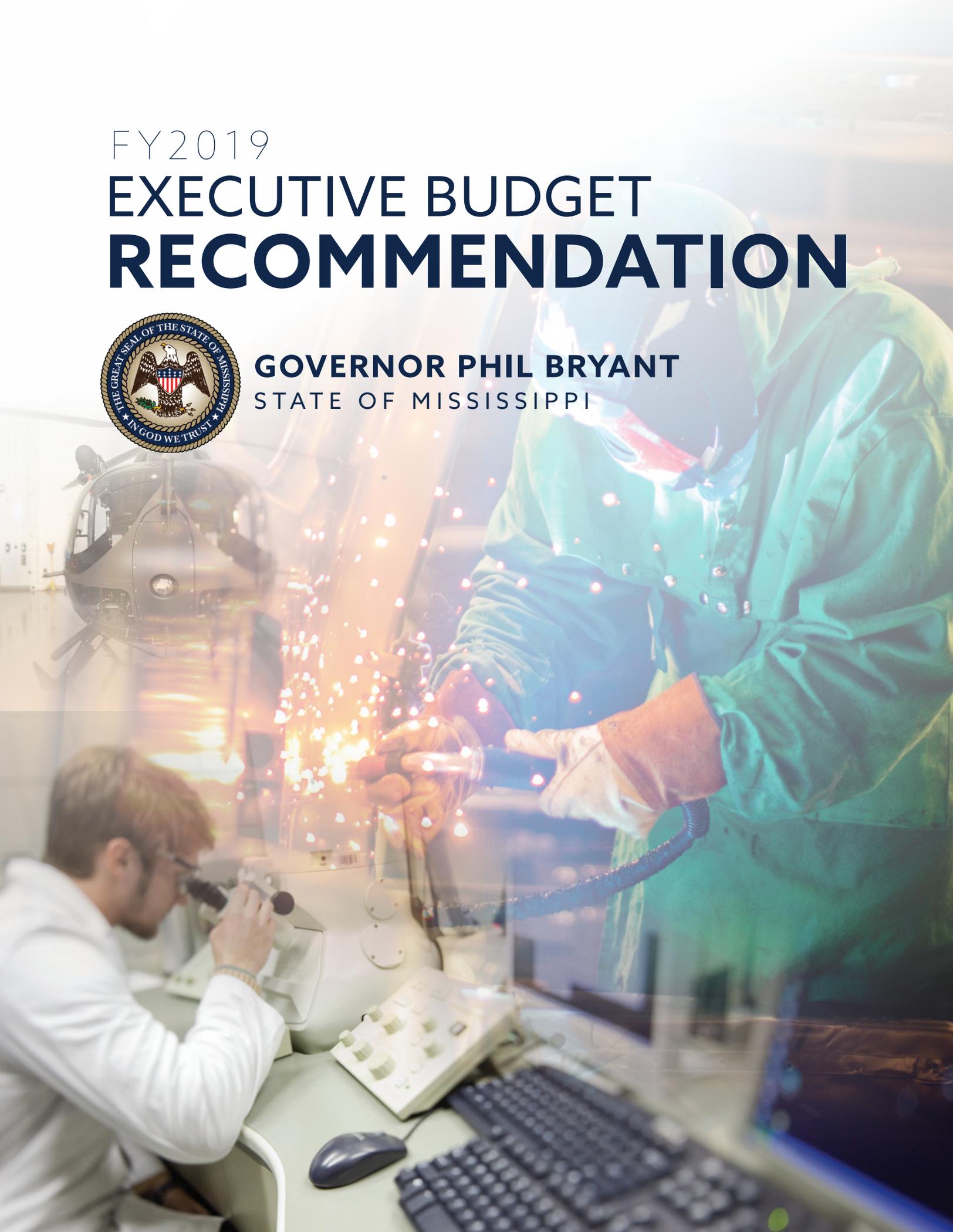


FY2019

EXECUTIVE BUDGET RECOMMENDATION



GOVERNOR PHIL BRYANT
STATE OF MISSISSIPPI



EXECUTIVE BUDGET RECOMMENDATION INTRODUCTION

Since 2012, Mississippi has added more than 60,000 jobs. In response, our unemployment rate has reached historic lows. For the first time ever, *Area Development* magazine awarded Mississippi a gold shovel for excellence in economic development.

With the help of legislative leadership, we have created a tax and regulatory climate that routinely places Mississippi at or near the top of every measurement as it relates to ease and cost of doing business. Innovation thrives in our economy because we believe in empowering the private sector, not unnecessarily restricting it. We have guaranteed equal opportunity, not equal outcomes.

With great delight, I can report that, for the first time in eight years, we have a partner in the federal government that understands a nation and its people can flourish only when government gets out of the way, and intends to take precisely the money it needs to fund core functions, not a penny more. Cooperative federalism is now the norm among our nation's leadership.

President Trump's administration has loosened the regulatory reins on our economy, injected badly needed confidence and optimism and given businesses the tools they need to grow and excel. Like Mississippi, the U.S. unemployment rate is at levels unseen for decades and unimagined as recently as a year ago.

Mississippi is expected to experience three consecutive years of growth in overall economic output for the first time since the Great Recession. More of our third graders are reading at grade level than ever before. Our high school graduation rate has never been higher.

We have reached these milestones only by working together to apply good policy to every corner of government. Nowhere is that more important than the process of crafting our budget. We must remain disciplined, careful and thoughtful when we decide how to spend money that does not belong to us, but to taxpayers, who worked so hard to earn it.

I am fulfilling my statutory responsibility with this Executive Budget Recommendation. But, I would be remiss if I did not point out that this is more than a collection of suggestions on funding government. This is a roadmap to fiscal stability that will prepare us for the unexpected and drive us to heights yet unseen.

That does not mean it will be easy. As always, some challenges can only be met with solutions that are not popular. Tough decisions are a fact of life in governing, not an inconvenience to be ignored. There has never been enough money to go around to satisfy all the demands put on it. This year will be no different.

I am optimistic we can build on the successes I have already mentioned. This budget and the principles on which it relies will help us do that. We must take every care to spend prudently, prioritize core functions of government, continue to maximize efficiencies, spend only 98 percent of available revenue and fortify our savings. Taxpayers deserve nothing less.

Sincerely,

A handwritten signature in black ink, reading "Phil Bryant". The signature is written in a cursive, flowing style with a large initial "P" and "B".

Phil Bryant
GOVERNOR

Contents

EXECUTIVE BUDGET RECOMMENDATION INTRODUCTION	i
MEASURING PROGRESS RESPONSIBLY	1
FY2019 Revenue Estimate.....	2
ENSURING STRONG FISCAL MANAGEMENT AND BUDGETARY PERFORMANCE.....	2
Adhering to the 98 Percent Rule as set forth by Mississippi law	2
Replenishing Savings	3
Allocating BP money for maximum impact.....	3
Avoiding the Use of One-Time Money for Recurring Expenses.....	3
Reducing Reliance on Borrowing and Debt	4
Bolstering the Budget Transparency and Simplification Act	5
INVESTING IN THE SUCCESS OF OUR CITIZENS.....	5
Building on our progress in education	6
Closing the Middle-Skills Gap with Free Community College	6
Expanding School Choice.....	7
Student-Centered School Finance	7
Reducing the Dropout Rate	7
Retaining and Attracting High-Quality Teachers	8
Supporting and Streamlining Student Financial Aid.....	8
Strengthening Our Capital City’s School System	8
Early Childhood Education	9
Other Education Issues.....	9
Ensuring Child and Public Safety	9
Supporting the new Mississippi Department of Child Protection Services.....	10
Combatting Opioid Abuse	10
Supporting our Law Enforcement Officers.....	10
Focusing Resources on Community-Based Mental Health Services	11
A STATE GOVERNMENT THAT WORKS.....	11
Reorganizing Government with Shared Services in Small Agencies.....	11
Providing a Sustainable Mechanism for Capital Expense Projects	11

Investing in Efficiency.....	12
Utilizing Real Property Assets and Reducing Private Leases.....	12
Containing Medicaid Costs.....	13
Prioritizing Governmental Accountability.....	13
Strengthening the Mississippi Ethics Commission	14
Financial Transparency in Local School Districts	14
Cutting Programs That Are Not Core Functions of Government	14
Limiting Flow-Through Money	14
OTHER ITEMS	15
Infrastructure	15
Census	15
CONCLUSION.....	15
ADDITIONAL RESOURCES	16

MEASURING PROGRESS RESPONSIBLY

A fiscally responsible government is fundamental to a successful state. But fiscal responsibility is not easy. Often, it requires policymakers to say no. It requires us to resist the temptation of funding programs that should be financed exclusively through the private sector or at another level of government. It requires setting reasonable expectations. And it requires us to first consider the needs of citizens, not the wants of government or special interests.

The 2017 legislative session was one of the most fiscally responsible in recent memory. Total state support appropriations were reduced nearly 7 percent. This front-end belt-tightening has limited the possibility that I would have to exercise mid-year spending cuts. The Legislature prioritized education and veterans affairs and found the resources to fund a trooper school for our Highway Patrol. We also saw a reduction in earmarks, borrowing and special tax breaks. We should continue that disciplined approach.

In five years, total state support appropriations rose \$497.4 million. Most of the new state support funds have been budgeted for Mississippi Adequate Education Program (\$165.7 million), Division of Medicaid (\$97 million), general education programs (\$43.4 million), Department of Child Protection Services / Department of Human Services (\$19 million), and the Department of Public Safety (\$12.1 million). Of the increase to DPS, \$8 million went to the Highway Patrol.

There were also noteworthy budget increases for the Administrative Office of the Courts (\$8.1 million), IHL Student Financial Aid (\$8 million), IHL Subsidiary Programs (\$8 million), and district attorneys (\$6 million). The rest of the increase in state support appropriations primarily went to agencies funded either all or in part with special funds prior to the passage of the Budget Transparency and Simplification Act in 2016. Our budgeting choices over the last five years reflect a commitment to K-12 education, law enforcement and our most vulnerable. The notion that there have been draconian cuts to government is simply untrue. We have managed to stem the growth of government with prudent spending of the people's hard-earned tax dollars.

We've cut taxes to put more money in people's pockets. We've reduced spending to ensure the state lives within its means and allocates taxpayer resources wisely. Through the first quarter of FY2018, revenue collections are on pace with revenue projections. These are not the type of accomplishments you'll hear about from a media that measures success by the growth of government.

Other facts that go unreported are those dealing with the downturn in Mississippi's oil and gas industry, caused by the drop in global oil prices.

Spurred by the Tuscaloosa Marine Shale in the southwest part of the state, Mississippi is in the top 15 nationally for oil and gas exploration. For example, in FY2013, TMS exploration activity contributed almost \$95 million in oil severance tax payments to the state. By FY2016, that had fallen to slightly more than \$32 million, a decrease of 66 percent, or \$63 million, in only three years. From FY2015 to FY2016, overall gas severance tax transfers to the general fund fell almost \$2.5 million, a plunge of nearly 42 percent from one fiscal year to the next.

That kind of decline, caused by factors completely out of the state's control and over a short period of time, has presented challenges that would have been easy, but irresponsible, to ignore. I am grateful we chose the responsible reaction. It was the only way to put us on the right path. This budget aims to continue to focus on what matters most.

FY2019 Revenue Estimate

This budget utilizes the general fund revenue estimate of \$5.6 billion.

The Revenue Estimating Committee forecasts -0.03 percent growth over the FY2018 estimate.

ENSURING STRONG FISCAL MANAGEMENT AND BUDGETARY PERFORMANCE

As Moody's said in its U.S. States Rating Methodology, "Unlike economic factors, which are largely beyond the states' control, financial results are the product of many decisions and practices determined by state policymakers. While tax collections and expenditures reflect fiscal capacity, and they ebb and flow with economic cycles, the financial choices states make given the economic situations they face — at any point in the economic cycle — are critical."

Challenging times offer a particularly strong temptation to make bad financial choices: making unrealistic assumptions about future revenue, deliberately underfunding major line items and spending one-time money on recurring expenses. While these practices are politically convenient, they are harmful to taxpayers and the state. This budget is balanced and reflects my commitment to honest budgeting based on real numbers and financial best practices.

Adhering to the 98 Percent Rule as set forth by Mississippi law

Mississippi Code Ann. Section 27-103-139 requires that the Legislature budgets to spend no more than 98 percent of the revenue the state expects to collect. Last year, the Legislature elected to suspend the 98 percent rule and appropriated 99 percent of available general funds. While a 1 percent set aside, which represents \$56 million, is an improvement over the prior two fiscal years, adhering to the 98 percent rule remains critical.

Replenishing Savings

Saving for the future must be a high priority within the budget process. The Working Cash Stabilization Reserve Fund, or Rainy Day Fund, is vital to lessening the impact of revenue shortfalls if and when they occur. Under Mississippi law, an amount up to 10 percent of the general fund revenue estimate can be placed in the Rainy Day Fund.

When I took office in 2012, Mississippi had \$115 million in the Rainy Day Fund, which represented approximately 2.5 percent of general fund revenue. Reaching a peak of \$411 million in 2016, the Rainy Day Fund now has a balance of \$295.3 million after a transfer of \$8.8 million in early November that was a direct result of legislation I included in last June's special session call. This budget would direct approximately \$111 million to the Rainy Day Fund and the Capital Expense Fund at the end of FY2019.

Allocating BP money for maximum impact

Since the 2010 oil spill, our state has worked tirelessly to make Mississippi whole again by pursuing a fair settlement, combatting immediate damage with early restoration projects, compiling and implementing a Natural Resource Damage Assessment Plan, and selecting meaningful RESTORE Act and National Fish and Wildlife Foundation projects. To date, over \$496 million have been allocated for BP restoration projects, including a large-scale oyster restoration and management project, restoring living shorelines and reefs in Mississippi's estuaries, and economic development projects like the Jackson County corridor connector road. I am proud of the improvements we are achieving for the Mississippi Gulf Coast with these projects and hope that the remaining RESTORE and NFWF projects will be just as beneficial.

In light of the important work taking place on the Gulf Coast with these programs, I am proposing that we place the remaining \$100 million from the initial payment of the BP state economic damages settlement into a reserve fund to accrue interest until a project that will have an important economic impact on the Gulf Coast and the state as a whole is proposed. Portions of this money have already been spent in small amounts; and while projects like the Keesler Gate certainly are worthy, continuing to nickel and dime this money means that a large-scale project becomes less feasible. If this money is placed into a reserve fund, Mississippi and the Gulf Coast stand to benefit in multiple ways, the amount given to the state will continue to grow as it accumulates interest, and our state's reserves will be reinforced, which could, in turn, lead to a more positive review from credit rating agencies.

Avoiding the Use of One-Time Money for Recurring Expenses

As I have said before, using one-time money for recurring expenses is a practice that is politically convenient but harmful to taxpayers and the state as a whole. Consistent with my previous executive budget recommendations, this one minimizes the spending of one-time money on recurring expenses. Services and programs the state must pay for every fiscal year should be funded by revenue streams that are available every fiscal year.

This is another metric credit rating agencies take into account when they formulate the state’s credit score.

“Nonrecurring revenues....are a common feature of state budgets in difficult times and can play a reasonable role if used in moderation as a bridge to better times. However, depending on their scale, they can undermine structural budget balance and set the stage for future fiscal stress.” – *Moody’s*

Reducing Reliance on Borrowing and Debt

Mississippi’s total debt burden is more than \$4 billion. That puts our net tax-supported debt per capita and debt as a percentage of personal income higher than the national average.

Measure	Mississippi	National Median	Mississippi’s National Rank
NTSD per capita	\$1,847	\$1,006	13 th
% of personal income	5.2%	2.5%	9 th
% of state GDP	5.22%	2.23%	5 th
Debt Service Ratio	6.3%	4.1%	10 th

The absence of the normal bond bill during the 2017 legislative session offered a needed reprieve from the addition of new bonding authority for the state. Though Senate Bill 3033 did authorize some new state bonds, the volume of bond authority was greatly reduced compared to previous years. Further, the economic development projects and programs in the bill are consistent with the State Bond Commission’s best practices for the usage of state bonds.

The Bond Commission continues to administer the responsibility of approving the issuance of debt on behalf of the state. To further bolster its current policies regarding best practices and rules for debt issuance, the Bond Commission recently adopted additional language into the state’s “Debt Management Policy” (under Rule 1.2A Project Compliance with Debt Management Objectives). The additional language provides further guidance for the issuance of long-term debt by the Bond Commission, including clear and concise proof of public use, weighing project asset life against the corresponding debt, and prohibiting any debt from funding salaries or other recurring expenses. These new rules will benefit the state and taxpayers by only funding qualifying projects.

The state of Mississippi remains extremely strong and very competitive in the open market. Three credit rating agencies currently rate Mississippi at AA, Aa2, and AA (Fitch Ratings, Moody’s Investor Services, and Standard and Poor’s, respectively). Because the

state's credit in the open market remains positive, there is never a shortage of interested buyers of municipal debt. One of the factors mentioned by the credit rating agencies that keeps Mississippi strong in the marketplace is our ability to control expenditures and carrying costs for debt service (Fitch Ratings). In addition, the state has historically demonstrated willingness and ability to manage spending when revenues underperform (Moody's Investors Service). Regarding the state's budget, Standard and Poor's wrote in its latest ratings review that Mississippi has "strong budgetary and governmental framework, with a statutory requirement to adopt and maintain a balanced budget throughout the fiscal year." The summaries presented to the state by the credit rating agencies along with the newly adopted policies for strengthening the issuance of debt demonstrate the state's willingness and ability to adjust in governance to help maneuver through a difficult and ever-changing global economy.

Bolstering the Budget Transparency and Simplification Act

During the 2016 Regular Session, the Legislature adopted Senate Bill 2362, the "Mississippi Budget Transparency and Simplification Act of 2016." The legislation was designed and intended to change 16 state agencies from special fund agencies to general fund agencies and to remove the authority for some state agencies to charge items like fees, assessments and rent to other state agencies for services rendered or resources received.

Last year, I requested that a working group of lawmakers, accountants and budget experts review issues resulting from the passage of SB2362. After consulting with the working group, I agree with the Legislature that appropriating general funds to one agency to give to another agency makes little sense. However, the general fund should not have to support special fund agencies and federally funded programs. Allowing charges to be assessed to those agencies could relieve pressure on the state budget and generate a savings to the general fund of approximately \$37 million. For example, most federal programs allow the recipient state agency to draw federal funds to offset the administrative costs the state incurs to run the program, such as rent and utilities. Under the current structure, the general fund is bearing the burden for the upkeep and utilities for all the state-owned buildings, even those occupied by agencies that administer federal programs.

INVESTING IN THE SUCCESS OF OUR CITIZENS

As I have repeatedly said, I want every Mississippian to have a good job. When I first took office, unemployment was higher than 9 percent. I told my staff then I expected that to fall to 7 percent within a year. With policies that put a laser focus on job-creation, it happened.

A few short years later, our unemployment rate dipped below 5 percent for the first time since we started tracking it. If you had asked me in 2012 what I considered full employment in Mississippi, I likely would have said 5 percent. Today, we sit at exactly 5

percent, with more than 50,000 job openings posted on the Mississippi Works website and app. But, I know we can do better, because we have.

To do that, we must build on our recent successes. In 2016, we created a path for additional workforce investment with the establishment of the Mississippi Works Fund. We began to eliminate Mississippi's investment penalty, the franchise tax. And we paved the way for Continental Tire to bring 2,500 new jobs to Central Mississippi.

In the 2017 legislative session, legislators passed and I signed legislation extending a much-deserved tax credit to first-time homebuyers. The American Dream features many wonderful parts, but there is none more satisfying than the pride of home ownership. Late in the summer, Nissan, one of our cherished corporate citizens, defeated the UAW's desperate attempt to regain relevance at the expense of Mississippi workers.

Working with our new partners in the federal government, we will continue to eliminate unnecessarily burdensome regulations, keep taxes low, and ensure hardworking Mississippians have the freedom to earn a living free from union intimidation or government interference.

This budget continues our commitment to building the most skilled workforce anywhere on earth by investing in the success of our men and women.

Building on our progress in education

The old axiom that the path to prosperity starts at the schoolhouse door is as true as ever.

Recognizing the importance of education, state leaders have focused on transformational reforms. There is tangible proof that our efforts are paying off. In the 2016–17 school year, 92 percent of Mississippi's third-graders passed their reading exam. Our fourth-graders lead the nation in gains in reading and math. I am honored to serve as national chairman of both Jobs for America's Graduates and the Education Commission of the States. I will use both platforms to highlight globally the strides we continue taking to make Mississippi's system of public education the best and most innovative in the world.

Closing the Middle-Skills Gap with Free Community College

According to the U.S. Bureau of Labor Statistics, the biggest skill gaps are in occupations with high earning power that require less than a four-year college degree. Many of these occupations pay between \$35,000 and \$40,000 annually for entry-level positions on a career pathway that can lead to salaries of \$60,000 to \$70,000. Industry-recognized credentials are the key to unlocking the value of these occupations.

The Mississippi Works Scholars Program proposes to incentivize high school seniors and adults already in the workplace by offering free community college degrees, certificates and apprenticeships necessary to gain employment in these opportunity occupations.

The Mississippi Community College Board would work in conjunction with the State Workforce Investment Board and other Mississippi workforce and economic

development entities to develop this innovative program and determine workforce areas of need.

This program will position Mississippi for long-term growth and sustainability by not only increasing the number of people participating in the workforce, but also the number of people gaining meaningful careers.

Expanding School Choice

Perhaps the most critical decision parents will make for their children is where to send them to school. And parents are the one most qualified to make that choice – not bureaucrats.

School choice empowers parents to choose a school they feel best meets their child's needs. That empowerment should not be limited to those with means. Every parent, regardless of ZIP code or income, deserves educational options for their children. Next session, I will support a proposal to expand school choice.

Student-Centered School Finance

We must ensure that every child has a quality educational opportunity. We must also demand that the dollars we invest in education be spent wisely. For too long, the education establishment has prioritized inputs over outputs. As I said in last year's budget recommendation, indiscriminately throwing more than \$2 billion at K-12 education on the basis of an arbitrary, antiquated formula year after year is unfair to taxpayers and students.

I am again calling for an updated funding formula that is focused on student needs. In January, a group of experts retained by the Legislature released a lengthy report with a number of worthy recommendations, including needed changes to the weights applied to career and technical education.

I look forward to an open and robust debate about the funding formula reforms during the 2018 legislative session. While this budget recommends level funding for MAEP for FY2019, adjustments may be needed to accommodate a new formula.

Reducing the Dropout Rate

Graduation rates are higher than they've ever been because of programs like Jobs for Mississippi Graduates, a part of JAG. The graduation rate for JAG participants is 96 percent. We raise and spend more than \$1 million of donated funds each year and leverage an additional \$1 million for JAG, a number that is not reflected in the total amount of education spending.

Because of that proven success, I plan to ask the Legislature to approve money for JAG originally earmarked for other dropout-prevention programs. These funds would be matched by private donations, increasing resources for a program with a long track record of reaching our most disadvantaged high school students.

Retaining and Attracting High-Quality Teachers

As we make serious efforts at improving our children's opportunities and futures, we must start in our classroom on the front line of our educational system – our teachers. It is good teachers who guide our schoolchildren, and it is good teachers who can help make the biggest strides toward success. Mississippi is fourth in the nation in the number of National Board Certified Teachers. We will continue to encourage teachers to become National Board certified.

We also must seek alternative routes to find qualified teachers. Just like there are many ways to teach a student, there should be many ways to become a teacher. There needs to be an additional mechanism for professionals with practical work experience who hold a bachelor's degree or higher in a specific subject area to translate their knowledge to the classroom.

Supporting and Streamlining Student Financial Aid

State financial aid plays a vital role in helping students reach their educational goals. But resources are not unlimited and should be carefully spent. Two of the most popular state financial aid programs are the Mississippi Tuition Assistance Grant and the Mississippi Eminent Scholars Grant.

MTAG is awarded to eligible students in Mississippi who earn a cumulative high school GPA of 2.5 and a 15 on the ACT or higher, while MESG is awarded to students who earn a cumulative high school GPA of 3.5 and a 29 on the ACT or higher. Last year, IHL's Student Financial Aid appropriation bill prohibited students from stacking financial aid received from the state, which directly impacted some of Mississippi's highest-achieving students who receive both MTAG and MESG.

While I understand the need to adjust eligibility criteria to curb costs, I think these adjustments should not come at the expense of some of our best and brightest students.

It is time we look at the structure and eligibility requirements for these programs.

Strengthening Our Capital City's School System

In early September, the Mississippi Board of Education requested I declare a state of emergency in Jackson Public Schools that would have triggered a state takeover.

The easy thing for me to do would have been to grant the request. Instead, we have formed a coalition that includes my office, the office of Jackson Mayor Chokwe Antar Lumumba, JPS, the W.K. Kellogg Foundation and other local and state experts. The opportunity to form this coalition was too good to pass up.

I believe this third option represents a better way forward for the nearly 27,000 students in JPS. Jackson will not experience total revitalization until its school system is improved. We owe it to students to do everything we can to ensure that happens.

Early Childhood Education

Every fiscal year, \$87 million in federal money goes toward daycare in Mississippi, while almost \$200 million in federal funds are spent on Head Start. Like the private donations that fund JAG, those totals are not included in total education spending.

Under the leadership and guidance of the State Early Childhood Advisory Council, Mississippi is leading the nation with the family-based unified and integrated early childhood system. This system connects early care and learning, health, and family engagement for young children in child care centers. We know that, on average, a child spends 12,000 hours in a child care center prior to entering Kindergarten. In Mississippi approximately 51,000 children are cared for in private child care centers while parents are at work. At the state level, we are working hard to implement a strong education component into daycares throughout the state. We cannot ignore the most critical learning stage of a child's life – from the age of 6 weeks to 3 years.

Other Education Issues

To go with the Head Start and child care examples listed above, federal money accounts for an additional \$46 million for education items like nurses and nutritionists in schools and workforce development programs. To meet our state obligations, this budget recommends:

- Literacy Based Promotion Act — \$15 million
- Jackson State University School of Public Health — \$1.8 million
- Dyslexia Program — \$225,000
- World Class Teacher Programs — \$480,000
- National Board Certified Teachers — \$22.6 million
- Teacher Scholarships — \$2.9 million
- LifeTracks (SLDS) — \$1.8 million
- Early Learning Collaborative — \$4 million
- Jobs for Mississippi Graduates — \$1 million
- DuBard School — \$625,000
- Education Scholarship Accounts — \$13 million
- Mississippi Charter School Authorizer Board — \$250,000

Some of the choices we will have to make are going to be unpopular. We must keep the end goal in sight: building the most innovative educational system in America that will serve this generation and future generations of Mississippians.

Ensuring Child and Public Safety

The first and foremost responsibility of government is to protect and defend the public. As governor, I take seriously the duty to protect the people of Mississippi, and my budget reflects that commitment.

Supporting the new Mississippi Department of Child Protection Services

Two years ago, I asked lawmakers to fund a new agency whose sole responsibility would be providing the best care and treatment possible for our precious foster children.

The Legislature stepped up and met that challenge. Now, thanks to the hard work of former Commissioner of Child Protection Services Dr. David Chandler and his team, we are out from under a federal court monitor for the first time in nearly a decade. More foster children are being served than ever before, proving that fewer of our most vulnerable are falling through the cracks.

The past two sessions, the Legislature, at my request, has committed more than \$210 million in funding for CPS so the agency could properly execute its mission of protecting our most vulnerable. I am grateful for that commitment.

With Dr. Chandler's well-deserved retirement, CPS is now under the leadership of former Mississippi Supreme Court Justice Jess Dickinson. With the continued commitment of the Legislature, I am confident CPS will continue to make progress. Toward that end, I am seeking \$97.9 million for CPS in FY2019.

We owe Mississippi's foster children our very best. They deserve nothing less.

Combatting Opioid Abuse

The Opioid and Heroin Study Task Force I assembled last December spent the first half of this year developing strategies to combat what has become a scourge in our state. If not addressed, opioid and heroin addiction will become the most critical public health emergency in modern times.

Some of the Task Force's recommendations require no expenditure. Those that do require an expenditure deserve serious consideration and vigorous vetting. We must confront this scourge head-on.

Supporting our Law Enforcement Officers

This budget increases funding for the Mississippi Department of Public Safety and allocates \$4.45 million for a 30-member trooper school, plus a small amount of money to help DPS retool its recruiting strategy and modernize its training methods and criteria related to its trooper school. Recruiting and retaining over-the-road troopers are paramount going forward.

More troopers on the road not only bolsters public safety, but strengthens the Mississippi Highway Patrol's pension fund. In fact, starting in FY2019, the employer contribution rate for the Mississippi Highway Safety Patrol Retirement System will increase from 37 percent to 49.05 percent. This became necessary, in part, because infrequent trooper schools have reduced the number of employees paying into the system. This budget includes an additional \$2.5 million to the Department of Public Safety to fund employer contributions into the pension fund.

Focusing Resources on Community-Based Mental Health Services

This budget calls for the Department of Mental Health to shift \$10 million from its institutional budgets to the service budget to expand evidence-based, best-practice services in the community to reduce reliance on institutional care. For the past four fiscal years, the Legislature appropriated a total of \$16.1 million to DMH specifically to expand community-based services that have improved the state's compliance with the U.S. Supreme Court's *Olmstead* decision. Due to DMH's efforts to streamline services over the last two years, the agency can now expand community-based services that will help serve people in the most independent environment possible. I would support the removal or modification of language that restricts future movement toward the expansion of community-based care.

A STATE GOVERNMENT THAT WORKS

When I was inaugurated in 2012, I shared a vision of a Mississippi whose government puts the public's tax dollars to proper use. We've made good progress on this front, but we need to do more. As governor, I am working to create not just a smaller government, but a better one, a government that best provides services and benefits to its customers — the citizens of Mississippi.

Reorganizing Government with Shared Services in Small Agencies

I continue to believe that a different, more innovative approach should be taken to manage government. Our state can achieve greater efficiencies in administrative areas by breaking down certain boundaries among various departments of government and thinking about them in terms of the state as a whole. Unfortunately, Mississippi's government remains fragmented, with most agencies operating in silos. One simple solution is to implement a shared-services model for back-office operations (such as accounts payable, accounts receivable, budgeting, payroll, grants accounting, procurement, etc.) that would improve quality of services while simultaneously saving the state money.

This budget does not contemplate a massive consolidation of state agencies. Instead, it will be recommending that a small number of boards and commissions be used at the beginning of the process and more agencies added in the future. Implementing a shared-services model may not generate enormous, immediate cost savings in FY2019, and this budget does not rely on their savings during the transition period. But streamlining will result in long-term cost savings and improve the quality of state government services.

Providing a Sustainable Mechanism for Capital Expense Projects

Borrowing less is not enough by itself. We must proactively manage our building and infrastructure assets to reduce the ongoing costs of housing government. Targeting and addressing needs early, reducing space per government employee, and increasing energy efficiency all serve to alleviate future costs and avoid premature displacement.

Stewardship by agencies and institutions responsible for building assets, including monitoring and reporting, regular service and maintenance, and timely repair, should be a prerequisite for future capital funding by the state.

The Capital Expense Fund was established during my time as lieutenant governor to provide a recurring funding source for short- and medium-term capital needs on a pay-as-you-go basis. Since its establishment in 2008, it has often been swept and used as a general fund equivalent. That practice should stop to allow this fund to be used for its intended purpose.

Investing in Efficiency

The Department of Finance and Administration has identified significant opportunities for energy savings projects at the Capitol Complex, many with a simple payback period of seven years or less. Some projects – garage lighting, for instance – have a payback period of five years or less. The primary focus would be lighting replacement, replacement of antiquated equipment, and expanded computerized control of operations to allow for active management of energy consumption.

If this concept is expanded to all state agencies, universities and community and junior colleges on an annual basis, such projects could yield millions of dollars in recurring annual cost savings at full implementation. Such savings, if reallocated to the repair and renovation of our buildings and infrastructure, would further reduce the need to finance such expenses long term.

Utilizing Real Property Assets and Reducing Private Leases

A core function of state government is to house the various branches, agencies and institutions charged with implementing laws and policies of our state. To do so in the most economical manner is critical and can have a significant impact on the budget.

Currently, in the Capitol Complex, the cost of providing space for the branches, agencies and institutions is less when using state-owned property as opposed to leasing from private entities. It is anticipated that this will be true for the foreseeable future. To most effectively implement this plan, the following is recommended:

First, resources should be focused on renovating existing buildings (currently state-owned and as-yet-to-be obtained buildings) as opposed to constructing new ones. The recent renovation of a portion of the Robert Clark Building for DFA's Mississippi Management and Reporting System office has already saved over \$500,000 annually. Additional funding to complete and fully occupy this building will realize over \$1 million in savings annually.

Next, we need to optimize space in currently occupied buildings. Pilot projects underway in the E.T. Woolfolk Building and Robert E. Lee Building demonstrate space efficiencies of 20 percent or more are readily achievable. Such reductions will ultimately allow for more agencies to be housed in buildings that we already own and pay to operate and maintain.

Co-location can also yield significant savings through shared use of meeting rooms and conference spaces, as well as services.

Finally, current space-optimization studies by DFA need to be completed and expanded to other agencies and institutions.

Containing Medicaid Costs

After analyzing a number of academic studies, The Manhattan Institute in a 2012 report found that patients on Medicaid have the worst health outcomes of any group in America – far worse than those with private insurance and, in some cases, worse than those with no insurance at all. Mississippi cannot afford a medical assistance program that costs taxpayers over \$1 billion a year, particularly one that fails to produce positive outcomes.

While Congress and President Trump are pursuing reforms at the federal level, state leaders must continue to strive for better health policies that prioritize taxpayers and beneficiaries over special interests.

Miss. Code Ann. Section 43-13-117 sunsets on July 1, 2018. As a result, the Legislature will have to pass legislation authorizing the forms of care that will be covered. This should be an opportunity to take a look at the system as a whole and eliminate unnecessary mandates that hamper Division of Medicaid's ability to administer the program in a fiscally responsible manner. I encourage the Legislature to resist the urge to add more built-in costs to the Medicaid program. This budget does not include add-ons for increased provider payments or programs funded exclusively with state dollars.

We will also be seeking to transition eligibility determination responsibilities from the Division of Medicaid to the Department of Human Services. Currently, Mississippi is one of only four states that charge its Medicaid agency with eligibility determination. This budget also considers the cost-containment efforts I have called for at the Division of Medicaid.

Finally, this budget recommends some small but significant changes to managed care. In 2011, the Division of Medicaid implemented Mississippi's managed care program, the Mississippi Coordinated Access Network, or MississippiCAN. Under managed care, private companies called coordinated care organizations (CCOs) are responsible for providing services to Medicaid beneficiaries who participate in MississippiCAN. The goal of managed care is to improve quality of care, reduce state Medicaid expenditures, and provide greater predictability in expenditures. In 2018, managed care will include three CCOs. We don't simply need more managed care; we need more accountable and transparent managed care. Toward this end, I would favor periodic, independent audits of managed care, paid for by the CCOs.

Prioritizing Governmental Accountability

This budget targets waste, fraud and abuse throughout state government in order to eliminate spending that fails to advance the cause for which it was allocated, fails to

advance a core function of government or fails to achieve any measurable benefit beyond what another program or agency is already achieving. No agency, department, board or commission ought to be spared scrutiny.

Strengthening the Mississippi Ethics Commission

The Mississippi Ethics Commission administers, interprets and enforces the Ethics in Government Law, Open Meetings Act and the Public Records Act. It is a small, but important agency with a modest budget that has decreased since FY2008. Beginning in 2018, the Ethics Commission will also interpret and enforce state campaign finance laws as a result of legislation enacted during the 2017 session.

I am recommending funding the Ethics Commission at its requested amount, a year-over-year increase of \$94,000. This additional funding will cover the salary and fringe benefits of a new attorney to assist the Ethics Commission in carrying out new responsibilities related to campaign finance laws.

Financial Transparency in Local School Districts

Transparency Mississippi was established to promote transparency in government and in spending. The public is able to view expenditures and contracts for state agencies. While billions of dollars are sent to the local school districts, there is not a central website for the public to view how these dollars are being spent. I recommend the establishment of a searchable database detailing all monies received or expended by a school district.

Cutting Programs That Are Not Core Functions of Government

Allocating budgetary resources often involves a trade-off between what one wants to do and what one can afford to do. As I have said before, money taken from taxpayers to fund state government should only go toward those core functions that provide clear benefits to Mississippians. All too often, revenue derived via taxation supports non-core areas. Many of these programs are noble, but government cannot be everything for everyone. Difficult decisions will have to be made as to what constitutes a core function and what does not.

To illustrate this point, Mississippi Public Broadcasting's stated long-term goal is to become less dependent on support from the state. This budget advances that effort. MPB emerged at a time when television and radio options were drastically fewer than they are today. Granting MPB more authority to market its airtime and recruit more financial support would be a good step toward it becoming financially independent of the state.

Limiting Flow-Through Money

For the last two years, the Legislature has taken steps in the right direction by reducing "flow-through" dollars to nonprofits that were appropriated in the Department of Education's budget. I recognize the utility of using private organizations to advance the public good, but unaccountable earmark spending is unfair to taxpayers. Too often, this spending is not determined by the quality of a particular program, but by the quality of

its lobbyist. Adding earmarks is not an appropriate use of limited resources. Belt-tightening does not mean buying a new belt. This budget is careful to limit flow-through dollars to programs.

OTHER ITEMS

Infrastructure

A modern, well-maintained system of roads, bridges and underground infrastructure is essential for public safety, public health and vibrant economic development. Funding for new and existing infrastructure is a core function of government.

Recently, there has been a proposal to include on the 2018 ballot a referendum that would allow voters to decide if revenue for repairs and renovations to existing infrastructure should be derived via an increase in associated taxes.

I have always appreciated the people's right to vote on such important issues. The language of any proposal would be important, but I am not offended by this idea.

Census

Although the 2020 Census is still more than two years away, necessary preparations are currently underway at the federal, state and local levels. Mississippi has registered for the Local Update of Census Addresses Operation to make sure that the Census Bureau has all of Mississippi's addresses for 2020. The Mississippi Automated Resource Information System will assist the state with its obligations for LUCA. This process will cost approximately \$250,000. This small investment will help ensure that all Mississippians are properly counted in 2020 and will result in our state receiving its fair share of federal dollars.

CONCLUSION

As I said earlier, this budget is a roadmap to fiscal stability that will prepare us for the unexpected and propel us to heights yet unseen. Its goals are ambitious, but with discipline and creativity, they are attainable.

It prioritizes the core functions of public safety, education and job-creation, while replenishing and strengthening our savings. Those principles should drive every budget decision we make. This Executive Budget Recommendation does not deviate from them.

I have been involved in crafting enough budgets to know that not every suggestion will make its way into reality. The challenges we face are too great for one person or one branch of government alone to seek solutions. I look forward to working with legislative leaders, DFA, the Revenue Estimating Committee and other experts on a final budget that will help Mississippi prosper today and in the future.

ADDITIONAL RESOURCES

Performance measurement data required by the Mississippi Performance Budget and Strategic Planning Act of 1994 may be found at www.governorbryant.ms.gov.

FY 2019 Executive Budget Recommendation State Support Funds Only - excluding Reappropriations

November 15, 2017

Agencies / Budgets	FY 2017 Total State Support Net of Budget Cuts	FY 2018 Total State Support Net of Budget Adjustments	FY 2019 EBR Total State Support	FY 2019 EBR Total State Support +(-) FY2018	EBR Total State Support +/-%
Legislative					
Legislative Regular Consolidated	26,583,373	25,010,585	25,010,585	0	0.0%
Total Legislative	26,583,373	25,010,585	25,010,585	0	0.0%
Judiciary & Justice					
Attorney General's Office	26,747,266	22,939,704	22,939,704	0	0.0%
Capital Post Conviction Counsel, Office of	1,769,881	1,547,192	1,469,832	(77,360)	-5.0%
District Attorneys & Staff	23,355,452	23,139,300	23,139,300	0	0.0%
Judicial Performance Commission	377,831	340,036	340,036	0	0.0%
State Public Defender	3,066,607	3,094,606	3,094,606	0	0.0%
Supreme Court Services	6,783,610	6,511,192	6,511,192	0	0.0%
Administrative Office of Courts	12,937,855	11,228,486	11,228,486	0	0.0%
Court of Appeals	4,633,290	4,140,791	4,140,791	0	0.0%
Trial Judges	24,197,697	21,214,373	21,214,373	0	0.0%
Total Judiciary & Justice	103,869,489	94,155,680	94,078,320	(77,360)	-0.1%
Executive & Administrative					
Ethics Commission	509,934	573,410	667,592	94,182	16.4%
Governor's Office - Support & Mansion	2,162,361	2,151,022	2,151,022	0	0.0%
Secretary of State	15,373,059	13,931,266	13,931,266	0	0.0%
Total Executive & Administrative	18,045,354	16,655,698	16,749,880	94,182	0.6%
Fiscal Affairs					
Audit, Department of	8,856,881	8,608,803	8,608,803	0	0.0%
Finance & Administration, Dept. of (DFA) - Support	37,391,278	42,843,132	42,843,132	0	0.0%
DFA - Tort Claims Board	4,691,072	0	0	0	n/a
DFA - Mississippi Home Corp.	1,609,997	1,507,435	1,507,435	0	0.0%
DFA - Repair & Renovation	0	0	5,551,274	5,551,274	n/a
DFA - Status of Women, Commission on the	37,042	33,419	33,419	0	0.0%
DFA - Subtotal	43,729,389	44,383,986	49,935,260	5,551,274	12.5%
Information Technology Services (ITS), Dept. of - Support	37,878,939	33,766,118	33,766,118	0	0.0%
ITS - Wireless Communications Commission	8,706,753	7,817,950	7,817,950	0	0.0%
Personnel, State Board	4,719,828	4,254,261	4,254,261	0	0.0%
Revenue, Dept. of - Support	40,553,564	38,118,874	38,118,874	0	0.0%
Revenue, Dept. of - License Tag Commission	3,247,190	3,247,190	3,247,190	0	0.0%
Tax Appeals, Board of	450,211	475,000	548,882	73,882	15.6%
Total Fiscal Affairs	148,142,755	140,672,182	146,297,338	5,625,156	4.0%
Public Education					
Administration & Programs	152,789,424	165,617,109	155,617,109	(10,000,000)	-6.0%
Jobs for Mississippi Graduates	1,000,000	800,000	1,000,000	200,000	25.0%
Chickasaw Interest	21,024,015	19,573,344	20,535,504	962,160	4.9%
Adequate Education Program (MAEP)	2,221,629,174	2,201,038,129	2,201,038,129	0	0.0%
Schools for the Blind & Deaf	10,825,221	10,825,221	10,825,221	0	0.0%
Vocational and Technical Education	77,341,821	81,131,016	81,131,016	0	0.0%
MDE - Subtotal	2,484,609,655	2,478,984,819	2,470,146,979	(8,837,840)	-0.4%
Educational Television Authority	6,561,436	6,099,967	4,574,976	(1,524,991)	-25.0%
Library Commission	10,447,952	9,766,005	9,766,005	0	0.0%
Total Public Education	2,501,619,043	2,494,850,791	2,484,487,960	(10,362,831)	-0.4%

FY 2019 Executive Budget Recommendation

State Support Funds Only - excluding Reappropriations

November 15, 2017

Agencies / Budgets	FY 2017 Total State Support Net of Budget Cuts	FY 2018 Total State Support Net of Budget Adjustments	FY 2019 EBR Total State Support	FY 2019 EBR Total State Support +(-) FY2018	EBR Total State Support +/-%
Higher Education					
IHL General Support	374,212,163	357,532,475	357,532,475	0	0.0%
IHL General Support - Ayers Stepdown			(6,734,000)	(6,734,000)	n/a
IHL General Support - JSU School of Public Health			1,800,000	1,800,000	n/a
IHL General Support - Lifetracks (SLDS)			1,800,000	1,800,000	n/a
IHL General Support - Charter School Authorizer Board	236,547	237,000	237,000	0	0.0%
IHL Subsidiary Programs	32,709,979	32,755,072	33,005,072	250,000	0.8%
IHL Student Financial Aid	38,752,077	37,661,346	37,661,346	0	0.0%
IHL University Medical Center - Consolidated	171,757,128	157,860,985	157,860,985	0	0.0%
IHL - Subtotal	617,667,894	586,046,878	583,162,878	(2,884,000)	-0.5%
Community Colleges Board - Admin	6,512,468	6,150,284	6,150,284	0	0.0%
Community Colleges Board - Support	239,946,773	231,082,911	231,082,911	0	0.0%
Community Colleges Board - MS Works Scholarship Program	0	0	7,000,000	7,000,000	n/a
CCB - Subtotal	246,459,241	237,233,195	244,233,195	7,000,000	3.0%
Total Higher Education	864,127,135	823,280,073	827,396,073	4,116,000	0.5%
Public Health					
Health, Dept. of - Support	60,012,419	57,017,187	57,017,187	0	0.0%
Health, Dept. of - Health Information Network	615,754	499,114	499,114	0	0.0%
Health, Dept. of - Local Gov't Rural Water Systems	(60,876)	0	0	0	n/a
Mental Health, Dept. of - Consolidated	237,099,789	226,715,018	226,715,018	0	0.0%
Total Public Health & Hospitals	297,667,086	284,231,319	284,231,319	0	0.0%
Agriculture & Commerce					
Agriculture & Commerce, Dept. of	7,327,084	6,734,688	6,734,688	0	0.0%
Board of Animal Health	1,140,567	1,118,641	1,118,641	0	0.0%
Fair Commission - Livestock Shows	234,905	212,147	212,147	0	0.0%
Total Agriculture	8,702,556	8,065,476	8,065,476	0	0.0%
IHL Agricultural Units					
Alcorn Agricultural Programs	6,349,518	6,190,694	6,190,694	0	0.0%
MSU - Agriculture & Forestry Experiment Station (MAFES)	23,225,969	22,568,946	22,568,946	0	0.0%
MSU - Cooperative Extension Service	29,992,329	29,198,086	29,198,086	0	0.0%
MSU - Forest & Wildlife Research Center	6,162,656	5,608,385	5,608,385	0	0.0%
MSU - College of Veterinary Medicine	17,839,833	17,216,407	17,216,407	0	0.0%
Total IHL Agriculture	83,570,305	80,782,518	80,782,518	0	0.0%
Economic Development					
Mississippi Development Authority (MDA)	19,100,599	19,195,734	18,895,734	(300,000)	-1.6%
Innovate Mississippi		500,000	400,000	(100,000)	-20.0%
Total Economic Development	19,100,599	19,695,734	19,295,734	(400,000)	-2.0%

FY 2019 Executive Budget Recommendation State Support Funds Only - excluding Reappropriations

November 15, 2017

Agencies / Budgets	FY 2017 Total State Support Net of Budget Cuts	FY 2018 Total State Support Net of Budget Adjustments	FY 2019 EBR Total State Support	FY 2019 EBR Total State Support +(-) FY2018	EBR Total State Support +/-%
Conservation					
Archives & History, Dept. of	6,732,260	8,479,582	8,479,582	0	0.0%
Archives & History - Statewide Oral History	46,000	44,129	44,129	0	0.0%
Environmental Quality, Dept. of	10,132,875	9,980,940	9,980,940	0	0.0%
Forestry Commission	15,481,977	13,628,515	13,628,515	0	0.0%
Grand Gulf Military Monument	183,627	170,731	170,731	0	0.0%
Marine Resources, Dept. of	849,357	922,150	922,150	0	0.0%
Oil & Gas Board	2,194,672	1,855,866	1,855,866	0	0.0%
Pearl River Basin Development District	174,668	0	0	0	n/a
Soil & Water Conservation	714,518	611,870	611,870	0	0.0%
Tennessee-Tombigbee Waterway	174,806	150,644	150,644	0	0.0%
Wildlife, Fisheries & Parks (WFP)	7,689,264	6,000,345	6,000,345	0	0.0%
Total Conservation	44,374,024	41,844,772	41,844,772	0	0.0%
Insurance & Banking					
Insurance, Dept. of - Support	12,376,660	11,881,431	11,881,431	0	0.0%
State Fire Academy	5,136,557	4,924,678	4,924,678	0	0.0%
Total Insurance & Banking	17,513,217	16,806,109	16,806,109	0	0.0%
Corrections					
Corrections, Dept. of - Consolidated	315,065,995	309,935,445	309,935,445	0	0.0%
Total Corrections	315,065,995	309,935,445	309,935,445	0	0.0%
Social Welfare					
Governor's Office - Div. of Medicaid	927,400,852	918,757,821	917,657,821	(1,100,000)	-0.1%
Human Services, Dept. of	57,263,523	51,495,781	51,495,781	0	0.0%
Child Protection Services, Dept. of	98,346,782	97,969,323	97,969,323	0	0.0%
Rehabilitation Services - Consolidated	25,855,235	23,500,756	23,500,756	0	0.0%
Total Social Welfare	1,108,866,392	1,091,723,681	1,090,623,681	(1,100,000)	-0.1%
Military, Police & Veterans' Affairs					
Emergency Management Agency (MEMA)	3,103,400	3,118,086	3,118,086	0	0.0%
MEMA Disaster Relief	582,300	585,056	585,056	0	0.0%
Military Department - Consolidated	7,906,254	7,942,694	7,942,694	0	0.0%
DPS - Council on Aging	199,970	201,958	201,958	0	0.0%
DPS - County Jail Officer Training	0	352,780	352,780	0	0.0%
DPS - Crime Lab	7,090,673	6,858,605	6,858,605	0	0.0%
DPS - Crime Lab - State Medical Examiner	686,580	487,775	487,775	0	0.0%
DPS - Highway Safety Patrol	56,185,949	58,308,064	58,308,064	0	0.0%
DPS - Highway Patrol Pension Contribution Increase			2,500,000	2,500,000	n/a
DPS - Highway Patrol 30 Graduate Trooper School			4,450,000	4,450,000	n/a
DPS - Homeland Security	86,151	86,830	86,830	0	0.0%
DPS - Juvenile Facility Monitoring Unit	56,314	56,568	56,568	0	0.0%
DPS - Law Enforcement Officers Standards & Training Bd	2,374,510	2,306,029	2,306,029	0	0.0%
DPS - Law Enforcement Officers Training Academy	295,866	288,110	288,110	0	0.0%
DPS - Narcotics, Bureau of	11,956,868	11,137,161	11,137,161	0	0.0%
DPS - Public Safety Planning	327,065	232,810	232,810	0	0.0%
DPS - Support Services	4,208,464	4,192,141	4,192,141	0	0.0%
DPS - Subtotal	83,468,410	84,508,831	91,458,831	6,950,000	8.2%
Veterans Affairs Board	5,011,206	5,500,000	5,500,000	0	0.0%
Total Military, Police & Veterans' Affairs	100,071,570	101,654,667	108,604,667	6,950,000	6.8%

FY 2019 Executive Budget Recommendation
State Support Funds Only - excluding Reappropriations

November 15, 2017

Agencies / Budgets	FY 2017 Total State Support Net of Budget Cuts	FY 2018 Total State Support Net of Budget Adjustments	FY 2019 EBR Total State Support	FY 2019 EBR Total State Support +(-) FY2018	EBR Total State Support +/-%
Local Assistance					
Homestead Exemption	80,240,465	80,625,992	80,625,992	0	0.0%
Total Local Assistance	80,240,465	80,625,992	80,625,992	0	0.0%
Miscellaneous					
Arts Commission	1,683,328	1,594,718	1,355,510	(239,208)	-15.0%
Gaming Commission	8,938,446	8,112,266	8,112,266	0	0.0%
Public Service Commission (PSC) - Support	5,066,261	4,348,364	4,348,364	0	0.0%
Public Service Commission - No Call	77,817	69,865	69,865	0	0.0%
Public Service Commission - Public Utilities Staff	2,003,647	2,200,000	2,200,000	0	0.0%
Workers Compensation Commission	5,742,609	5,263,499	5,263,499	0	0.0%
Total Miscellaneous	23,512,108	21,588,712	21,349,504	(239,208)	-1.1%
Debt Service					
Bank Service Charges	750,000	500,000	500,000	0	0.0%
Bonds & Interest	391,991,392	384,741,392	384,741,392	0	0.0%
Total Debt Service	392,741,392	385,241,392	385,241,392	0	0.0%
Non-Recurring State Support Funding (BCF + CEF)	51,533,615	0	0	0	n/a
Non-Recurring Additional & Deficits Funding (BCF + CEF)	83,594,943	0	0	0	n/a
Interagency Charges	0	0	(36,651,146)	(36,651,146)	n/a
Total General Fund Agencies	6,288,941,416	6,036,820,826	6,004,775,619	(32,045,207)	-0.5%

FY 2019 Executive Budget Recommendation State Support Funds Only - excluding Reappropriations

November 15, 2017

Agencies / Budgets	FY 2017 Total State Support Net of Budget Cuts	FY 2018 Total State Support Net of Budget Adjustments	FY 2019 EBR Total State Support	FY 2019 EBR Total State Support +(-) FY2018	EBR Total State Support +/-%
--------------------	--	---	---	--	--

Funding Sources	FY 2017 <i>Sine Die</i> Adjusted	FY 2018 <i>Sine Die</i> Adjusted	FY 2019 Projected	FY19-FY18 Change +(-)	+/-%
Beginning Cash	6,660,000	5,392,500	21,728	(5,370,772)	-99.6%
General Fund Revenue Estimates / Actual	5,601,500,000	5,601,500,000	5,600,000,000	(1,500,000)	-0.0%
HB 1502 Education Line 465 Item Veto - Glimpse	0	(80,000)	80,000	160,000	n/a
SB2362 Additional GF Revenue	130,010,225	0	0	0	n/a
Transferred to GF	56,801,694	0	0	0	n/a
Estimated General Funds Available	5,794,971,919	5,606,812,500	5,600,101,728	(6,710,772)	-0.1%
Additional Approps General Fund - Medicaid	8,643,031	0	0	0	n/a
FY 2017 GF Budget Reductions	(144,491,246)	0	0	0	n/a
Unappropriated	0	(21,728)	0	21,728	n/a
General Fund Reappropriations	(6,660,000)	(5,392,500)	0	5,392,500	n/a
1.0% General Fund Revenue Set Aside	0	(56,015,000)	0	56,015,000	n/a
2.0% General Fund Revenue Set Aside	0	0	(112,000,000)	(112,000,000)	
Subtotal General Funds	5,652,463,704	5,545,383,272	5,488,101,728	(57,281,544)	-1.0%
Budget Contingency Fund (BCF)	2,771,040	1,029,617	100,079,618	99,050,001	9620.1%
Additional Approps Budget Contingency Fund (BCF)	9,500,000	0	0	0	n/a
Transfer from BCF to GC Restoration Reserve (GCRRF)	0	0	(100,079,618)	(100,079,618)	n/a
Education Enhancement Fund (EEF)	364,358,407	366,351,772	383,808,321	17,456,549	4.8%
Healthcare Expendable Fund (HEF)	119,605,913	99,056,165	99,056,165	0	0.0%
Tobacco Control Fund (TCF)	20,000,000	20,000,000	20,000,000	0	0.0%
Capital Expense Fund (CEF)	41,147,409	0	8,809,405	8,809,405	n/a
Additional Approps Capital Expense Fund (CEF)	74,094,943	0	0	0	n/a
Working Cash Stabilization Reserve Fund (WCSRF)	5,000,000	5,000,000	5,000,000	0	0.0%
Subtotal State Support Special Funds (SSSF)	636,477,712	491,437,554	516,673,891	25,236,337	5.1%
Total State Support Funds	6,288,941,416	6,036,820,826	6,004,775,619	(32,045,207)	-0.5%