

A pencil lies diagonally across the frame, resting on a document. The document features a line graph with a dashed trend line and several horizontal dashed lines representing different values. The numbers '100.' and '50.' are clearly visible on the left side of the graph. The background is a warm, out-of-focus yellow.

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
- <u>150,648,000</u>
\$7,381,752,000
- <u>7,101,784,287</u>
<u>\$ 279,967,713</u>

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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