



**GOVERNOR PHIL BRYANT  
EXECUTIVE BUDGET RECOMMENDATION  
FISCAL YEAR 2015**

**November 13, 2013**



## Overview

In each Executive Budget Recommendation I have issued since becoming Governor, I have addressed State priorities with three guiding principles in mind: spending prudently, saving for the future and prioritizing the core functions of government.

I thank the Legislature for working with me to govern based on these conservative tenants, and I am pleased to say that we are accomplishing great things for Mississippi:

- We've funded economic development and achieved tremendous results;
- We've reinstated the "98 Percent Rule";
- We've prioritized increases to K-12 and post-secondary education through my "Education Works" package and other measures;
- We've invested in Mississippi's economic future and in the health of its citizens by pushing forward to expand the School of Medicine at UMMC and by certifying Health Care Zone Master Plans for 12 Mississippi communities;
- We've advanced policies to grow Mississippi's energy economy with targeted incentives;
- And we've done it all while reducing job-killing taxes on Mississippi employers and fostering an environment for further economic investment and expansion.

All of this hard work is translating into a stronger Mississippi.

Revenue collections have improved and unemployment rates have trended down from recession levels, with State Economist Dr. Darrin Webb reporting unprecedented growth in the State's jobs sector for the post-recession period. Mississippi's economy grew by 2.4 percent in 2012, outperforming the Southeast's growth rate, and our Gross Domestic Product totaled more than \$100 billion for the first time. Our growth rate has even outpaced the nation's during 2013.

The temptation, therefore, may exist to loosen budget discipline and begin spending with less caution, but this would be the wrong course for Mississippi.

Now, more than ever, it is essential that we remain committed to the principles that have helped us achieve this success. As Dr. Webb stated in his presentation to the Joint Legislative Budget Committee, the national economy continues to expand at a slow pace.

Onerous federal policies, increased taxes on job creators, escalating national debt and growing unrest abroad can all combine to again depress or even trample the national economy, so Mississippi must take caution to build savings and keep spending in check.



## Revenue

As mentioned above, relentless dedication to economic development and the passage of pro-growth business policies are helping Mississippi's economy turn the corner out of the recession, and the total Fiscal Year 2015 General Fund revenue estimate reflects 2.7 percent growth over the revised estimate for Fiscal Year 2014.

This budget utilizes the General Fund revenue estimate jointly adopted in November (\$5.3 billion), **and as in each of my previous budgets, I have reserved two percent of the revenue estimate in accordance with statute.**

This budget utilizes approximately \$373 million in Education Enhancement Fund dollars for education needs, and it utilizes \$109.8 million from the State's annual tobacco settlement payment.

I have also projected \$35 million in additional Fiscal Year 2015 revenue as a result of my recommended investment to the Department of Revenue. Last year, my budget recommended, and the Legislature provided, additional funding to DOR for the purpose of hiring new staff to increase collection of delinquent tax accounts. The investment has been a sound one for the State; the Department of Revenue has already increased collections by more than \$80 million from recent targeted investments in staffing.

The targeted recommendation reflected in this budget includes funding to fill additional positions directly involved in revenue production as well as funding for customer service and support personnel, many of whom will serve as a front line resource to individual and corporate taxpayers.

The combined total General Fund and general fund equivalent revenues recommended for appropriation in this budget is \$6.1 billion.

**Despite growth in revenues, this budget recommends no across the board increase in agency spending. Needs are instead prioritized, and savings are maximized.**

## Smart Use of Cash for Capital Needs

As Lieutenant Governor, I fought for the creation of the Capital Expense Fund so that at close of each fiscal year, a portion of ending cash would be set aside to address capital needs, thereby reducing reliance on issuing debt to cover these expenses.

In order to restore the Capital Expense Fund to its true purpose, my Fiscal Year 2014 budget used half of the fund's balance for capital needs (\$16 million) and pledged that this year's budget would use at least twice that amount for capital



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needs. Using this fund to pay for capital expenses helps decrease our use of bond money to fund capital expenditures.

**This budget provides \$70 million for capital needs in accordance with the first year of a five-year plan that gradually increases cash appropriations to address recurring repair and renovation needs and subsequently decreases the need to issue bonds to cover those same expenses.**

This plan has been proposed by the Department of Finance and Administration with my support. Per the plan, \$27 million will be directed to the DFA Bureau of Buildings to provide for capital needs at state facilities that do not self-manage their own capital projects, and \$43 million is recommended to be appropriated directly to agencies that have the ability to self-manage capital needs. Appropriations are recommended as follows:

DFA Bureau of Buildings:	\$27million
Community and Junior Colleges:	\$14 million
Institutions of Higher Learning:	\$19 million
Mississippi Department of Corrections:	\$4 million
Mississippi Department of Mental Health:	\$5 million
Mississippi Department of Wildlife Fisheries and Parks:	\$1 million

Under this plan, appropriations increase by \$5 million each year until a sustainable level of \$90 million is reached. In turn, bonds issued for repair and renovation needs will decrease each year until a sustainable level of \$150 million is achieved.

**The Fiscal Year 2015 implementation of the plan is projected to save the State nearly \$45 million in debt service costs as a result of bond avoidance. If fully implemented, the five-year plan is projected to save Mississippi more than \$256 million in debt service costs as a result of bond avoidance.**

**Further, my capital recommendations include \$16 million to be managed by DFA and designated specifically for needs within Mississippi’s K-12 education system.** A similar fund was previously established by the Legislature; however, for many years, the fund proceeds have been diverted to address other needs in the K-12 system.

**This new funding will provide additional resources to local districts by establishing a dedicated funding source for repair and renovation needs within the K-12 system.**



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## One-Time Money and the State's Credit Rating

*This budget uses zero one-time money.*

I have modeled phasing out reliance on one-time revenues to fund recurring expenses to the Legislature in my Executive Budget Recommendations for Fiscal Years 2013 and 2014, and this year's budget models the final step—zero use of one-time money.

Mississippi received disappointing news last week, as Fitch Ratings changed the outlook on our bond rating from stable to negative. Among the primary reasons for this change was the State's continued reliance on one-time money to fund recurring expenses. **I applaud the Legislature for reducing the use of one-time money, and I look forward to working with the Speaker and the Lieutenant Governor in the coming year to reduce the use of one-time money to fund recurring expenses to zero.**

### Savings

In addition to utilizing zero one-time money to fund recurring expenses and providing a sustainable way to address capital needs, **this budget saves more than \$171 million, including:**

- The \$109.5 million balance in the Rainy Day Fund;
- The \$58.9 million projected to be deposited into the Rainy Day fund at the close of Fiscal Year 2014; and
- The \$2.9 million idle one-time balance in the Healthcare Trust Fund. I recommend legislative action to transfer this cash to the Rainy Day Fund.

**Further, compliance with the 98% Rule in Fiscal Year 2015 will set aside an additional \$108 million if revenues meet projections. A portion of this set aside will be directed to the Capital Expense Fund, and a portion will be directed to the Rainy Day Fund, which should bring the balance of that fund to nearly half of its allowable limit.**

As Lieutenant Governor, I worked to fill this fund to its statutory limit, and the reserves the state saved in those years helped mitigate the impacts of the Great Recession.

For several years following those economic downturns, Mississippi suspended the "98% Rule" in order to pay its bills. I appreciate the Legislature's action in answering my call to break that habit and return to the savings rule; however, even though lawmakers have set two percent of revenues aside, Mississippi is not retaining much of the money it saves.



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Instead, the Legislature has moved dollars from multiple reserve accounts, including the State's Rainy Day Fund, into the Budget Contingency Fund for expenditure. While finalizing the State's Fiscal Year 2014 budget, lawmakers again moved a significant portion of the State's savings into the BCF—and then appropriated those dollars down to a balance of zero.

**I am adamant that Mississippi again work to fill the Rainy Day Fund to its statutory limit (approximately \$400 million).** Failure to save while times are good is unfair to taxpayers, and it has the potential to erode other successes in an instant if we are forced to make cuts in the face of another national recession.

## **Jobs**

When a Mississippian has a job, it changes absolutely everything. Building a pro-growth economic climate and attracting job growth require teamwork, and I am proud to report that, working together and with the Mississippi Development Authority, we have achieved great success:

**Since January 2012, 55 companies have announced the creation of 8,364 new jobs, totaling more than \$1.4 billion in private sector investment.**

Among those announcements was one of the largest in our State's history. In 2013, Yokohama Tire Company, a global manufacturer with more than 14,000 employees worldwide, revealed it would construct its first ground-up U.S. manufacturing facility in West Point, Mississippi. When fully phased in, the facility is projected to support 2,000 direct jobs, and, as Mississippi has seen as a result of both Nissan's and Toyota's manufacturing investments, Yokohama's investment is likely to support hundreds of ancillary jobs, as well. Our State started the site location battle in competition with more than 3,000 locations. Ultimately, Yokohama chose Mississippi for the reasons why Mississippi works: the quality of our workforce; the favorability of our tax and regulatory policies; the availability and affordability of our energy; and our supportive business climate.

Our hard work is not only paying dividends in new jobs, it is garnering national attention that in turn helps promote Mississippi as a prime location for job growth:

- The Kauffman Index of Entrepreneurial Activity named Mississippi fifth in the nation for business startup activity in 2012.
- *Area Development* magazine has also rated Mississippi as number nine among its 2013 list of best states for business, saying, "Mississippi is on an economic roll." Our State tied for second in categories evaluating competitive utility costs and permitting speed and was among the top five states for overall cost of doing business and competitive labor costs.



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- The American Legislative Exchange Council placed Mississippi among the top 10 states for overall economic outlook for 2013.
- Mississippi has received a second consecutive Silver Shovel Award from *Area Development* for strong economic development performance.
- Bankrate.com named Mississippi the number five state for retirement, citing our low taxes and lower-than-average cost of living.

These successes are not accidental. They are the result of hard work and a commitment to economic development. In the past two years, I have asked the Legislature to support the vital role of the Mississippi Development Authority, and I respectfully ask you to do so again.

## Energy and Natural Resources

Energy will continue to be a driving factor in Mississippi's economy, and this budget provides \$227,000 to the Department of Environmental Quality for the purposes of hiring three highly trained engineers to oversee permitting activities related to energy and extraction, pollution control and water management.

This budget also provides DEQ with \$100,000 for contractor support to continue working toward finding solutions for sustainable water sources in the Mississippi Delta. Groundwater levels are being depleted in the aquifer that Delta farmers use for irrigation and for catfish farming, and these additional resources this recommendation provides will enable DEQ to properly manage the taskforce charged with identifying solutions.

## Healthcare

Growing Mississippi's healthcare economy must continue to be a primary focus of our economic development efforts. By employing smart growth strategies like our medical zones clustering concept and by building Mississippi's physician and medical workforces, we will see the creation of more jobs and the expansion of healthcare access for Mississippians.

### ***"The 1,000 Doctor Difference"***

First and foremost, we must support the vitally important role of the University of Mississippi Medical Center. It is the state's second largest employer, contributing an estimated economic impact of \$2.4 billion; it is home to the state's only organ transplant program, only children's hospital, and only Level One trauma center; and it plays a fundamental role in both advancing medical research and training an array of clinical health professionals.

An important aspect of supporting UMMC is supporting the expansion of its School of Medicine, and I thank the Legislature for providing for a portion of the medical



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school's construction needs. The expansion will provide new classrooms and laboratory space, allowing the School of Medicine to increase the number of students it admits to each incoming class from 135 to more than 160. The School of Medicine projects the expansion will generate about \$1.7 billion in economic impact in Mississippi by 2025 and that the additional physicians trained will support more than 19,000 new jobs by the same year.

The expanded School of Medicine will also play a critical role in increasing Mississippi's physician workforce. Mississippi is consistently among the lowest in the nation for physician per-capita ratio, with 68 of 82 counties being considered medically underserved with regard to primary care access. The larger class sizes that will result from the School of Medicine expansion will in turn help educate nearly 1,000 new physicians by 2025—a vital step toward increasing healthcare access across the State.

Educating new doctors, however, is only part of the solution. We must also retain the doctors we train, and studies show that one of the most efficient ways to accomplish that goal is by providing more residency opportunities for the physicians we graduate. This budget provides targeted increases to UMMC that dovetail with that priority.

As the class sizes at the medical school grow, so should the residency program, and my budget recommends \$3.8 million to UMMC to help expand the physician residency and fellowship programs it conducts.

This budget also satisfies the level-funding request for the Office of Physician Workforce. This program was enacted in the 2012 Regular Legislative Session (House Bill 317) for the purposes of creating new residency opportunities in addition to those offered at UMMC. Already, the OPW has helped establish a Family Medicine residency program at Forrest General Hospital, which will begin accepting students in 2014. As the UMMC School of Medicine expands and the William Carey University College of Osteopathic Medicine prepares to graduate its first class of physicians, the demand for residency programs will increase.

New doctors not only create new opportunities for healthcare access but also create an average of \$2 million in annual economic impact in the communities in which they serve. Mississippi's successful Rural Physician Scholarship Program has an excellent track record of training bright young physicians who commit to practicing in a primary care field in a rural Mississippi community. During the 2013 Regular Legislative Session, the cap on the number of scholarships the program could offer was lifted, and the number of awards is now tied to the amount of available funding (Senate Bill 2302). This budget provides funding for 60 Rural Physician scholarships—an increase of 10 over what the Legislature provided in Fiscal Year





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2014—at a funding level equal to those provided by the Mississippi Rural Dentist Scholarship Program.

As is the case with primary care, many areas in Mississippi are also underserved with regard to dental care access. To that end, this budget funds the full second-year implementation needs of the Rural Dentist Scholarship Program, adding three new scholarships, which doubles the program's existing capacity. At its fourth and final year of implementation, the Rural Dentist Scholarship Program is projected to intake 12 students per year, who must agree upon graduation to practice in a town with a population of 10,000 or fewer people.

***Mississippi Health Works Enhancement Agenda***

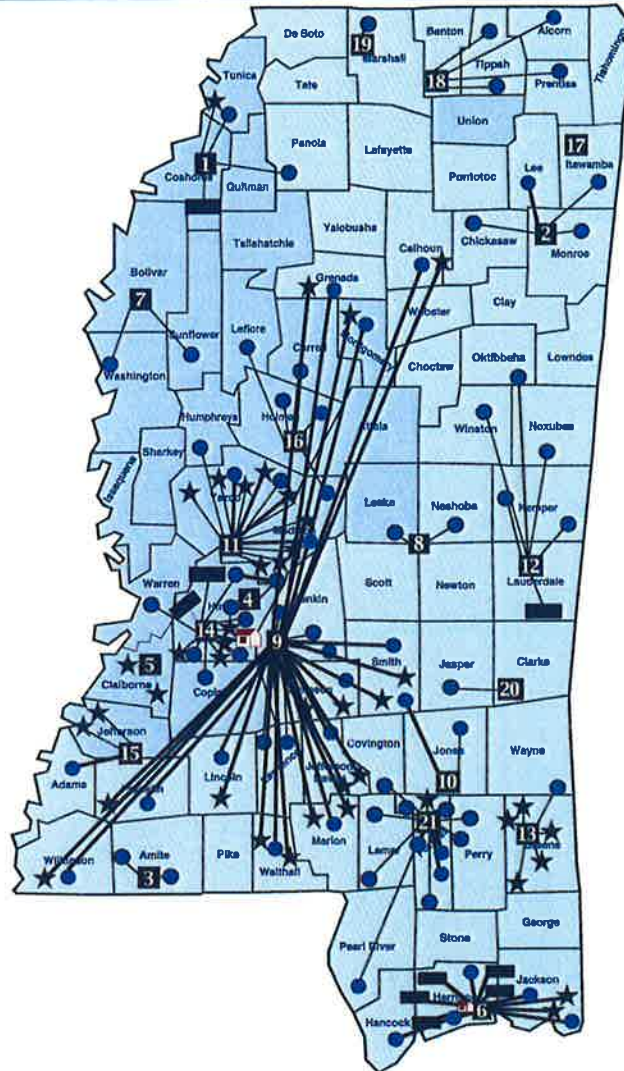
Another efficient way to increase capacity for healthcare access is to leverage Mississippi's existing network of Community Health Centers. These comprehensive clinics provide primary care, dentistry and mental health services and serve patients regardless of age or ability to pay. They accept private insurance, Medicaid and Medicare, and they also serve the uninsured. In exchange for meeting certain guidelines, the clinics receive federal grant funding to assist with their operating expenses.

In 2012, Mississippi Community Health Centers served approximately 325,000 patients, 94 percent of whom had incomes below 200 percent of the Federal Poverty Limit. On average, more than 40 percent of Community Health Center patients are uninsured.

These clinics successfully help patients manage and control chronic illnesses, and they are adept at achieving cost savings through quality monitoring. There are 21 principal Community Health Center locations in Mississippi, most of which operate at least one satellite location. There are 165 total health care delivery sites in Mississippi's Community Health Center network, as indicated by the map on the following page.



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Mississippi began investing in its Community Health Center network in 1999 with the establishment of the Mississippi Qualified Health Center Program. The State invests about \$4 million on average into its Community Health Center network each year, helping achieve the current capacity.

**This budget recommends \$8 million to expand Mississippians' access to this system of low-cost, high-quality healthcare clinics through two initiatives, both of which will be administered by the Mississippi Department of Health.**



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**Primary Care Capacity Building Program**

This budget includes \$4.8 million to increase healthcare access across the state by aiding Community Health Centers in building their capacity. This funding is recommended to be made available on a grant basis to qualifying Community Health Centers that increase patient access by:

- Offering extended hours during the week
- Offering weekend hours
- Offering same day/next day appointments
- Expanding satellite, school-based or mobile facilities
- Integrating workforce collaboration
- Establishing an emergency room diversion program to divert patients with non-emergent primary care needs out of emergency rooms and into outpatient settings.

To qualify for funding consideration, interested clinics must provide:

- The location of each proposed capacity-building project
- The number of new patients to be served
- The percentage of new patients that are uninsured
- The number of providers and staff needed to serve the proposed population
- The projected capital costs associated with the capacity-building projects
- A justification of how the project will increase access to care, eliminate barriers to care, address major health needs, and reduce health disparities for the medically underserved

Expanding access in the existing Community Health Center network will offer more Mississippians more access to primary care services. Further, research indicates that by providing high quality primary care and preventive services to vulnerable populations, Community Health Centers reduce avoidable use of high-cost services in emergency and inpatient settings, in turn lowering healthcare costs.

**Mississippi Incubator Program**

In addition to providing funding to expand access within Mississippi's existing Community Health Center network, my budget also provides \$3.2 million to grow the network as a whole through the Mississippi Incubator Program.

Separate from providing funding to expand hours and access at existing Community Health Center locations, the incubator program aims to assist in the development of new Community Health Centers and new satellite locations. The funding may also be



used to assist existing non-certified clinics in meeting federal guidelines to become certified as Community Health Centers. The State of Texas created a similar incubator program in 2003, and with a \$5 million annual investment, that state has launched 28 new Community Health Centers. Even achieving a portion of such success in Mississippi could go a long way in expanding health care access and diminishing barriers to care.

## **Education Reform and Improvement**

The 2013 legislative session was transformational for public education in Mississippi. Through my *Education Works* agenda and other reforms, the State embarked on the path to better outcomes and better futures for Mississippi children.

Perhaps one of the most fundamentally important reforms enacted in the 2013 Regular Legislative Session was the “Third Grade Gate” literacy measure (Senate Bill 2347). We know that reading adequately by third grade is imperative to a child’s ability to succeed, and we know that for too long, too many Mississippi children have not achieved that benchmark.

**This budget continues \$9.5 million in funding to help schools and teachers prepare to fully implement the “Third Grade Gate” beginning in the 2014-2015 school year. To date, this funding has resulted in providing literacy assistance for nearly 9,000 children.**

**We *must* dedicate ourselves to fully realizing the potential of this literacy intervention effort, and I ask lawmakers to place a high priority on this responsibility.**

### ***Teacher Quality***

Data prove that teacher quality has a direct impact on student achievement, and improving and rewarding teaching excellence are driving components of my *Education Works* agenda. This budget continues funding for the scholarship program established to assist high-achieving students who wish to become teachers (Senate Bill 2658, 2013 Regular Legislative Session), and it maintains Mississippi’s investment (\$6 million) in Teach for America.

This budget also satisfies the full request of the National Board Certified Teacher Program. More than 3,400 Mississippi teachers have achieved National Board Certification, and thanks to a \$350,000 grant from the Bill & Melinda Gates Foundation, even more Mississippi teachers will have the opportunity to pursue this certification. In turn, more Mississippi students will have the opportunity to learn from a highly qualified teacher.



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Additionally, my budget maintains \$1.5 million in funding for the performance based pay pilot program established through my *Education Works* agenda (Senate Bill 2658, 2013 Regular Legislative Session). This funding will allow participating teachers to retain the increased compensation they have earned while administrators continue to gather and analyze data, which will in turn inform policy recommendations in the 2016 Regular Legislative Session.

***Dropout Prevention and Career Readiness***

This budget also continues \$1 million for dropout intervention efforts conducted by Jobs for Mississippi Graduates. As a result of last year's appropriation, Jobs for Mississippi Graduates conducted 20 new programs throughout the state and helped more than 5,000 students on the path toward graduation.

This budget also furthers Mississippi's effort to provide a second chance for children at risk of dropping out through an expansion of the successful Dual Enrollment-Dual Credit program. A \$1.14 million funding recommendation to Community and Junior Colleges will increase opportunities for high school students to earn academic credit while learning a valuable skill or trade by establishing 22 new dual-credit programs such as automotive technology, residential carpentry and welding at community and junior college campuses across the state.

In support of this dual enrollment effort, this budget also continues \$250,000 to help students cover the cost of obtaining work certifications after completing these programs.

***MAEP and Other Funding***

This budget satisfies the requirements of the Chickasaw Interest, and it **maintains level funding for the Mississippi Adequate Education Program**. I have recommended removing The DuBard School for Language Disorders from the MAEP funding formula, instead providing \$750,000 in direct funding for the school, as DuBard has consistently received an inadequate portion of its allotment from MAEP. I **have not** recommended a downward adjustment to MAEP to account for the DuBard change.

This budget also maintains funding for Mississippi Building Blocks (\$3 million), LifeTracks (\$1.8 million) and the Mississippi Community Oriented Policing program (\$1.5 million). It additionally recommends \$1.5 million to help offset costs for schools that wish to administer the ACT as a high school exit exam in lieu of other State assessments. Several superintendents have expressed interest in this concept, and I am in favor of exploring it on a piloted basis.



## ***Higher Education***

### **Institutions of Higher Learning**

Mississippi's Institutions of Higher Learning fulfill multiple important missions in our State. To that end, **this budget satisfies IHL's full request**, including commitments to Historically Black Colleges and Universities as indicated under the Ayers settlement. This budget also recommends \$19 million be directed to IHL in accordance with the DFA capital needs plan. Finally, this budget fully funds student financial aid at \$37.7 million.

### **Community and Junior Colleges**

In Mississippi, we know that to be competitive, we must continue to strive to have the best-trained workforce in the world. Our State's system of community and junior colleges provides valuable academic and career training to residents across the state, and my budget further invests in these valuable workforce programs.

To that end, this budget provides \$8 million in new funding for the Community College Support budget. I recommend this increase be used in part to address the full requested increases for both dual enrollment programs and career technical programs. I also recommend that a portion of the increase be used to further GED outreach efforts. I believe an opportunity exists to connect participants in Mississippi's drug court program with education and training opportunities offered at community and junior colleges, and I will consider recommendations for making such referrals.

This budget also recommends \$14 million be directed to Community and Junior Colleges in accordance with the DFA capital needs plan.

Additionally, I am in consultation with the Executive Director of the Mississippi Department of Employment Security regarding a potential continuation of last year's Workforce Enhancement Training fund diversion project in support of the Community College Board budget.

## **Public Safety**

There has recently been much renewed interest in taking a fresh look at the efficiency and effectiveness of Mississippi's public safety missions. As with all functions of government, we must ask ourselves where and how we can produce better results with the resources at hand.

Several weeks ago, I convened a bipartisan group of legislative leaders and public safety experts from across the state to discuss ways to improve public safety in Mississippi—from judicial processes, to corrections policies, to law enforcement strategies and drug control efforts. I was encouraged to hear so many ideas from



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summit participants, and I look forward to sharing my full recommendations for legislative and administrative action soon.

For the purposes of this budget, several funding items must be addressed.

***Corrections***

It is no secret that corrections costs continue to grow, and this budget provides for the full Fiscal Year 2015 needs (\$362 million) of the Mississippi Department of Corrections, and it also recommends \$4 million be directed to MDOC in accordance with the DFA capital needs plan. This budget additionally recommends \$22.4 million in accordance with MDOC's Fiscal Year 2014 deficit needs.

My legislative agenda will provide common sense, data-driven reforms to help reduce corrections costs without reducing our State's commitment to public safety and security. Achieving savings within the corrections system is necessary both to sustain and reduce Mississippi's corrections outlays in the future.

***Prosecutorial and Judicial Needs***

This budget maintains funding for the Attorney General's Office; maintains funding for the Judicial Performance Commission; and satisfies the funding request of the Supreme Court.

I have also recommended a \$2 million increase to District Attorneys for the purpose of hiring 16 new prosecutors in posts throughout the state. This will help ease caseload burdens and should increase efficiency in the judicial pipeline.

This budget also helps restore lost funding for Mississippi's drug courts. Lawmakers and public safety officials alike appreciate the important services these courts provide. They alleviate caseload strain on the traditional court system, and they provide cost effective alternatives to incarceration for the state. Most importantly, perhaps, they facilitate a second chance for many.

These courts currently operate on revenues generated from court assessments, and that funding source has proved to be inadequate to meet demand. This budget recommends new State Support funding of \$7 million, which, along with revenues generated by the existing assessments, will help the courts reach an ideal funding model.

This budget also recommends Fiscal Year 2014 deficit funding of \$4 million to help address immediate drug court needs. I understand that the Department of Public Safety has also recently directed \$900,000 in federal grant funding to further support drug court programs.



## ***Law Enforcement***

We cannot expect to properly address our state's public safety concerns if we do not support law enforcement needs. This budget, therefore, reflects investments to protect Mississippi communities.

First and foremost, we must ensure that Mississippi trains and maintains a sufficient force of law enforcement officers. There are currently 155 enforcement vacancies within the Mississippi Highway Patrol, and continuing to leave them unfilled will impact safety in Mississippi communities. In recent months, news stories have circulated about the long MHP response time in the Brookhaven area, which is tied directly to understaffing.

To that end, this budget includes \$6.9 million to conduct another trooper academy. This funding will cover training and lodging expenses for a new cadet class and will additionally provide for the full needs of 60 commissioned officers through the close of the fiscal year in which they graduate. This includes weapons, uniforms, salaries and benefits.

This budget also includes funding for the replacement of 73 high-mileage enforcement vehicles with the existing Highway Patrol fleet and the replacement of 512 vital armored vests that will expire from warranty in January 2015. The Highway Patrol funding recommendation also includes resources to ensure enforcement officers are compensated in accordance with earned salary increases.

I have also recommended funding for the second in a series of three payments for the driver's license modernization project.

This budget also provides full support for the specialized mission of the Mississippi Bureau of Narcotics, including the hiring of additional sworn officers and additional criminal intelligence analysts. This recommendation for MBN also includes \$845,000 to support local-level drug task forces.

The State Crime Lab is an essential part of Mississippi's criminal justice system and each year receives about 22,000 requests to process cases, and this budget provides funding to address equipment needs, to help the lab cover expenses associated with moving from its current building to its new state of the art facility and to fill vacant positions. Once relocated and adequately staffed and equipped, the lab will be able to process more claims and more evidence per case than is possible at the existing facility.

Similarly, I have recommended additional funding for the State Medical Examiner in order to address staffing needs at both the Gulfport and Rankin County offices. The impact of these staffing shortfalls is significant and should be addressed. Currently, Mississippi's four medical examiners share in processing approximately 1,500 cases





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per year, resulting in average individual caseloads that are out of compliance with national standards.

This budget also recommends \$1.5 million to fund law enforcement strike teams that will work regionally to address high-priority needs. These teams are envisioned to function similarly to drug interdiction teams and will focus on high-crime areas where public safety is most threatened.

Finally, though resources have not allowed direct funding in this budget, I support funding a cadet academy for the Mississippi Department of Wildlife Fisheries and Parks if revenues continue to increase. There are currently 48 vacancies within the MDWFP enforcement bureau, and 72 percent of the agency's force will be retirement-eligible by the close of Fiscal Year 2014. This shortage of officers has created insufficient and even non-existent enforcement presence in multiple Mississippi counties, and I know the Legislature joins me in my desire to address this need.

### ***Disaster Response and Public Safety Communications***

This budget maintains funding for MEMA's operational needs, and it provides approximately \$2 million in Disaster Relief funding in Fiscal Year 2015 to meet state and local financial obligations on presidentially-declared disasters as recovery projects are finalized. I have recommended an additional \$2.3 million to meet similar outstanding needs in Fiscal Year 2014. It should be noted that MEMA's actual disaster closeout needs may be higher than indicated, as the payout schedule is determined in large part by activities at the local level. Rather than directing large sums of cash to the MEMA Disaster Relief Budget in anticipation of closeouts, we should determine an appropriate escalation pathway so MEMA can finalize closeout payments as they become due.

The Wireless Communication Commission operates the State's public safety communication network (MSWIN)—a system state and local first responders rely on both during routine operations and during response situations, including critical medical emergencies and manhunts. The vast majority of the WCC's operating budget consists of hard costs to operate the MSWIN public safety radio system. Underfunding the agency by half its needs is not in the interest of safety. To that end, this budget recommends \$6.6 million in deficit funding for the WCC in Fiscal Year 2014, and it also recommends \$12.7 million in funding for Fiscal Year 2015.

### ***Military***

This budget provides full funding for the men and women of the Mississippi National Guard, and it maintains level funding for the Mississippi Veterans Affairs Board.



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Additionally, it provides a \$1 million increase to the National Guard to fund an expansion of the Mississippi Youth Challenge Academy at Camp Shelby. This program continues to excel in providing effective intervention services for at-risk youth and, since its inception, has aided nearly 10,000 participants in earning either a GED or a high school diploma.

The program currently conducts two six-month classes of 260 students each year. This initial \$1 million will provide for the construction of new dormitories and other necessary facilities in order to double class offerings. Construction would occur during Fiscal Year 2015, with facilities expected to accommodate expanded classes in Fiscal Year 2016. Recurring funding needs for the expanded classes will be addressed at that time.

### **Additional Needs**

- This budget includes funding to ensure the State remains in compliance with the Olivia Y settlement.
- It also maintains \$10 million that was appropriated to the Department of Mental Health this fiscal year to expand community services for mental illness and developmental disabilities, and it includes \$1.3 million to ensure continued operations of the chemical dependency unit at East Mississippi State Hospital.
- The Department of Mental Health is also recommended to receive \$5 million for capital expenses in accordance with the DFA capital needs plan.
- This budget also includes \$300,000 for security upgrades at the State Fairgrounds that will both make the fairgrounds safer during regular events and when it is used as a shelter during natural disasters.
- This budget provides \$20 million to the Office of State Aid Road Construction to ensure the continued safety of our roads and bridges.
- It also provides a \$2.7 funding recommendation for the Rural Fire Truck Acquisition Assistance Program in the current fiscal year.
- This budget also recommends \$1 million be directed to the Mississippi Department of Wildlife Fisheries and Parks in Fiscal Year 2015 in accordance with the DFA capital needs plan.

### **Performance Based Budgeting**

For some time now, you have heard me advocate for the importance of implementing a performance based budget system. **We must ask ourselves in everything we do *is this the responsibility of state government?***



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As Lieutenant Governor in 2009, I convened a working group of Mississippi leaders to study the issue, and we ultimately published the final report of The Commission for a New Mississippi.

The Commission's report was the most comprehensive review ever proposed on that subject. The report summarizes all efforts at Mississippi government reorganization since the Constitution of 1890 was adopted. When Governor Martin Conner took office in 1932, he inherited a state full of fiscal challenges. He hired the Brookings Institution to suggest reorganizations Mississippi could undertake in hopes of speeding its recovery from the Great Depression. The results informed three main recommendations:

1. Group related services into one organization;
2. Clarify that the Governor, as the State's chief executive, is the real head of administration throughout state government; and
3. Establish bureaus with single administrative heads in place of the boards.

With an eye toward budget reform, The Commission for a New Mississippi studied these and other findings and ultimately recommended all governments should be mission-driven and goal-oriented and employ similar performance review measures and best practices that successful organizations use every day. The Legislative PEER Committee, in a 2008 report entitled *Enterprise Mississippi: A Vision for State Government*, has made the case for a change in the normal way Mississippi lawmakers had been constructing the state budget.

And yet, to this point, nothing has changed. As I said in my Inaugural Address, building the budget in Mississippi has for too long been based on two facts: how much money you got last year and who you know at the Capitol.

The Commission for a New Mississippi report cites management expert Peter Drucker saying, "Efficiency is doing things right; effectiveness is doing the right things." The people of Mississippi deserve more accountability and transparency in the allocation and expenditure of their tax dollars.

**We have made a few steps in the right direction, and I am encouraged the Legislature has indicated it will adhere to more rigorous budget guidelines going forward for Fiscal Year 2015. However, it is time for us to do more, and I will continue to push our State toward full adoption of performance based budgeting.**

To that end, I will again recommend, as I have previously, that the State Auditor's Office receive \$250,000 to assist in the implementation of the 1994 Act. In accordance with the principles of performance based budgeting, I will also this year release a strategic plan that outlines my vision and objectives for Mississippi, as well



as progress made toward achieving those objectives. This document will be released to Mississippi taxpayers.

## **Debt and Bonding**

The conservative philosophy of spending outlined in this budget should be accompanied by a responsible approach to borrowing. As Chairman of the Bond Commission, I will not allow the State to issue more debt than we retire, exclusive of bonds issued for economic development purposes, as these projects should yield higher revenues, thereby paying for the concomitant increases in debt service payments. In the last two years, the State has issued approximately \$403 million in non-economic development debt and retired more than \$484 million. By continuing to borrow less than we pay off, Mississippi will gradually lower our rate of bonded indebtedness.

We must also begin to replenish the Working Cash Stabilization Reserve Fund, better known as the Rainy Day Fund. I applaud the Legislature for honoring my request to return to the 98% Rule, spending only 98% of the revenue estimate, as state law requires. Because of tight budgets, the funds generated from the two percent set aside have been spent in the following legislative session. This budget leaves the current balance of the Rainy Day Fund untouched, and I urge the Legislature to do the same. We should refill the Rainy Day Fund to its statutory limit in the coming years, so as not to be unprepared if economic conditions deteriorate.

Avoiding the use of one-time money for recurring expenses and replenishing our Rainy Day Fund are not only good fiscal policy—they are vitally important to preserving our credit rating. A downgrade of our rating could significantly increase the cost of capital, forcing the State to spend more money on debt service that could be better spent on education, economic development, public safety and other vital public functions.

This budget recommends approximately \$398 million to pay for debt service. The Treasury's request for debt service is an estimate, based both on the known costs from outstanding bond issues and estimated costs from the fall 2013 and 2014 issues. As always, I will support full funding of our debt service requirements and know the Legislature will, as well.

## **Medicaid**

As was the case in my Fiscal Year 2014 executive budget, I must recommend a five percent increase in funding for the Division of Medicaid. Medicaid's annual needs are always an estimate, and are subject to revision. The overwhelming majority of Medicaid's costs are programmatic and beyond the full control of the Division. The number of eligible people who seek service, the services they seek and the severity of their needs dictate how much the Division will require to operate each year. The



**GOVERNOR PHIL BRYANT  
EXECUTIVE BUDGET RECOMMENDATION  
Fiscal Year 2015**

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recommended appropriation of \$883 million is again a conservative estimate that I hope will allow Medicaid to serve its beneficiaries without unduly burdening the rest of the state's budget.

Because Medicaid's needs fluctuate due to aggregate illness and economic conditions, I am not presently recommending a deficit that, only a quarter into FY14, would be largely speculative. As we enter the appropriations phase of the legislative session, we will have nearly three quarters of data, which will enable the Legislature to better determine the need for a deficit appropriation. If one is warranted, I will support it, as we cannot return to the state's old practice of underfunding Medicaid. I will continue to work with the Division and legislative leadership to temper cost increases in the Medicaid program while providing adequate reimbursement to Mississippi providers.

Obamacare is bad policy and should be repealed. Fortunately, our lawsuit against it was partially successful, and the Supreme Court has affirmed individual states' right to choose whether or not to expand their Medicaid programs. I continue to oppose Medicaid expansion, as do the House and Senate leadership.

Beyond the fact that Mississippi should not sign on to bad policy, the State simply cannot afford expansion. This budget recognizes that the Division's costs will increase by at least \$43 million dollars under the current program. Expanding Medicaid would drive these costs even higher, and would ultimately require tax increases or cuts to other services the State provides. Pulling more money out of the economy for higher government spending would mean fewer jobs in the private sector, forcing more Mississippians to seek government aid. If we are to improve the lives of Mississippians, we should continue to grow our private sector economy, not our government welfare rolls.

During the 2013 Regular Legislative Session, a small faction within the House of Representatives chose to hold the entirety of the Medicaid program hostage in an ill-conceived attempt to force expansion. Both the Senate and the House have now had the chance to vote on the expansion issue. It has been rejected, and the issue should be settled.

Although the mandatory Medicaid expansion is no longer the law of the land, much of the law remains in place. Under Obamacare, Medicaid Disproportionate Share Hospital (DSH) payments will be decreased during the coming year by \$4.4 million. This budget recommends a \$4.4 million state support appropriation to offset these cuts and help our hospitals weather the Obamacare storm without saddling our state with an unsustainable expansion of the Medicaid program. As previously detailed, this budget also recommends \$8 million to expand Community Health Centers. This should help relieve pressure on hospitals from patients seeking primary care in emergency rooms.



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Fiscal Year 2015**

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The State and School Employees Health Insurance Management Board should be commended for controlling its costs during a time of increasing healthcare costs. Although the Board, with the assistance of the Department of Finance and Administration, has kept average premium increases below one percent annually over the past ten years, it cannot avoid the costly effects of the ironically-named Affordable Care Act. In part as a result of Obamacare, the program is expected to require a double-digit premium increase 2016. This budget provides \$6.7 million to the state insurance program, offsetting some of these increased costs.

## **Conclusion**

I am proud to present to you my Fiscal Year 2015 Executive Budget Recommendation. Consistent with the previous budgets I have submitted, this budget satisfies several key conservative principles:

- This budget spends zero one-time money to fund recurring expenses.
- This budget spends none of the savings from the Rainy Day Fund. It also calls for Mississippi to begin working in earnest to refill the fund to its statutory limit as was done in 2008.
- This budget recommends implementation of a five-year plan to address many of the state's capital needs with cash, thereby reducing the amount of debt incurred to address those needs.
- This budget funds economic development priorities and growth in the healthcare sector.
- This budget recommends targeted increases for K-12 education, Community and Junior Colleges and IHL.
- This budget funds public safety priorities.

Since the global economic downturn of 2008-2009, Mississippi leaders have made careful spending a priority in order to maintain our fiscal strength, and now we can see those steps have paid off.

As we work together to prepare the budget for Fiscal Year 2015, I know we will again employ the principles from the recent past which have helped Mississippi stay financially strong and productive. Together we have shown progress, but there is always more work to do. Working together we can and will achieve great things for the citizens of Mississippi.

**STATEMENT I**  
**GENERAL FUND CALCULATED FUNDS AVAILABLE FOR FY 2015 APPROPRIATIONS**

**FY 2014**

General Fund Beginning Cash - July 1, 2013 (Unencumbered)	\$	47,022,270	
Actual Reappropriation Laspe from FY2013 (Encumbered)	\$	7,099,428	
Total Estimated General Funds Balance July 1, 2013			\$ 54,121,698
<b>Projected Revenue FY 2014</b>			
Total Estimated General Fund Revenue (Adopted Nov. 2013)			\$ 5,220,688,141
Less: Two Percent (2%) Setaside (Beginning Cash and Est. Revenue)			<u>\$ (105,354,208)</u>

**Estimated General Funds Available for FY 2014 Appropriation** **\$ 5,169,455,631**

<b>Less:</b> General Fund Appropriations, 2013 Regular Session	\$	5,025,363,825	
FY 2014 Actual Reappropriations from FY 2013	\$	7,099,428	
General Fund Transfers	\$	17,588,141	
			<u>\$ (5,050,051,394)</u>

**Recommended Deficits and Additional Appropriations**

District Attorneys	\$	20,700	
Drug Courts	\$	4,000,000	
Department of Finance & Administration Property Insurance	\$	5,026,869	
Department of Finance & Administration - Magic	\$	11,200,000	
Department of Revenue	\$	1,534,374	
Department of Corrections	\$	22,462,537	
Mississippi Emergency Management Agency	\$	2,300,000	
ITS - Wireless Commission	\$	6,600,000	
Rural Fire Truck Assistance	\$	2,700,000	
			<u>\$ (55,844,480)</u>

**Total Appropriations, Deficits and Additional Appropriations for 2014** **\$ (5,105,895,874)**

**Estimated June 30, 2014 General Fund Balance (Unencumbered)** **\$ 63,559,757**

**Add: Two Percent of Estimated FY 2014 Revenue and Beginning Cash** **\$ 105,354,208**

**Total Estimated FY 2014 General Fund Ending Cash Balance** **\$ 168,913,965**

**Distribution of FY 2014 General Fund Ending Cash:**

Transfer Municipal Aid Fund		750,000	
Transfer to WCSRF until it reaches \$40m		0	
Retain 1% of appropriations in General Fund		50,324,938	
Transfer to Working Cash Stabilization Reserve Fund		58,919,513	
Transfer to Capital Expense Fund		58,919,513	

**Total Distribution of FY 2014 General Fund Ending Cash:** **\$ (168,913,965)**

**FY 2015**

General Fund Beginning Cash - July 1, 2014 (Unencumbered) \$ 50,324,938

**Projected Revenue FY 2015**

Total Estimated General Fund Revenue		\$ 5,362,100,000	
Less: Two Percent (2%) Setaside		\$ (108,248,499)	
Add: Revenue from Additional Department of Revenue Auditors		<u>\$ 35,000,000</u>	

**FY2015 Total Funds Available** **\$ 5,339,176,439**

**Less: General Fund Executive Budget Recommendation, 2015 Regular Session** **\$ (5,339,176,439)**

**June 30, 2015 Estimated General Fund Balance (Unencumbered)** **\$ 0**

**FY 2015 Executive Budget Recommendation**  
**State Support Funds Only**  
**November 13, 2013**

	<b>FY 2013 Appropriated Total State Support incl. Deficits</b>	<b>FY 2014 Estimated Total State Support</b>	<b>FY 2015 EBR  Total State Support</b>	<b>FY 2015 EBR  Total State Support Inc (Dec)</b>	<b>EBR  Total State Support +/-%</b>
<b>Legislative</b>					
Legislative Regular Consolidated	27,259,577	28,485,920	28,548,010	62,090	0.2%
Legislative - Reappropriations	2,988,450	1,599,428	0	(1,599,428)	na
<b>Legislative</b>	<b>30,248,027</b>	<b>30,085,348</b>	<b>28,548,010</b>	<b>(1,537,338)</b>	<b>na</b>
<b>Judiciary &amp; Justice</b>					
Attorney General's Office	8,424,443	13,511,336	13,511,336	0	0.0%
Attorney General - Chemfax Future Cleanup	0	2,000,000	0	(2,000,000)	-100.0%
Attorney General - Judgments & Settlements	11,949,792	0	0	0	na
District Attorneys & Staff	17,088,102	17,474,098	19,474,098	2,000,000	11.4%
Judicial Performance Commission	307,777	312,754	312,754	0	0.0%
Supreme Court Services	6,285,537	6,588,118	6,646,618	58,500	0.9%
Administrative Office of Courts	3,094,421	3,165,402	3,133,212	(32,190)	-1.0%
Administrative Office of Courts - Drug Courts	0	0	7,000,000	7,000,000	na
Court of Appeals	5,482,011	5,646,227	5,646,227	0	0.0%
Trial Judges	22,031,285	22,803,293	22,803,293	0	0.0%
<b>Total Judiciary &amp; Justice</b>	<b>74,663,368</b>	<b>71,501,228</b>	<b>78,527,538</b>	<b>7,026,310</b>	<b>9.8%</b>
<b>Executive &amp; Administrative</b>					
Ethics Commission	656,135	660,948	660,948	0	0.0%
Governor's Office - Mansion	544,387	547,455	547,455	0	0.0%
Governor's Office - Support	1,808,275	1,766,257	1,766,257	0	0.0%
<b>Total Executive &amp; Administrative</b>	<b>3,008,797</b>	<b>2,974,660</b>	<b>2,974,660</b>	<b>0</b>	<b>0.0%</b>
<b>Fiscal Affairs</b>					
Audit, Department of	5,495,673	5,570,421	5,820,421	250,000	4.5%
Finance & Administration, Dept. of (DFA) - Support	11,161,406	11,803,367	11,803,367	0	0.0%
DFA - Capital Projects (Capital Expense Fund)	0	7,900,000	28,200,000	20,300,000	257.0%
DFA - MAGIC	510,731	36,489,269	0	(36,489,269)	-100.0%
DFA - Hailstorm	0	2,000,000	0	(2,000,000)	-100.0%
DFA - State Building Insurance	5,708,327	2,646,408	0	(2,646,408)	-100.0%
DFA - Status of Women, Commission on the	40,000	40,451	40,451	0	0.0%
Revenue, Dept. of - Consolidated	39,176,594	40,208,362	48,908,362	8,700,000	21.6%
Board of Tax Appeals	502,629	518,316	518,316	0	0.0%
<b>Total Fiscal Affairs</b>	<b>62,595,360</b>	<b>107,176,594</b>	<b>95,290,917</b>	<b>(11,885,677)</b>	<b>-11.1%</b>
<b>Public Education</b>					
General Education	122,979,504	151,741,141	153,241,141	1,500,000	1.0%
General Education - Reappropriations	5,200,000	5,000,000	5,000,000	0	0.0%
DFA - School District Capital Projects (Capital Expense Fund)	0	0	16,000,000	16,000,000	na
General Education - Subtotal	128,179,504	156,741,141	174,241,141	17,500,000	11.2%
Chickasaw Interest	19,803,310	16,608,052	20,776,890	4,168,838	25.1%
Adequate Education Program (MAEP)	2,035,334,205	2,062,543,065	2,062,543,065	0	0.0%
DuBard School	0	0	750,000	750,000	na
Schools for the Blind & Deaf	10,750,000	10,846,344	10,846,344	0	0.0%
Vocational and Technical Education	77,600,000	77,962,750	77,962,750	0	0.0%
<b>Subtotal K-12 Dept. of Education</b>	<b>2,271,667,019</b>	<b>2,324,701,352</b>	<b>2,347,120,190</b>	<b>22,418,838</b>	<b>1.0%</b>
Educational Television Authority	7,200,000	7,801,576	7,764,852	(36,724)	-0.5%
Library Commission	12,021,198	12,039,800	12,039,800	0	0.0%
<b>Total Public Education</b>	<b>2,290,888,217</b>	<b>2,344,542,728</b>	<b>2,366,924,842</b>	<b>22,382,114</b>	<b>1.0%</b>



**FY 2015 Executive Budget Recommendation**  
**State Support Funds Only**  
**November 13, 2013**

	<b>FY 2013 Appropriated Total State Support incl. Deficits</b>	<b>FY 2014 Estimated Total State Support</b>	<b>FY 2015 EBR  Total State Support</b>	<b>FY 2015 EBR  Total State Support Inc (Dec)</b>	<b>EBR  Total State Support +/-%</b>
<b>Higher Education</b>					
IHL General Support	362,684,702	374,435,499	<b>394,435,499</b>	20,000,000	5.3%
IHL General Support (Capital Expense Fund)	0	10,200,000	<b>19,000,000</b>	8,800,000	86.3%
IHL Subsidiary Programs	24,727,692	26,442,218	<b>26,442,218</b>	0	0.0%
IHL Student Financial Aid	29,578,808	36,285,077	<b>37,736,481</b>	1,451,404	4.0%
IHL University Medical Center - Consolidated	177,017,002	185,718,612	<b>190,302,485</b>	4,583,873	2.5%
<b>Subtotal IHL</b>	<b>594,008,204</b>	<b>633,081,406</b>	<b>667,916,683</b>	<b>34,835,277</b>	<b>5.5%</b>
Community Colleges - Board	7,029,240	7,116,325	<b>7,116,325</b>	0	0.0%
Community Colleges - Support	230,465,570	234,883,120	<b>242,883,120</b>	8,000,000	3.4%
Community Colleges - Support (Capital Expense Fund)	0	5,000,000	<b>14,000,000</b>	9,000,000	180.0%
<b>Subtotal Community Colleges</b>	<b>237,494,810</b>	<b>246,999,445</b>	<b>263,999,445</b>	<b>17,000,000</b>	<b>6.9%</b>
<b>Total Higher Education</b>	<b>831,503,014</b>	<b>880,080,851</b>	<b>931,916,128</b>	<b>51,835,277</b>	<b>5.9%</b>
<b>Public Health</b>					
Dept. of Health - Support	59,575,553	62,497,531	<b>62,497,531</b>	0	0.0%
Community Health Centers Supplement	0	0	<b>8,000,000</b>	8,000,000	na
Dept. of Health - Health Information Network	700,000	700,000	<b>700,000</b>	0	0.0%
<b>Total Public Health</b>	<b>60,275,553</b>	<b>63,197,531</b>	<b>71,197,531</b>	<b>8,000,000</b>	<b>12.7%</b>
<b>Hospitals &amp; Hospital Schools</b>					
Mental Health Department - Consolidated	224,383,565	235,086,197	<b>236,386,197</b>	1,300,000	0.6%
Mental Health Department - Consolidated (Capital Expense Fund)	0	2,400,000	<b>5,000,000</b>	2,600,000	108.3%
<b>Total Hospital &amp; Hospital Schools</b>	<b>224,383,565</b>	<b>237,486,197</b>	<b>241,386,197</b>	<b>3,900,000</b>	<b>1.6%</b>
<b>Agriculture &amp; Commerce</b>					
Agriculture & Commerce, Dept. of	9,405,536	9,486,299	<b>9,786,299</b>	300,000	3.2%
Board of Animal Health	1,332,603	1,216,351	<b>1,216,351</b>	0	0.0%
Fair Commission - Livestock Shows	246,762	246,762	<b>246,762</b>	0	0.0%
<b>Total Agriculture</b>	<b>10,984,901</b>	<b>10,949,412</b>	<b>11,249,412</b>	<b>300,000</b>	<b>2.7%</b>
<b>IHL Agricultural Units</b>					
Alcorn Agricultural Programs	5,498,389	5,819,110	<b>5,819,110</b>	0	0.0%
MSU- Agriculture & Forestry Experiment Station (MAFES)	21,365,833	22,650,355	<b>22,650,355</b>	0	0.0%
MSU - Cooperative Extension Service	27,369,914	29,139,390	<b>29,139,390</b>	0	0.0%
MSU- Forest & Wildlife Research Center	5,392,854	5,972,870	<b>5,972,870</b>	0	0.0%
MSU - College of Veterinary Medicine	16,203,711	17,291,269	<b>17,291,269</b>	0	0.0%
<b>Total IHL Agriculture</b>	<b>75,830,701</b>	<b>80,872,994</b>	<b>80,872,994</b>	<b>0</b>	<b>0.0%</b>
<b>Economic Development</b>					
Mississippi Development Authority	22,505,191	21,537,660	<b>22,183,660</b>	646,000	3.0%
MDA - Grammy Museum	2,000,000	0	<b>0</b>	0	na
Innovate Mississippi	0	1,300,000	<b>1,300,000</b>	0	0.0%
<b>Total Economic Development</b>	<b>24,505,191</b>	<b>22,837,660</b>	<b>23,483,660</b>	<b>646,000</b>	<b>2.8%</b>
<b>Conservation</b>					
Archives & History, Dept. of	9,216,255	9,242,679	<b>8,992,679</b>	(250,000)	-2.7%
Archives & History - Statewide Oral History	50,000	50,000	<b>50,000</b>	0	0.0%
Environmental Quality, Dept. of	10,228,929	10,228,415	<b>10,555,415</b>	327,000	3.2%
Forestry Commission	16,725,829	17,847,780	<b>17,847,780</b>	0	0.0%
Grand Guif Military Monument	237,052	241,750	<b>241,750</b>	0	0.0%
Marine Resources, Dept. of	1,102,176	1,125,351	<b>1,125,351</b>	0	0.0%
MS River Parkway Commission	21,855	21,855	<b>21,855</b>	0	0.0%
Pat Harrison Waterway District	0	377,500	<b>0</b>	(377,500)	-100.0%
Soil & Water Conservation	772,371	779,349	<b>779,349</b>	0	0.0%
Tennessee-Tombigbee Waterway	200,000	200,000	<b>200,000</b>	0	0.0%
Wildlife, Fisheries & Parks	7,740,297	8,835,386	<b>8,835,386</b>	0	0.0%
Wildlife, Fisheries & Parks - Capital Expense Fund	0	120,000	<b>1,000,000</b>	880,000	733.3%
<b>Total Conservation</b>	<b>46,294,764</b>	<b>49,070,065</b>	<b>49,649,565</b>	<b>579,500</b>	<b>1.2%</b>
<b>Corrections</b>					
Corrections, Dept. of - Consolidated	335,684,453	334,632,519	<b>362,099,592</b>	27,467,073	8.2%
Corrections, Dept. of - Consolidated (Capital Expense Fund)	0	3,300,000	<b>4,000,000</b>	700,000	21.2%
<b>Total Corrections</b>	<b>335,684,453</b>	<b>337,932,519</b>	<b>366,099,592</b>	<b>28,167,073</b>	<b>8.3%</b>

**FY 2015 Executive Budget Recommendation  
State Support Funds Only  
November 13, 2013**

	<b>FY 2013 Appropriated Total State Support incl. Deficits</b>	<b>FY 2014 Estimated Total State Support</b>	<b>FY 2015 EBR  Total State Support</b>	<b>FY 2015 EBR  Total State Support Inc (Dec)</b>	<b>EBR  Total State Support +/-%</b>
<b>Social Welfare</b>					
Governor's Office - Div. of Medicaid	821,674,093	840,094,358	883,244,819	43,150,461	5.1%
General Fund Offset Federal DSH cuts	0	0	4,400,000	4,400,000	na
<b>Governor's Office - Div. Of Medicaid - Subtotal</b>	<b>821,674,093</b>	<b>840,094,358</b>	<b>887,644,819</b>	<b>47,550,461</b>	<b>5.7%</b>
Human Services, Department of - Consolidated	129,821,140	144,771,847	151,643,514	6,871,667	4.7%
Rehabilitation Services - Consolidated	20,452,833	25,240,507	25,240,507	0	0.0%
<b>Total Social Welfare</b>	<b>971,948,066</b>	<b>1,010,106,712</b>	<b>1,064,528,840</b>	<b>54,422,128</b>	<b>5.4%</b>
<b>Military, Police &amp; Veterans' Affairs</b>					
Emergency Management Agency (MEMA)	4,284,248	3,869,477	4,969,477	1,100,000	28.4%
MEMA Disaster Relief	3,769,899	1,557,661	2,079,140	521,479	33.5%
MEMA - Hurricane Disaster Reserve Fund	1,617,842	0	0	0	na
Military Department - Consolidated	7,417,462	7,456,137	10,889,170	3,433,033	46.0%
DPS - Crime Lab	6,974,749	6,445,703	9,171,523	2,725,820	42.3%
DPS - Crime Lab - State Medical Examiner	536,165	547,514	1,314,095	766,581	140.0%
DPS - Highway Safety Patrol	50,276,536	50,008,581	54,689,586	4,681,005	9.4%
DPS Highway Safety Patrol Trooper School	0	0	6,900,000	6,900,000	na
DPS - Governor's Strike Force	0	0	1,500,000	1,500,000	na
DPS - Homeland Security	94,099	97,907	97,907	0	0.0%
DPS - Juvenile Facility Monitoring Unit	74,503	75,427	75,427	0	0.0%
DPS - Law Enforcement Officers Training Academy	422,735	338,892	507,194	168,302	49.7%
DPS - Narcotics, Bureau of	10,548,071	10,554,533	13,794,685	3,240,152	30.7%
DPS - Public Safety Planning	223,267	223,267	331,289	108,022	48.4%
DPS - Public Safety, Dept. of - Support Services	3,258,624	4,579,355	5,899,824	1,320,469	28.8%
Veterans Affairs Board	6,588,839	6,588,209	6,588,209	0	0.0%
<b>Total Military, Police &amp; Veterans' Affairs</b>	<b>96,087,039</b>	<b>92,342,663</b>	<b>118,807,526</b>	<b>26,464,863</b>	<b>28.7%</b>
<b>Local Assistance</b>					
Homestead Exemption	81,109,281	81,109,281	81,109,281	0	0.0%
<b>Total Local Assistance</b>	<b>81,109,281</b>	<b>81,109,281</b>	<b>81,109,281</b>	<b>0</b>	<b>0.0%</b>
<b>Miscellaneous</b>					
Arts Commission	1,661,976	1,786,629	1,786,629	0	0.0%
ITS - Wireless Communications Commission	6,500,000	6,000,000	12,661,351	6,661,351	111.0%
Secretary of State - Voter ID	0	226,000	0	(226,000)	-100.0%
State Aid Road Construction, Office of	0	20,000,000	20,000,000	0	0.0%
Health Insurance Plan Premium Increase effective 1-1-15	0	0	6,700,000	6,700,000	na
<b>Total Miscellaneous</b>	<b>8,161,976</b>	<b>28,012,629</b>	<b>41,147,980</b>	<b>13,135,351</b>	<b>46.9%</b>
<b>Debt Service</b>					
Bank Service Charges	1,500,000	500,000	1,000,000	500,000	100.0%
Bank Service Charges - Reappropriation	0	500,000	0	(500,000)	-100.0%
Bonds & Interest	374,867,667	374,860,167	398,108,049	23,247,882	6.2%
<b>Total Debt Service</b>	<b>376,367,667</b>	<b>375,860,167</b>	<b>399,108,049</b>	<b>23,247,882</b>	<b>6.2%</b>
<b>Total General Fund Agencies</b>	<b>5,604,539,940</b>	<b>5,826,139,239</b>	<b>6,062,822,722</b>	<b>226,683,483</b>	<b>3.9%</b>
<b>Other: Recommended Deficits and Additional Appropriations</b>					
District Attorneys	0	0	20,700	20,700	na
Administrative Office of Courts - Drug Courts	0	0	4,000,000	4,000,000	na
DFA - MAGIC	0	0	11,200,000	11,200,000	na
DFA Property Insurance	0	0	5,026,869	5,026,869	na
Dept. of Revenue (new positions & software)	0	0	1,534,374	1,534,374	na
Dept. of Corrections	0	0	22,462,537	22,462,537	na
MEMA state match	0	0	2,300,000	2,300,000	na
ITS - Wireless Commission	0	0	6,600,000	6,600,000	na
Rural Fire Truck Assistance	0	0	2,700,000	2,700,000	na
<b>Recommended Deficits Subtotal</b>	<b>0</b>	<b>0</b>	<b>55,844,480</b>	<b>55,844,480</b>	<b>na</b>
<b>Total State Support</b>	<b>5,604,539,940</b>	<b>5,826,139,239</b>	<b>6,108,667,202</b>	<b>282,627,963</b>	<b>4.8%</b>

**FY 2015 Executive Budget Recommendation**  
**State Support Funds Only**  
**November 13, 2013**

State Support Funding Sources	FY14 Estimated Fund Sources	FY15 Projected Fund Sources	FY15-FY14 Change +(-)	+/-%
Beginning Cash	47,022,270	50,324,938	3,302,668	7.0%
Estimated General Fund Revenue	5,080,900,000	5,362,100,000	281,200,000	5.5%
2% Set-Aside	(102,558,445)	(108,248,499)	(5,690,054)	5.5%
General Fund Reappropriations	7,099,428	0	(7,099,428)	-100.0%
Additional General Fund Revenue projected from new DOR Auditors	0	35,000,000	35,000,000	na
<b>General Fund (excluding FY2014 deficits)</b>	<b>5,032,463,253</b>	<b>5,339,176,439</b>	<b>306,713,186</b>	<b>6.1%</b>
FY2014 General Fund Recommended Deficits & Additional Appropriations	0	55,844,480	55,844,480	na
<b>Subtotal General Fund</b>	<b>5,032,463,253</b>	<b>5,395,020,919</b>	<b>362,557,666</b>	<b>7.2%</b>
Budget Contingency Fund	253,389,868	0	(253,389,868)	-100.0%
Education Enhancement Fund	356,323,453	373,303,117	16,979,664	4.8%
Capital Expense Fund	49,216,667	230,540,391	181,323,724	368.4%
Health Care Expendable Fund	81,645,998	79,802,775	(1,843,223)	-2.3%
Health Care Expendable Fund (change to Sec. 42-13-407)	10,000,000	10,000,000	0	0.0%
Transfer from Health Care Trust Fund	23,100,000	0	(23,100,000)	-100.0%
Tobacco Control Fund	20,000,000	20,000,000	0	0.0%
<b>Total State Support Funds</b>	<b>5,826,139,239</b>	<b>6,108,667,202</b>	<b>282,527,963</b>	<b>4.8%</b>

# State of Mississippi

## Performance Measurement Information

### Fiscal Year 2015

This supplemental information, required by the Mississippi Performance and Strategic Planning Act of 1994, is provided in electronic format at [www.governorbryant.com](http://www.governorbryant.com)

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Phil Bryant  
Governor

