Recently, the Joint Legislative Budget Committee (JLBC) released its budget recommendation for FY 2012. The JLBC, which includes legislative leaders from both the House and Senate, releases a recommendation each year that is used as the starting point for debates about appropriations in the legislative session. State revenue collections have not yet recovered from the recent recession and with most federal stimulus funds for state governments ended, the FY 2012 brings more cuts for state agencies.

The JLBC budget recommendation includes a reduction of state source funds of almost $65 million from the lean FY 2011 state budget that was itself the result of multiple rounds of cuts. The Mississippi Adequate Education Program is recommended for “level” funding from the FY 2011 budget, but the recommendation falls well short – almost a quarter of a billion dollars – of full funding. If the budget is funded as recommended, this will mark the fourth year in which MAEP was underfunded. Mid level funding for Community Colleges is also not attained.

The JLBC reduces the budget in part by eliminating vacant positions. This measure has been a part of the JLBC recommendation for multiple years. While this is a way to reduce staff while minimizing impact on current state employees, it does not always take into account agency staffing priorities.

The budget uses half of the state’s rainy day fund balance ($88 million) and $80 million from the Health Care Expendable Fund (from the tobacco settlement) as well as other state special funds. For more information on reserve and supplemental funds used, see the MEPC blog post [here](#). The JLBC also adopted a set of recommendations as a footnote for additional funding for certain budget areas should funds become available. Some of the critical areas identified are K-12 and Higher Education, Public Health, Public Safety, and Debt Service.

### Summary of Joint Legislative Budget Committee Budget Recommendation by Budget Category

<table>
<thead>
<tr>
<th>Budget Category/Agency</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>Difference</th>
<th>Percent Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Commerce</td>
<td>$10,560,149</td>
<td>$10,279,501</td>
<td>$280,648</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Conservation</td>
<td>$46,581,095</td>
<td>$44,745,242</td>
<td>$1,835,853</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Corrections</td>
<td>$312,939,804</td>
<td>$311,762,704</td>
<td>$1,177,100</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$361,352,921</td>
<td>$361,352,921</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Economic Development</td>
<td>$21,646,565</td>
<td>$20,066,382</td>
<td>$1,580,183</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Executive and Administrative</td>
<td>$3,274,487</td>
<td>$3,038,790</td>
<td>$235,697</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Fiscal Affairs</td>
<td>$64,999,078</td>
<td>$51,782,942</td>
<td>$13,216,136</td>
<td>-20.3%</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$931,883,107</td>
<td>$914,319,820</td>
<td>$17,563,287</td>
<td>-1.9%</td>
</tr>
<tr>
<td>IHL Universities</td>
<td>$708,337,378</td>
<td>$693,577,989</td>
<td>$14,759,389</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Communities and Junior Colleges</td>
<td>$223,545,729</td>
<td>$220,741,831</td>
<td>$2,803,898</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Judiciary / Justice</td>
<td>$60,677,201</td>
<td>$60,346,474</td>
<td>$330,727</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Legislative</td>
<td>$25,031,535</td>
<td>$25,796,835</td>
<td>$765,300</td>
<td>3.1%</td>
</tr>
<tr>
<td>Local Assistance</td>
<td>$75,109,281</td>
<td>$75,109,281</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Department of Mental Health</td>
<td>$242,865,909</td>
<td>$232,134,231</td>
<td>$10,731,678</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Military, Police and Veterans Affairs</td>
<td>$88,861,182</td>
<td>$84,486,771</td>
<td>$4,374,411</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Mississippi Arts Commission</td>
<td>$1,681,564</td>
<td>$1,632,799</td>
<td>$48,765</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Public Education</td>
<td>$2,268,322,646</td>
<td>$2,261,647,744</td>
<td>$6,674,902</td>
<td>-0.3%</td>
</tr>
<tr>
<td>MAEP</td>
<td>$2,021,451,088</td>
<td>$2,021,451,088</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Public Health</td>
<td>$54,350,435</td>
<td>$53,680,257</td>
<td>$670,178</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Social Welfare</td>
<td>$911,619,422</td>
<td>$904,845,150</td>
<td>$6,774,272</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$771,292,261</td>
<td>$769,298,039</td>
<td>$2,994,222</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Social Welfare not Medicaid</td>
<td>$140,327,163</td>
<td>$135,547,111</td>
<td>$4,780,050</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Total State Support</td>
<td>$5,481,756,381</td>
<td>$5,417,027,844</td>
<td>$64,728,537</td>
<td>-1.2%</td>
</tr>
</tbody>
</table>

Source: FY 2012 JLBC Budget Recommendation

For more information on state budget issues and revenue options, visit the Mississippi Economic Policy Center's website at [www.meponline.org](http://www.meponline.org)
More Cuts Prescribed for FY 2012 in Joint Legislative Budget Committee Recommendation

More budget cuts for state agencies that have already dealt with multiple rounds of cuts will mean decreased access to and quality of state services like education, public safety, and mental health. A balanced approach that includes additional revenue is necessary to protect our investments in working Mississippians. These investments are vital for the state’s recovery and future prosperity.

More Information About the JLBC Recommendations by Budget Category

Agriculture and Commerce

- Includes Department of Agriculture and Commerce, Board of Animal Health, and the Fair Commission.

- The Department of Agriculture and Commerce is recommended for a 3% cut.

Conservation

- Includes the Department of Archives and History, Department of Environmental Quality, Forestry Commission, Grand Gulf Military Monument, Department of Marine Resources, MS River Parkway Commission, Soil and Water Conservation, Tennessee-Tombigbee Waterway, and the Department of Wildlife, Fisheries and Parks.

- The Department of Archives and History, Department of Environmental Quality, the Forestry Commission, the Department of Wildlife, Fisheries and Parks, and the Soil and Water Conservation Commission are recommended for cuts of between 3 and 5%.

- The Grand Gulf Military Monument and the Department of Marine Resources are recommended for 7% cuts. The Mississippi River Parkway is recommended for a 12% cut and the Tenn-Tom Waterway Development Authority is recommended for a 1% cut.

Corrections

- Includes Department of Corrections, Medical Services, Parole Board, Local Confinement, Private Prisons, and Regional Facilities.

- The Mississippi Department of Corrections was recommended for a small cut of .4%.

Debt Service

- Includes repayment of bond debt according to contracts and bank service charges.

- Recommended for level funding.
JLBC Recommendations (continued):

**Department of Mental Health**
- Includes the Department of Mental Health, which administers mental health facilities throughout the state.
- The Department of Mental Health is recommended for a 4% cut.

**Economic Development**
- Includes the Mississippi Development Authority.
- The Mississippi Development Authority is recommended for a 7% cut.

**Executive and Administration**
- Includes the Ethics Commission, Governor’s Mansion, and Governor’s Office.
- The Ethics Commission is recommended for a 1% cut. The Governor’s Mansion and Governor’s Office are recommended for an 8 and 9% cut respectively.

**Fiscal Affairs**
- Includes the Departments of Audit, Finance and Administration, Revenue, and the State Treasurer’s office.
- The Department of Audit is recommended for a 9% cut.
- The Department of Revenue is recommended for a 5% cut.
- The Department of Finance and Administration is recommended for a 37% cut and the DFA State Building Insurance is recommended for no state source funds in the JLBC budget.
- The State Treasurer’s office is recommended for no state source funds in the JLBC budget.

**Higher Education**
- Includes Institutions of Higher Learning (including IHL Agriculture Programs) and Community and Junior Colleges.
- IHL General Support for Colleges and Universities is recommended for cuts of between 3-4%. State Financial Aid is recommended for a slight .1% cut.
- Community and Junior Colleges Administration is recommended for a 4% cut. Community and Junior Colleges support is recommended for a 1% cut.
- The University Medical Center is recommended for a very slight cut of .02%.

**Judiciary and Justice**
- Includes Attorney General’s office, Commission on the Status of Women, District Attorneys and Staff, Judicial Performance Commission, Supreme Court Services, Administrative Office of the Courts, Court of Appeals, and Trial Judges.
- The Attorney General’s office is recommended for a 3.5% cut. The Commission on the Status of Women is recommended for an 8.5% cut.
- The District Attorneys and Staff, the Judicial Performance Commission, and the Supreme Court were recommended for level funding.
JLBC Recommendations (continued):

Legislative

- Includes support for the legislature, legislative committees, and staff.
- Legislative agencies are recommended for a 3% increase.

Local Assistance

- Includes funds for local governments to offset the homestead exemption.
- Homestead exemption funds are recommended for level funding.

Military, Police and Veterans Affairs

- Includes the Emergency Management Agency, Disaster Relief, Military Department, Bureau of Narcotics, Department of Public Safety, Highway Safety Patrol, Crime Lab, Law Enforcement Officers Training Academy, State Medical Examiner, Public Safety Planning, Homeland Security, DPS Juvenile Facility Monitoring Unit, and the Veterans Affairs Board.
- The Emergency Management Agency is recommended for a 5% cut. Disaster Relief is recommended for a 28% cut.
- The Military Department is recommended for a 4% cut.
- The Highway Safety Patrol Division is recommended for level funding.
- Homeland Security and the Juvenile Monitoring Unit are recommended for a 37 and 27% cut, respectively.
- The Law Enforcement Officers Training Academy and Bureau of Narcotics are recommended for 8.5 and 6% cuts respectively. Public Safety Planning is recommended for a 38% cut and Support Services is recommended for a 1% cut.
- The Crime Lab is recommended for a 12.5% cut and the State Medical Examiner is recommended for an 80% cut.
- The Veterans’ Affairs Board is recommended for an 18% cut.

Mississippi Arts Commission

- The Mississippi Arts Commission is recommended for a 3% cut.

Public Education

- Includes the State Department of Education General Education Programs, the Mississippi Adequate Education Program, Vocational and Technical programs, Chickasaw Interest, Schools for the Deaf and Blind, Educational Television Authority, and Library Commission.
- The Mississippi Adequate Education Program is recommended for level funding from FY 2011 to FY 2012 at $2.02 billion. The Mississippi Department of Education reported in budget hearings that an increase of $230.9 million would be necessary for FY 2012 in order to fully fund MAEP to statutorily mandated levels.

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JLBC Recommendations (continued):

Public Education (cont.)

- Increases are recommended for Chickasaw Interest at 10.57%, which is a court-ordered program.
- The State Department of Education General Education Programs is recommended for a 5% cut.
- The School for the Deaf and Blind is recommended for a 5% cut.
- Vocational and Technical programs were recommended for a 1% cut.
- The Educational Television Authority, which includes Mississippi Public Broadcasting television and radio stations, is recommended for an 8% cut. The Mississippi Library Commission is also recommended for a 1% cut.

Public Health

- Includes the Department of Health, which is recommended for a cut of 1%.

Social Welfare

- Includes the Division of Medicaid, Department of Human Services, and the Department of Rehabilitation Services.
- Medicaid is recommended for a small cut of .26%.
- The Department of Human Services is recommended for a cut of 3.5%.
- The Department of Rehabilitation Services is recommended for a 3% cut.