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OFFICE OF GOVERNOR RONNIE MUSGROVE  
INTEROFFICE MEMORANDUM

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**TO:** GOVERNOR  
**FROM:** RILEY  
**SUBJECT:** MDE AND IHL FY 05 BUDGET REQUESTS  
**DATE** 7/28/03  
**CC:** RENICK, GAVIN

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I'm attaching MDE's and IHL's FY 05 budget requests. Community college presidents are finalizing the SBCJC support numbers, so I don't have SBCJC numbers yet, but I am to received them ASAP. Also, university presidents are going to submit a pay raise plan in August, which will increase IHL's numbers.

MDE FY 05

(NOTE: Total *General Funds* and *One-time Funds* don't marry up on MDE's 2 spreadsheets.)

As shown on page 1 of MDE's handout, the department is requesting a \$163,886,617 increase from all funds and a \$401,911,914 increase in general funds with \$257,655,069 of this being to replace one-time contingency and Public School Building Funds

Pages 2 and 3 detail the requested increase in state funds only. This spreadsheet reflects that MDE is requesting a \$401,916,789 increase in general funds, with \$253,942,977 of this being to replace one-time funds. Of these amounts, MDE is requesting \$131.9 million of increases for MAEP and \$240.6 million for MAEP replacement of one-time funding for a total MAEP increase of \$372.4 million. Overall, you can see that MDE attributes \$398,359,374 of their requested increases to statutory/policy programs and \$3,557,415 to discretionary programs.

IHL FY 05

Including special fund agencies, IHL is requesting \$677,448,731 for FY 05, an increase of \$87,563,310 (14.84%) over FY 04 appropriations. As with MDE, IHL is looking for replacement of one-time funding. IHL's FY 05 request shifts the FY 04 Budget Contingency Funds of \$69,574,158 to General Funds.

\$18 million of the \$87 million increase is for campus operations, with MVSU requesting the largest percentage increase (\$910,446 or 7.77% increase) and MUW requesting the smallest percentage increase (\$529,373 or 3.98% increase).

UMMC is once again requesting significant increases. UMMC is requesting a \$43.1 million increase (29.29% increase), with \$5 million of this going to enhance operations, \$33 million to continue existing programs (\$16,912,293 for Medicaid Transfer and \$16,651,000 for Cancer Institute), and \$4.6 million for built ins.