

A close-up photograph of a wooden pencil with a sharpened lead tip, resting diagonally across a document. The document features a line graph with a grid. The pencil is positioned over the graph, which has a vertical axis with labels '100' and '50'. The background is slightly blurred, showing more of the document and the pencil's body.

JOINT LEGISLATIVE BUDGET COMMITTEE

BUDGET RECOMMENDATION

FY 2027

FY 2027 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 2026 - \$7,552,000,000 (Revised November 2025)
- FY 2027 - \$7,532,400,000
 - Adopted by the Joint Legislative Budget Committee and Governor
- FY 2027 Revenue Estimate is a 0.3% decrease below the revised FY 2026 Revenue Estimate.

General Fund Revenue and Budget Calculation for FY 2027

\$7,532,400,000
- 150,648,000
\$7,381,752,000
- 7,101,784,287
\$ 279,967,713

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

\$7,781,122,368
Total State Support
for FY 2027

\$40.6M in General
Funds Less Than
FY 2026
Appropriated

FY 2027 Increased Funding

- Department of Education
 - Funding Formula \$24.7M
- State Agencies
 - Health Insurance Increase \$ 8.3M
- State Agencies
 - PERS 0.5% Increase \$ 6.2M
- Department of Education
 - Chickasaw Interest \$ 2.1M

State Support for 10 Largest Budgets

	<u>LBR</u>
• MS Student Funding Formula	\$2,999.5M
• Medicaid	969.3M
• IHL – General Support	454.5M
• Corrections	436.0M
• Debt Service	371.3M
• Community College – Support	291.1M
• Mental Health	274.8M
• General Education	231.7M
• IHL – University Medical Center	199.7M
• Department of Public Safety	165.2M

FY 2027
State
Support
Reductions

Deleted Funding and 965
Vacant Headcount

Reduced Funding for Travel
and Contractual Services

Eliminated Funds for One-
Time Expenditures

Unallocated Funds

• Capital Expense Fund	\$1,540.6M
• Working Cash Stabilization Reserve Fund	704.2M
• Education Enhancement Fund	309.7M
• General Fund	279.9M
• 2% Set-Aside in General Fund	150.6M
• BP Settlement Fund	21.2M
• Health Care Expendable Fund	<u>7.5M</u>
• Total Available Unallocated Funds	<u>\$3,013.8M</u>

FY 2027 Budget Highlights

Maintained the 2% Set-Aside in General Funds

Utilized Recurring Funds to Support Recurring Expenditures

Reserve Balances of \$3.0 Billion

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