

Recent Mandatory Reductions

- Recent mandatory reductions to education funding are a reflection of what happens when a budget is based on overly optimistic revenue estimates during a national recession.
- Revenues received for Fiscal Year 2002 through January fell below 98% of the Legislative Budget Office general fund estimate at the date of sine die adjournment.
- As a result, state law required the Governor to direct the Department of Finance and Administration to reduce budgets in an amount necessary to keep expenditures within the sum of actual general fund receipts.
- Higher Education, 4-year institutions and community/junior colleges received mandatory reductions of \$18.6 million in November. Governor Musgrove exempt Student Financial Aid from this first round of reductions.
- Higher education, including Student Financial Aid because it could not be exempt in the February 11 reductions, received another \$10.4 million of reductions.
- All state agencies and budget, except that of the Legislature because they have passed a law exempting themselves from reductions, have now experienced reductions.

Funding

- Governor's FY 03 budget provides \$13,887,192 more than the Legislative Budget Recommendation for Higher Education General Support, including \$12.1 million more in General Funds.
- Governor's FY 03 budget provides \$3,519,368 more than the Legislative Budget Recommendation for Higher Education Financial Aid.
- Governor's FY 03 budget also provides approximately \$13.5 million more funding for the Community and Junior Colleges Administration and Support than the LBR – community and junior colleges can be important feeder systems for our 8 universities.

Ayers

- When Governor Musgrove took office, he promised that he would work to settle the Ayers case.
- As you know, last Friday, the US District Court released an order approving the settlement of the 27-year old Ayers case.

- The settlement was crafted over nine months after Gov. Ronnie Musgrove called parties to the bargaining table in June 2000. "This is truly a defining moment for the state of Mississippi," Musgrove said in a written statement.