

From: RANDY MCCOY
To: PATRICE TATE
Date: 10/22/2008 8:32 AM
Subject: Fwd: [ms_superintendents] Budget Reductions
Attachments: Agency Head Budget letter_1.pdf

Randy D. McCoy, Ed.D.
Superintendent
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662.841.8859

>>> "Dr. Hank Bounds" <DrBounds@mde.k12.ms.us> 10/16/2008 1:58 PM >>>

I am sure that you are aware that Governor Barbour has requested that all state agencies submit budget reduction plans for Fiscal Year 2009 (FY 09) and Fiscal Year 2010 (FY 10) budgets. The Governor's guidance is to plan for a two percent reduction in FY 09 and a four percent reduction in the original FY 09 appropriation to be used for the FY 10 budget determination. Right now these reductions are across all agencies and include all state funds. Based on this guidance, your district's FY 09 MAEP allocation would be reduced by two percent and your FY 10 MAEP allocation would be based on a four percent reduction from the original FY 09 allocation, i.e. an additional two percent. Attached is the letter from Governor Barbour to all agency heads.

In an email to you dated October 3, 2008, I informed you that Education Enhancement Funds (EEF) disbursements for the last three months have been below the required amounts to meet FY 09 appropriated levels. In this email I stated that we could see these EEF reductions extend over into general funds and asked that you review your budgets and make determinations on where you could reduce spending. My recommendation was to use a five percent cut for planning purposes. Even though the Governor is currently using two percent, I strongly feel that you should continue to use the five percent level in developing your budget reduction scenarios.

I plan on reminding the Governor that certain funds such as Chickasaw, EEF Buildings and Buses, and National Board Certification salary supplements cannot be reduced due to state law, and in the case of Chickasaw funds, a court order. In the event reductions do become necessary, I will ask the Governor to use his discretionary authority in making cuts to reduce all other state funds up to five percent before any reductions are made to any state funds allocated to school districts.

I am certain that our mission of providing a world class education to the children of Mississippi will remain our primary focus and that this priority will guide your decision making process. As always, my staff and I stand ready to assist you any way we can as we work through these turbulent economic times.



HALEY BARBOUR
GOVERNOR

STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR

October 10, 2008

Dear State Agency Officials:

For the sixth time since becoming Governor, I am preparing my Executive Budget Recommendation. I will submit my Fiscal Year 2010 budget recommendation to the Legislature by November 15, 2008, as required by law.

There can be no doubt our nation's economy is facing hard times. The last few weeks have made it clear that America's economy is in turmoil. Problems that originated in the credit markets -- and first showed up in the area of subprime mortgages -- have spread throughout our financial system. Many homeowners have mortgages they can't afford. Despite having fallen recently, gas prices and food prices remain too high. During this period of economic uncertainty and hardship, the State must be even more vigilant about spending the taxpayer's money responsibly.

Our practice of prudent budgeting since 2004 has left our state's fiscal affairs on solid ground. However, Mississippi is not immune to economic downturns in the national economy. In fact, we are already seeing tax collections fall below what was predicted. During the current fiscal year, general fund revenues through September 30, 2008, are \$23,058,869 or 2.11 percent below the revenue estimate. I expect as we proceed in this fiscal year and into fiscal year 2010, tax collections are more likely to get worse than better. My staff estimates that we will miss our Fiscal Year 2009 revenue estimate by at least \$100 million.

I ask you to join me in sharpening our pencils to make sure we can continue to fund our priorities; indeed, we must focus on getting more for the money we spend. Please prepare and submit to me a revised budget plan for Fiscal Year 2009 that achieves a 2 percent reduction in spending of state funds from your agency's Fiscal Year 2009 budget. Likewise, please prepare and submit to me a revised budget plan for your agency's Fiscal Year 2010 budget that achieves a 4 percent reduction in spending of state funds from your agency's Fiscal Year 2009 baseline. State funds include general, education enhancement, budget contingency, health care expendable and tobacco control funds.

Please submit this information to the Department of Finance and Administration's (DFA) Office of Budget and Fund Management (OBFM) using the enclosed OBFM spreadsheet no later than October 31, 2008. For some departments and agencies, reducing expenditures may require legislative changes or relief from statutory requirements. Please include in your spreadsheet(s) notes advising me if any legislation is needed to achieve the savings necessary to reduce your state fund expenditures in Fiscal Years 2009 and 2010.



HALEY BARBOUR
GOVERNOR

STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR

By copy of this letter, I also am asking departments, institutions and agencies that do not report to me that they likewise prepare Fiscal Years 2009 and 2010 revised budgets plans for submission to my office by October 31, 2008. Every department, institution and agency must be prepared to tighten their belts in these fiscally challenging times.

Thank you for your cooperation. Should you have any questions or concerns regarding this, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Haley Barbour".

Haley Barbour

CC:

Lieutenant Governor Phil Bryant
Speaker William J. McCoy
Chairman Alan Nunnelee
Chairman Johnny W. Stringer