
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: COMMENTS MADE DURING IHL'S BUDGET HEARING
DATE 9/27/02
CC: RENICK

You are having lunch with the IHL presidents and Commissioner Layzell on Monday. I attended IHL's budget hearing yesterday and thought you might be interested in some of the comments made during the hearing.

The IHL system requested \$641.7 million, including an increase of \$81.8 million for FY 04. Almost all presenters mentioned the reduction (\$98.3 million) that the system has experienced over the last 3 years. Faculty have left, so increased enrollments have resulted in increased class sizes.

Senator Gordon told Commissioner Layzell and Bryce Griffis that "all the rabbits have been pulled out of the hats the last few years and there are no more rabbits." He likened it to a statement by Senator Little one time that "the bridge is almost gone."

Chancellor Khayat put it all on the line. He explained that approximately 50% of Ole Miss's revenue was comprised of state funds five years ago. This number had dropped to 24%. He then asked the Committee if they wanted to make higher education accessible for Mississippians at a reasonable price and did they want to make higher education a priority with the appropriate funding to make it a priority.

Chairman Capps told Chancellor Khayat that he would do well to increase tuition, especially out-of-state tuition, which Ole Miss said it was going to have to do. Chairman Capps told Khayat that some agencies, like Medicaid, are getting large increases, which means other areas have to be cut.

YOU NEED TO POINT OUT ON MONDAY THAT COMMENTS SUCH AS THESE ONLY CONFIRM WHAT YOU HAVE BEEN SAYING FOR 2 YEARS REGARDING THE IMPACT OF INACCURATE REVENUE ESTIMATES AND THAT THEY HAVE TO DEMAND ACCURATE NUMBERS THIS YEAR (I.E., YOUR BUDGET).

Senator Little asked Dr. Connerly if he thought healthcare was truly in a crisis situation, if healthcare in our state was deteriorating and if new doctors really weren't coming back or staying in Mississippi. Connerly said we are in a crisis situation, especially our trauma system (neurosurgeons) and in OB/GYN.