

NEWS USM NEWS

The University of Southern Mississippi
University Relations News Release

GOVERNOR EXEMPTS UNIVERSITIES FROM BUDGET CUTS

Gov. Ronnie Musgrove has exempted higher education from \$50 million in mid-year budget reductions ordered for most state agencies because of lower-than-expected tax revenue collections.

The governor's Halloween Day decision provided a treat for Mississippi's eight public universities, and the community and junior colleges -- adding them to a list of governmental agencies that will be exempted from 5 percent budget cuts.

Prior to Musgrove's announcement, Southern Miss officials were bracing for a possible 5 percent budget cut of its general support appropriation -- meaning the university would have had to carve some \$3.7 million from its current fiscal-year budget.

"It could have altered the state of the university for some time," Southern Miss President Horace Fleming told reporters after the announcement.

He also issued a statement saying: "I never doubted the governor's commitment to education and his understanding of how vital education is to the continued economic development of our state. I am extremely pleased, and felt all along the governor would do all he could to help us -- and he did."

The governor's action spared the state College Board, which meets again Nov. 16, the anguish of having to consider proposals to implement student tuition hikes as one possible way of helping universities weather the storm.

Also spared from the budget cuts were Mississippi public schools, Medicaid, the Highway Patrol, Rehabilitation Services, emergency management, homestead exemption and debt service. Other agencies have until Nov. 14 to decide how to handle cuts.

Pointing out that some "70 percent" of USM expenditures go toward paying employee salaries, Fleming had vowed to protect faculty and staff positions as much as possible had the university been required to absorb the mid-year cut.

Speaking to a special meeting of faculty, staff and student leaders on campus Oct. 24, the president also pledged to preserve the quality of academic programs and student services.

Fleming and his vice presidents -- with input from the university community -- had been devising a plan to deal with the anticipated cuts, while pleading USM's case in Jackson. Now, he said, operations could return to normal.

"We are going to return to our planning for next year," Fleming said. "We have many opportunities before us and we will focus on those."

Although Mississippi is taking in more tax revenues than ever on a good economy, collections for the year are running some \$20 million a month behind projections. So, the state currently is about

\$80 million behind the original estimates.

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