCSRF).

**OUT-YEAR PROJECTIONS FOR REVENUES AND EXPENDITURES**

<b><u>Funds Available for Expenditure</u></b>	<b><u>FY 2018</u></b> (Actual)	<b><u>FY 2019</u></b> (Actual)	<b><u>FY 2020</u></b> (Actual)	<b><u>FY 2021</u></b> (Appropriated)
General Funds	\$ 5,575,902,422	\$ 5,536,219,087	\$ 5,732,472,269	\$ 5,585,608,337
Other State Support Funds*	<u>525,235,118</u>	<u>592,807,650</u>	<u>620,255,027</u>	<u>1,721,262,045</u>
Total State Support Funds	6,101,137,540	6,129,026,737	6,352,727,296	7,306,870,382
Other Special Funds	5,097,778,929	5,034,985,207	4,890,902,493	5,713,709,445
Federal Funds	<u>7,787,803,109</u>	<u>7,839,260,012</u>	<u>8,457,510,945</u>	<u>10,059,546,156</u>
Total Funds Available for Expenditure	<u>\$ 18,986,719,578</u>	<u>\$ 19,003,271,956</u>	<u>\$ 19,701,140,734</u>	<u>\$ 23,080,125,983</u>
<b><u>Actual/Projected State Cash Reserve</u></b>				
2% General Fund Set-Aside**	\$ 56,015,000	\$ 115,628,000	\$ 117,168,000	\$ 113,814,000
WCSRF Actual/Projected Funds Available***	\$ 290,265,370	\$ 349,719,752	\$ 500,751,390	\$ 538,693,045

<b><u>Funds Available for Expenditure</u></b>	<b><u>FY 2022</u></b> (LBR)	<b><u>FY 2023</u></b> (1.5% GF Growth)	<b><u>FY 2024</u></b> (2.5% GF Growth)	<b><u>FY 2025</u></b> (5.2% GF Growth)
General Funds	\$ 5,603,809,737	\$ 5,724,366,131	\$ 5,868,047,721	\$ 6,173,186,203
Other State Support Funds*	<u>513,959,321</u>	<u>571,502,321</u>	<u>629,914,220</u>	<u>689,792,258</u>
Total State Support Funds	6,117,769,058	6,295,868,452	6,497,961,942	6,862,978,461
Other Special Funds	5,348,748,180	5,348,748,180	5,348,748,180	5,348,748,180
Federal Funds	<u>9,693,903,810</u>	<u>9,693,903,810</u>	<u>9,693,903,810</u>	<u>9,693,903,810</u>
Total Funds Available for Expenditure	<u>\$ 21,160,421,048</u>	<u>\$ 21,338,520,442</u>	<u>\$ 21,540,613,932</u>	<u>\$ 21,905,630,451</u>
<b><u>Projected State Cash Reserve</u></b>				
2% General Fund Set-Aside**	\$ 115,086,000	\$ 116,823,799	\$ 119,756,076	\$ 125,983,392
WCSRF Actual/Projected Funds Available***	\$ 592,725,045	\$ 650,268,045	\$ 708,679,944	\$ 768,557,982

\* Includes Budget Contingency Funds, Capital Expense Funds, Education Enhancement Funds, Health Care Expendable Funds, Tobacco Control Funds and Working Cash Stabilization Reserve Funds as well as CARES Act COVID-19 Funds for FY 2020 and FY 2021.

\*\* SB 2649 of the 2017 RS modifies the 2% set-aside for FY 2018 to a 1% set-aside. These funds are included in the fiscal year-end distribution of unencumbered cash. Fifty percent of the set-aside is reflected in the WCSRF projected balance and the other fifty percent is reflected in Other State Support Funds.

\*\*\* Beginning in FY 2021, the projected fund balance is calculated assuming a 2% set-aside of the estimated general fund revenue collections and the distribution of unencumbered cash in accordance with Mississippi Code §27-103-213.

**BUDGET CONTINGENCY FUND**

<u>Program</u>	<u>FY 2020 Appropriations</u>	<u>FY 2021 Recommendation</u>
<u>Agriculture and Commerce, Department of</u>		
MS Supplemental CFAP Grant Program Fund	\$ 9,500,000	\$ 0
Poultry Farmer Stabilization Grant Program Fund	3,000,000	0
Sweet Potato Farm Sustainment Grant Program Fund	500,000	0
Subtotal	13,000,000	0
<u>Corrections, Department of</u>		
COVID-19 Funds	20,000,000	0
<u>Education, Department of</u>		
Equity in Distance Learning Fund	150,000,000	0
Mississippi Pandemic Response Broadband Availability Grant Program Fund	50,000,000	0
Subtotal	200,000,000	0
<u>Emergency Management Agency, Mississippi</u>		
County and Municipality Emergency Relief Program	70,000,000	0
COVID-19 Funds	40,000,000	0
Subtotal	110,000,000	0
<u>Employment Security, Mississippi Department of</u>		
COVID-19 Funds	55,000,000	0
<u>Finance and Administration, Department of</u>		
COVID-19 Broadband Provider Grant Program Fund	10,000,000	0
Mississippi Electric Cooperatives Broadband COVID-19 Grant Program Fund	65,000,000	0
Mississippi Nonprofit Museums Recovery Fund	1,000,000	0
Mississippi Tourism Recovery Fund	14,000,000	0
Postsecondary Education COVID-19 Mitigation Relief Grant Fund	100,000,000	0
Subtotal	190,000,000	0
<u>Health, State Department of</u>		
COVID-19 Funds - Hospitals and Others	91,900,000	0
COVID-19 Funds - Mississippi Specialty Hospitals	4,000,000	0
ICU Infrastructure Fund	10,000,000	0
Subtotal	105,900,000	0
<u>Institutions of Higher Learning</u>		
Subsidiary Programs - Executive Office - MDA - Community Foundations	900,000	0
Subsidiary Programs - Executive Office - MDA - North Mississippi Consortium	900,000	0
Subsidiary Programs - Executive Office - UMMC Office of Physician Workforce	4,418,000	0
Subtotal	6,218,000	0
<u>ITS - Wireless Communication Commission</u>		
COVID-19 Funds - Mississippi Wireless Information Network (MSWIN)	10,000,000	0
<u>Mental Health, Department of</u>		
COVID-19 Funds	1,400,000	0
<u>Mississippi Development Authority</u>		
COVID-19 Funds	30,207,000	0
Independent Schools' COVID-19 Assistance Grant Fund	10,000,000	0
Rental Assistance Grant Program Fund	20,000,000	0
Subtotal	60,207,000	0
<u>Secretary of State</u>		
Elections - COVID-19 Funds	1,000,000	0
<u>Supreme Court Services, Office of</u>		
Administrative Office of Courts - COVID-19 Funds	2,500,000	0
<u>Veterans' Affairs Board, Mississippi</u>		
COVID-19 Funds	10,000,000	0
Total Appropriations	<u>\$ 785,225,000</u>	<u>\$ 0</u>

Note: All FY 2021 appropriations are COVID-19 related expenditures.

**CAPITAL EXPENSE FUND**

<u>Program</u>	<u>FY 2021 Appropriations</u>	<u>FY 2022 Recommendation</u>
<u>Attorney General, Office of the</u> Judgments and Settlements	\$ 301,376 *	\$ 0
<u>Education, Department of</u> School Recognition Program	28,020,972	0
<u>Governor's Office - Medicaid, Division of</u> General Support	85,048,127	0
<u>Institutions of Higher Learning</u> General Support - Alcorn State University - Agricultural Programs	65,000	0
<u>Mississippi Development Authority</u> Skills Foundation of Mississippi	<u>400,000</u>	<u>0</u>
Total Appropriations	113,835,475	0
 <b><u>Reappropriations from FY 2020 to FY 2021</u></b>		
<u>Archives and History, Department of</u> de la Pointe-Krebs House	918,419	0
Fannie Lou Hamer/George Lee Museum	<u>25,000</u>	<u>0</u>
Subtotal	943,419	0
<u>Community and Junior Colleges</u> Board - Data Center/Technology Upgrades	325,000	0
<u>Education, Department of</u> General Education Programs	489,741	0
<u>Emergency Management Agency, Mississippi</u> Next Generation (NG) 911	240,000	0
<u>Finance and Administration, Department of</u> BOB - ASU - Water Treatment Facility	603,839	0
BOB - Capital Projects	7,796,704	0
BOB - Public Safety - MS Law Enforcement Officers' Training Academy	257,448	0
State Property Insurance	<u>931,046</u>	<u>0</u>
Subtotal	9,589,036	0
<u>Human Services, Department of</u> Child Protection Services, Department of	14,328,343	0
<u>Insurance, Department of</u> State Fire Academy - Airport Firefighter Crash Truck	84,500	0
<u>Mississippi Development Authority</u> Air Services Development Act	349,066	0
Greenville Airport	<u>227,208</u>	<u>0</u>
Subtotal	576,274	0
<u>Supreme Court Services, Office of</u> AOC - Drug Court Case Management Program	83,110	0
AOC - Intervention Courts	<u>197,706</u>	<u>0</u>
Subtotal	280,816	0
Total Reappropriations	<u>26,857,130</u>	<u>0</u>
Total Appropriations and Reappropriations	<u>\$ 140,692,605</u>	<u>\$ 0</u>

\* From, after and through appropriations from the 2020 Regular Session.

**EDUCATION ENHANCEMENT FUND**

<u>Program</u>	<u>FY 2021 Appropriations</u>	<u>FY 2022 Recommendation</u>
<u>General Education Programs</u>		
General Education	\$ 21,784,413	\$ 21,784,413
Buildings and Buses	16,000,000	16,000,000
Supplies and Instructional Materials	<u>12,000,000</u>	<u>12,000,000</u>
Subtotal	49,784,413	49,784,413
Mississippi Adequate Education Program	218,269,249	225,112,197
Mississippi Schools for the Blind and Deaf	1,207,037	1,207,037
Vocational and Technical Education	4,937,258	4,937,258
Educational Television Authority	2,118,966	2,118,966
Mississippi Library Commission	493,847	493,847
<u>Community and Junior Colleges</u>		
Board	256,000	256,000
Support	<u>43,901,900</u>	<u>44,384,946</u>
Subtotal	44,157,900	44,640,946
<u>Institutions of Higher Learning</u>		
Universities - General Support - Consolidated	56,114,611	56,855,104
Universities - Subsidiary Programs - Consolidated	830,742	830,742
University of Mississippi Medical Center - Consolidated	6,888,029	6,888,029
ASU - Agricultural Programs	19,322	19,322
MSU - Agricultural and Forestry Experiment Station	1,165,578	1,165,578
MSU - Cooperative Extension Service	975,245	975,245
MSU - Forest and Wildlife Research Center	253,005	253,005
MSU - Veterinary Medicine, College of	<u>552,920</u>	<u>552,920</u>
Subtotal	66,799,452	67,539,945
Mississippi Arts Commission	450,000	450,000
Wildlife - Project WILD	<u>125,335</u>	<u>125,335</u>
Total	<u>\$ 388,343,457</u>	<u>\$ 396,409,944</u>

Note: A \$10 million diversion to the Public School Building Fund is not reflected in the numbers above.

**HEALTH CARE EXPENDABLE FUND**

<u>Program</u>	<u>FY 2021 Appropriations</u>	<u>FY 2022 Recommendation</u>
<u>Governor's Office - Medicaid, Division of</u>		
CHIP Program at up to 209% Level of Poverty	\$ 9,000,000	\$ 9,000,000
Medical Program Matching Funds	<u>54,230,003</u>	<u>54,230,003</u>
Subtotal	63,230,003	63,230,003
 <u>Health, State Department of</u>		
Maternal and Child Health Care Program	1,242,943	1,242,943
Early Intervention Program and/or Child Therapeutic Services	188,661	188,661
Health Department Programs	<u>7,747,179</u>	<u>7,747,179</u>
Subtotal	9,178,783	9,178,783
 <u>Mental Health, Department of</u>		
Expenses of the Department of Mental Health	9,259,790	9,259,790
Alzheimer's Disease Services Development and Implementation of SB 2100, 1997 Regular Session	379,417	379,417
Medicaid Matching Funds	3,896,641	3,896,641
Psychotropic Drugs or Medicaid Match	252,944	252,944
Alzheimer's Disease Program, Prepayment to Medicaid, etc	505,890	505,890
Holding Centers, Group Homes, Substance Abuse Programs, Children's Programs, Prepayment of Medicaid, etc	2,727,792	2,727,792
Crisis Centers	636,374	636,374
Physician Services at Community Mental Health Centers	1,138,252	1,138,252
Specialized Treatment Facility	104,196	104,196
Grant for Epilepsy Foundation of Mississippi or Medicaid Match	<u>50,590</u>	<u>50,590</u>
Subtotal	18,951,886	18,951,886
 <u>Rehabilitation Services, Department of</u>		
Fully Match all Available Federal Funds	2,782,590	2,782,590
Independent Living Prg which Includes the St Attendant Care Prg	854,903	854,903
Deaf and Hard of Hearing	<u>44,309</u>	<u>44,309</u>
Subtotal	3,681,802	3,681,802
 <u>Education, Department of</u>		
Mississippi Eye Screening Program	126,472	126,472
 <u>Institutions of Higher Learning</u>		
University of Mississippi Medical Center - Consolidated	<u>2,380,431</u>	<u>2,380,431</u>
 Total	 <u>\$ 97,549,377</u>	 <u>\$ 97,549,377</u>

**TOBACCO CONTROL PROGRAM FUND**

<u>Program</u>	<u>FY 2021 Appropriations</u>	<u>FY 2022 Recommendation</u>
<u>IHL - University of Mississippi Medical Center</u>		
Cancer Institute	\$ 4,250,000	\$ 4,250,000
A Comprehensive Tobacco Center (ACT)	<u>595,000</u>	<u>595,000</u>
Subtotal	4,845,000	4,845,000
<u>Education, Department of</u>		
School Nurse Program	3,060,000	3,060,000
<u>Attorney General, Office of the</u>		
Alcohol and Tobacco Enforcement Unit	680,000	680,000
<u>Health, State Department of</u>		
Health Department Programs	7,420,000	7,420,000
Skool ADS - School Poster Program	<u>0</u>	<u>0</u>
Subtotal	7,420,000	7,420,000
<u>Mississippi Health Care Alliance</u>		
ST Elevation Myocardial Infarction Program (STEMI)	382,500	382,500
Stroke System of Care Plan	<u>212,500</u>	<u>212,500</u>
Subtotal	595,000	595,000
<u>Mississippi Qualified Health Center</u>		
Grant Program	<u>3,400,000</u>	<u>3,400,000</u>
Total	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>

**FISCAL YEAR 2022 JOINT LEGISLATIVE BUDGET COMMITTEE RECOMMENDATIONS  
TOTAL STATE SUPPORT EXCLUDING COVID-19 FUNDS**

<u>AGENCY</u>	<u>FY 2021</u> <u>Estimated w/Reappr</u>	<u>FY 2022</u> <u>JLBC LBR</u>	<u>FY22 LBR +/- FY21 Estimated</u> <u>AMOUNT</u>	<u>PERCENT</u>
1 Legislative Operations	\$ 30,303,923	\$ 29,634,717	\$ (669,206)	-2.21%
2 Attorney General, Office of the	22,177,767	21,623,323	(554,444)	-2.50%
3 Judgments & Settlements	301,376	0	(301,376)	-100.00%
4 Capital Post-Conviction Counsel, Office of	1,527,284	1,487,102	(40,182)	-2.63%
5 District Attorneys & Staff	25,051,231	25,051,231	0	0.00%
6 Judicial Performance Commission	551,223	525,399	(25,824)	-4.68%
7 State Public Defender, Office of	3,074,662	2,997,795	(76,867)	-2.50%
8 Supreme Court Services, Office of	6,707,883	6,540,186	(167,697)	-2.50%
9 Administrative Office of Courts	10,816,781	10,272,566	(544,215)	-5.03%
10 Court of Appeals	4,402,396	4,140,168	(262,228)	-5.96%
11 Trial Judges	26,029,937	26,029,937	0	0.00%
12 Ethics Commission	596,097	583,597	(12,500)	-2.10%
13 Governor's Office - Support & Mansion	2,583,150	2,518,571	(64,579)	-2.50%
14 Secretary of State	13,260,003	11,294,708	(1,965,295)	-14.82%
15 Audit, Department of	7,957,978	7,769,478	(188,500)	-2.37%
16 Finance & Administration, Department of - Support	55,958,552	38,267,034	(17,691,518)	-31.62%
17 MS Home Corporation	1,410,227	1,410,227	0	0.00%
18 State Property Insurance	10,330,004	10,330,004	0	0.00%
19 Status of Women	39,995	39,995	0	0.00%
20 Information Technology Services, Department of	26,250,693	25,154,322	(1,096,371)	-4.18%
21 Wireless Communication Commission	10,107,880	9,707,575	(400,305)	-3.96%
22 State Personnel Board	4,119,700	3,958,976	(160,724)	-3.90%
23 Revenue, Department of	38,585,054	37,670,588	(914,466)	-2.37%
24 License Tag Commission	3,074,091	2,989,091	(85,000)	-2.77%
25 Tax Appeals, Board of	497,493	497,493	0	0.00%
26 Education, Department of (K-12)				
27 General Education Programs	175,094,774	139,584,732	(35,510,042)	-20.28%
28 Chickasaw Interest	15,961,151	19,576,109	3,614,958	22.65%
29 Mississippi Adequate Education Program	2,266,005,944	2,266,005,944	0	0.00%
30 Schools for Blind & Deaf	10,797,491	8,712,517	(2,084,974)	-19.31%
31 Vocational & Technical Education	78,483,259	78,483,259	0	0.00%
32 <b>K-12 Subtotal:</b>	<b>2,546,342,619</b>	<b>2,512,362,561</b>	<b>(33,980,058)</b>	<b>-1.33%</b>
33 Educational Television Authority	6,028,121	5,930,392	(97,729)	-1.62%
34 Library Commission	9,603,079	9,375,348	(227,731)	-2.37%
35 <b>Public Education Subtotal:</b>	<b>2,561,973,819</b>	<b>2,527,668,301</b>	<b>(34,305,518)</b>	<b>-1.34%</b>
36 Institutions of Higher Learning				
37 Univ - General Support - Cons (includes Ayers)	351,595,312	344,860,296	(6,735,016)	-1.92%
38 Univ - Subsidiary Programs - Cons	33,953,316	33,128,100	(825,216)	-2.43%
39 Student Financial Aid	42,085,128	42,085,128	0	0.00%
40 UM - University of Mississippi Medical Center - Cons	167,469,574	163,387,492	(4,082,082)	-2.44%
41 ASU - Agricultural Programs	6,273,001	6,053,284	(219,717)	-3.50%
42 MSU - Agricultural & Forestry Experiment Station	22,566,445	22,031,445	(535,000)	-2.37%
43 MSU - Cooperative Extension Service	30,189,497	29,459,141	(730,356)	-2.42%
44 MSU - Forest & Wildlife Research Center	5,632,070	5,498,070	(134,000)	-2.38%
45 MSU - Veterinary Medicine, College of	17,494,212	17,071,212	(423,000)	-2.42%
46 <b>IHL Subtotal:</b>	<b>677,258,555</b>	<b>663,574,168</b>	<b>(13,684,387)</b>	<b>-2.02%</b>
47 Community & Junior Colleges				
48 Board	6,493,582	6,020,767	(472,815)	-7.28%
49 Support	230,689,883	226,020,182	(4,669,701)	-2.02%
50 <b>Community &amp; Junior College Subtotal:</b>	<b>237,183,465</b>	<b>232,040,949</b>	<b>(5,142,516)</b>	<b>-2.17%</b>
51 Health, State Department of	60,731,763	59,942,938	(788,825)	-1.30%
52 Mental Health, Department of - Cons	230,576,542	226,045,926	(4,530,616)	-1.96%
53 Agriculture & Commerce, Department of - Support	7,204,629	7,013,675	(190,954)	-2.65%
54 County Livestock Shows	201,540	196,540	(5,000)	-2.48%
55 Animal Health, Board of	1,137,883	1,110,727	(27,156)	-2.39%

**FISCAL YEAR 2022 JOINT LEGISLATIVE BUDGET COMMITTEE RECOMMENDATIONS  
TOTAL STATE SUPPORT EXCLUDING COV19-19 FUNDS**

<u>AGENCY</u>	<u>FY 2021 Estimated w/Reappr</u>	<u>FY 2022 JLBC LBR</u>	<u>FY22 LBR +/- FY21 Estimated AMOUNT</u>	<u>PERCENT</u>
56 Mississippi Development Authority (w/ Innovate MS)	86,770,465	19,602,646	(67,167,819)	-77.41%
57 Archives & History, Department of (w/ Oral History)	10,257,307	9,082,184	(1,175,123)	-11.46%
58 Environmental Quality, Department of	10,177,111	9,922,683	(254,428)	-2.50%
59 Forestry Commission	13,762,827	13,717,193	(45,634)	-0.33%
60 Grand Gulf Military Monument Commission	268,081	243,729	(24,352)	-9.08%
61 Marine Resources, Department of	1,041,609	1,015,569	(26,040)	-2.50%
62 Oil & Gas Board	2,036,824	1,985,904	(50,920)	-2.50%
63 Soil & Water Conservation Commission	527,796	514,601	(13,195)	-2.50%
64 Tenn-Tom Waterway Development Authority	146,125	146,125	0	0.00%
65 Wildlife, Fisheries & Parks, Department of - Cons	5,816,629	4,917,825	(898,804)	-15.45%
66 Insurance, Department of - Support	11,073,566	10,796,727	(276,839)	-2.50%
67 State Fire Academy	5,053,218	4,829,708	(223,510)	-4.42%
68 Corrections, Department of - Cons	310,898,986	301,771,007	(9,127,979)	-2.94%
69 Governor's Office - Medicaid, Division of	899,173,333	896,281,488	(2,891,845)	-0.32%
70 Human Services, Department of - Cons	67,463,586	65,776,996	(1,686,590)	-2.50%
71 Child Protection Services, Department of	125,827,786	111,499,443	(14,328,343)	-11.39%
72 Rehab Services, Department of - Cons	28,482,977	28,482,977	0	0.00%
73 Emergency Management Agency	4,034,801	3,699,931	(334,870)	-8.30%
74 Disaster Relief - Cons	585,056	585,056	0	0.00%
75 Military Department - Cons	7,755,910	7,558,359	(197,551)	-2.55%
76 Public Safety, Department of - Cons	91,516,804	88,162,874	(3,353,930)	-3.66%
77 Veterans' Affairs Board	5,461,311	5,324,778	(136,533)	-2.50%
78 Revenue Dept. - Homestead Exemption Reimbursement	79,013,472	77,038,135	(1,975,337)	-2.50%
79 Arts Commission	1,507,834	1,481,349	(26,485)	-1.76%
80 Gaming Commission	7,971,467	7,702,308	(269,159)	-3.38%
81 Public Service Commission	4,199,627	4,094,636	(104,991)	-2.50%
82 No Call Telephone Solicitation	66,372	66,372	0	0.00%
83 Public Utilities Staff	2,094,531	2,012,368	(82,163)	-3.92%
84 Workers' Compensation Commission	5,062,519	4,935,956	(126,563)	-2.50%
85 Treasurer's Office, State - Debt Service				
86 Bank Service Charge	500,000	500,000	0	0.00%
87 Bonds & Interest Payment	435,932,824	435,932,824	0	0.00%
88 <b>Debt Service Subtotal</b>	<b>436,432,824</b>	<b>436,432,824</b>	<b>0</b>	<b>0.00%</b>
89 DFA - BOB - Capital Projects	8,657,991	0	(8,657,991)	-100.00%
90 <b>TOTAL</b>	<b>\$ 6,315,122,321</b>	<b>\$ 6,117,769,058</b>	<b>\$ (197,353,263)</b>	<b>-3.13%</b>

**FY 2022 State Support Funds**

General Funds	\$ 5,585,608,337	\$ 5,603,809,737	\$ 18,201,400	0.33%
Education Enhancement Funds	388,343,457	396,409,944	8,066,487	2.08%
Health Care Expendable Funds	97,549,377	97,549,377	0	0.00%
Tobacco Control Funds	20,000,000	20,000,000	0	0.00%
Capital Expense Funds	140,692,605	0	(140,692,605)	
BP Settlement Funds	17,241,000	0	(17,241,000)	
Gulf Coast Restoration Funds	65,687,545	0	(65,687,545)	-100.00%
<b>Total State Support</b>	<b>\$ 6,315,122,321</b>	<b>\$ 6,117,769,058</b>	<b>\$ (197,353,263)</b>	<b>-3.13%</b>

## THE MISSISSIPPI FISCAL SYSTEM

The state's fiscal operations, for the purpose of this discussion, are classified into three groups, namely General Fund agencies, Special Fund agencies and earmarked or diverted funds. The term "General Fund agency" means any department, institution, board or commission of the State of Mississippi which is supported in whole or in part by appropriations from the General Fund. "Special Fund agency" means any agency, department, institution, board, or commission of the State of Mississippi which receives no appropriation from the General Fund, but which is supported entirely from Special Fund sources or otherwise. The Mississippi Department of Transportation and Office of State Aid Road Construction operate as Special Fund agencies. Earmarked or diverted funds are those funds designated by statute for specific purposes or diverted to other entities. Some earmarked or diverted funds such as Education Enhancement Funds are appropriated. Other earmarked or diverted funds such as a part of the sales tax designated for the construction of public school buildings can be expended without additional legislative appropriations. Still other earmarked and diverted funds go to entities like municipalities and counties.

Special Fund agencies in most instances operate entirely from funds which have been designated by statute to be used in funding the operation of such agencies. The largest of the special fund type agencies is the Mississippi Department of Transportation. Operating funds for the Department of Transportation are derived from a portion of the state tax on gasoline, diesel fuel, and kerosene, as provided by Section 27-5-101, Mississippi Code of 1972, plus federal funds which are made available under a matching formula.

The state General Fund represents about 26.5% of the total state budget as recommended by the Joint Legislative Budget Committee for FY 2022. The General Fund budget is unlike Special Fund budgets in that the General Fund budget is much more variable and flexible. Increased costs, new programs, and expanded operations are generally funded through the General Fund. All money expended from this source must be appropriated by the Legislature before it becomes available for expenditure by General Fund agencies. The Legislature must appropriate funds for all state agencies, both General Fund and Special Fund, and the Mississippi Department of Transportation.

Over 400 General Fund and Special Fund accounts are maintained by the Financial Control Division of the Department of Finance and Administration under a centralized accounting and control system. All state agencies are required to report all receipts, expenditures, fund balances and commitments outstanding. Historically, all appropriations (with some exceptions such as the Institutions of Higher Learning, the Community and Junior Colleges and others) are appropriated by major object of expenditure category. This method of appropriation requires thought and study by department heads preparing budgets, provides the Legislature a uniform system for comparing figures for arriving at each agency's needs for the succeeding fiscal year, and has the final effect of requiring that state agencies more closely adhere to legislative intent after the final appropriations have been made. However, in recent years, appropriations have been made in a lump sum form due to fiscal constraints.

In December of 1992, the Joint Legislative Budget Committee issued a budget reform report that called for the implementation of the "M-PAC" budgeting concept which is intended to integrate three key elements of the budget process: program analysis, performance measurement and priority setting. Implementation of this concept was begun on a pilot basis for the FY 1995 budget cycle.

In an attempt to reinforce the Joint Legislative Budget Committee's budget reform efforts, the Legislature enacted Senate Bill 2995 which is cited as the Mississippi Performance Budget and Strategic Planning Act of 1994. This act required the implementation of performance budgeting and strategic planning for all agencies beginning with the FY 1996 budget cycle.

In July 2014, the Joint Legislative Budget Committee released "Improving Mississippi's Budget Process" a summary of steps to reinvigorate and move forward performance budgeting in state government. A new element in Mississippi's accountability process is the adoption of a statewide strategic plan entitled "Building a Better Mississippi". Recommended by the Subcommittee on State Performance Goals, the full Committee approved the statewide strategic plan in addition to directing all state agencies to adopt and align their goals and outcomes to this new plan. The Committee also approved the continued implementation of the Pew-MacArthur Results First Initiative cost-benefit model. In the 2014 Regular Legislative Session the Legislature passed House Bill 677 that required four pilot state agencies (Department of Corrections, State Department of Health, Department of Education and the Mississippi Department of Transportation) to work with legislative staff in collecting, defining and categorizing agency program inventories. The comprehensive goal of this model is to establish a cost-benefit ratio for agency programs and provide a reliable tool for evidence-based policymaking.

The FY 2022 Budget Recommendation includes historical program performance measurement data for each state agency and institution. While continuing to provide object of expenditure data, the enhanced format emphasizes program efforts and accomplishments.