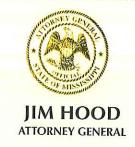
STATE OF MISSISSIPPI



April 14, 2016

Honorable Phil Bryant Governor, State of Mississippi Post Office Box 139 Jackson, Mississippi 39205

Honorable Philip Gunn Speaker of the House Mississippi House of Representatives Post Office Box 1018 Jackson, Mississippi 39215

Honorable Greg Snowden Speaker Pro Tempore Mississippi House of Representatives Post Office Box 1018 Jackson, Mississippi 39215

Honorable Herb Frierson Chairman, House Appropriations Post Office Box 1018 Jackson, Mississippi 39215

Re: Senate Bill 2362

Gentlemen:

Honorable Tate Reeves Lieutenant Governor Post Office Box 1018 Jackson, Mississippi 39215

Honorable Terry C. Burton President Pro Tempore Mississippi Senate Post Office Box 1018 Jackson, Mississippi 39215

Honorable Eugene S. (Buck) Clarke Chairman, Senate Appropriations Post Office Box 1018 Jackson, Mississippi 39215

The conference committee report of Senate Bill 2362 was just released. Our preliminary research shows us that we will lose over \$20 million dollars in federal funds by eliminating the ability for state agencies to charge other state agencies a fee for services (see attached schedule). The business model of state agencies charging for services has worked well for decades and a major benefit of interagency transactions is that the state is able to draw down these federal dollars which reduces the cost to the General Fund.

I am also attaching my letter dated March 3, 2016, which addresses some of our concerns and request that Senate Bill 2362 be recommitted and studied for further consideration during next year's session to determine the full impact this legislation may have on the operations of state government.

Sincerely,

Attorney General