



JOINT LEGISLATIVE BUDGET COMMITTEE

BUDGET RECOMMENDATION

FY 2026

FY 2026 LBR Goals

- Maintain 2% Set-Aside in General Fund
- Strengthen State's Financial Reserves
- Build a Budget Using only Recurring Funds

General Fund Revenue Estimate

- FY 2025 - \$7,600,100,000 (Sine Die)
- FY 2026 - \$7,627,000,000
 - Adopted by the Joint Legislative Budget Committee and Governor
- FY 2026 Revenue Estimate is a 0.4% increase above the FY 2025 Sine Die Estimate.

General Fund Revenue and Budget Calculation for FY 2026

\$7,627,000,000
- 152,540,000
\$7,474,460,000
- 7,024,736,419
\$ 449,723,581

Revenue Estimate Jointly Adopted
2% Set-Aside in General Funds
Remaining 98% in General Funds
General Fund Budget Recommendation
Remaining Reserves for General Fund

Total State Support Budget Recommendation

\$7,699,274,500
Total State Support
for FY 2026

\$16.7M in General
Funds Less Than
FY 2025
Appropriated

FY 2026 Increased Funding

- State Agencies
 - Health Insurance Increase \$21.0M
- State Agencies
 - PERS 0.5% Increase \$15.0M
- Department Education
 - Chickasaw Interest \$ 4.3M
- Department of Revenue
 - Homestead Exemption Reimbursement \$ 2.0M

State Support for 10 Largest Budgets

	<u>LBR</u>
• MS Student Funding Formula	\$3,000.8M
• Medicaid	909.0M
• IHL – General Support	451.2M
• Debt Service	421.8M
• Corrections	419.7M
• Community College – Support	292.2M
• Mental Health	270.6M
• General Education	221.3M
• IHL – University Medical Center	198.9M
• Department of Public Safety	166.1M

FY 2026
State
Support
Reductions

Deleted Funding and
1,722 Vacant Headcounts

Reduced Funding for Travel
and Contractual Services

Eliminated Funds for One-
Time Expenditures

Available Unallocated Funds

• Capital Expense Fund	\$1,080.8M
• Working Cash Stabilization Reserve Fund	667.0M
• General Fund	449.7M
• 2% Set-Aside in General Fund	152.5M
• Education Enhancement Fund	103.5M
• Health Care Expendable Fund	14.5M
• BP Settlement Fund	<u>11.0M</u>
• Total Available Unallocated Funds	<u>\$2,749.0M</u>

FY 2026 Budget Highlights

Maintained the 2% Set-Aside in General Funds

Utilized Recurring Funds to Support Recurring Expenditures

Increased FY 2026 State Support for Many Important Budgets

Reserve Balances of \$2.7 Billion

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