

FILED
MAY 17 2017
EDDIE JEAN CARR, CHANCERY CLERK
BY _____ D.C.

**IN THE CHANCERY COURT OF HINDS COUNTY
FIRST JUDICIAL DISTRICT**

**REP. BRYANT W. CLARK AND
SEN. JOHN HORHN**

PLAINTIFFS

V.

CAUSE NO. G2017. 722
3/2

**GOVERNOR PHIL BRYANT,
STATE FISCAL OFFICER LAURA JACKSON,
THE MISSISSIPPI DEPARTMENT OF EDUCATION,
AND STATE TREASURER LYNN FITCH**

DEFENDANTS

COMPLAINT

I. INTRODUCTION

1. This lawsuit seeks to enforce the Mississippi Constitution's separation of powers doctrine. In Mississippi, the Legislative Branch is responsible for making the budget, while the Executive Branch is charged with controlling the budget. These co-equal branches of government are constitutionally prohibited from exercising the powers allotted to the other.

2. In violation of the separation of powers doctrine, Mississippi Code Section 27-104-13 gives the Executive Branch the power to make monthly "midyear budget cuts" when state general funds are not available to pay the state budget. After midyear budget cuts are made by the Executive Branch, they are reported to the Legislative Budget Office.

3. By allowing the Executive Branch to usurp the Legislature's budget-making power, Section 27-104-13 violates the separation of powers doctrine and must be permanently enjoined. If midyear budget cuts are to occur, they must be directed by

the only body the Mississippi Constitution allows budget-making activity: the Legislature.

II. PARTIES

A. Plaintiffs

4. State Representative Bryant W. Clark is an adult resident of Holmes County, Mississippi. He pays local, state, and federal taxes. He is a member of the Mississippi House of Representatives, in which he has represented District 47 since 2004. *See Exhibit 1 (Affidavit of Rep. Bryant W. Clark)*. Representative Clark brings this lawsuit both in his capacity as a taxpayer and in his capacity as a member of the Mississippi State House of Representatives.

5. State Senator John Horhn is an adult resident of Hinds County, Mississippi. He pays local, state, and federal taxes. He is a member of the Mississippi Senate, in which he represents District 26. He has served in the Mississippi Senate since 1993. *See Exhibit 2 (Affidavit of Sen. John Horhn)*. Senator Horhn brings this lawsuit both in his capacity as a taxpayer and in his capacity as a member of the Mississippi State Senate.

B. Defendants

6. Governor Phil Bryant is the chief executive of the State of Mississippi. In his capacity as Governor, he appoints the State Fiscal Officer. He also has ordered midyear budget cuts pursuant to Miss. Code Ann. § 27-104-13. He has claimed a statutory obligation to maintain a balanced state budget. He is also the head of the Executive Branch of state government. Pursuant to Rule 4(d)(5) of the Mississippi Rules of Civil Procedure, he may be served with process upon the Attorney General of Mississippi. Governor Bryant is sued in his official capacity.

7. Laura Jackson is the executive director of the Mississippi Department of Finance and Administration. As such, she serves as the State Fiscal Officer. *See* Miss. Code Ann. § 27-104-6. In her role as State Fiscal Officer, she effectuates midyear budget cuts pursuant to Miss. Code Ann. § 27-104-13. Pursuant to Rule 4(d)(5) of the Mississippi Rules of Civil Procedure, she may be served with process upon the Attorney General of Mississippi. State Fiscal Officer Jackson is sued in her official capacity.

8. The Mississippi Department of Education (“MDE”) is the state agency responsible for the administration, management, and control of public schools in Mississippi. *See* Miss. Code Ann. § 37-3-5. State law requires MDE to provide the Treasurer and the State Fiscal Officer with such data and information as may be required to enable them to distribute funds to school districts, including the amount of funds each school district is entitled to receive. *See* Miss. Code Ann. § 37-151-101. Pursuant to Rule 4(d)(5) of the Mississippi Rules of Civil Procedure, MDE may be served with process upon the Attorney General of Mississippi.

9. Lynn Fitch is the State Treasurer. As Treasurer, Fitch receives from MDE such data and information as may be required to enable her to distribute funds to school districts. *See* Miss. Code Ann. § 37-151-101. Pursuant to Rule 4(d)(5) of the Mississippi Rules of Civil Procedure, she may be served with process upon the Attorney General of Mississippi. Treasurer Fitch is sued in her official capacity.

III. JURISDICTION AND VENUE

10. The injunctive relief sought in this case is a request in equity. Therefore, subject matter jurisdiction over this suit lies with the Chancery Court. Miss. Const., art. VI § 159(a).

11. Venue is proper in Hinds County because a suit against the State must be brought in the county where the seat of government is located. *See* Miss. Code Ann. § 11-45-1.

IV. FACTS

A. Defendants have cut more than \$170 million from the state budget this fiscal year alone.

12. Currently in Mississippi, when revenue falls below budget projections, Governor Bryant and State Fiscal Officer Jackson have a practice of either slashing state agencies' budgets or transferring "reserve fund" money to the general fund.

14. In September 2016, Governor Bryant and State Fiscal Officer Jackson cut \$56.8 million total from the budgets of all but four state agencies.

15. In January 2017, Governor Bryant and State Fiscal Officer Jackson cut \$51 million total from state agencies' budgets. Governor Bryant and State Fiscal Officer Jackson also transferred \$4 million from the Rainy Day Fund to the general fund.

16. These midyear budget cuts have devastated nearly every area of state government, but none more so than the Mississippi public schools. Although the Mississippi Adequate Education Program ("MAEP"), the state school funding formula, guarantees a minimum level of funding to public schools every year,¹ it has been a repeated target for midyear budget cuts.

17. In February 2017, Governor Bryant and State Fiscal Officer Jackson cut MAEP by more than \$11.2 million. *See* Exhibit 3 (Spreadsheet of February 2017 Cuts).

18. In March 2017, Governor Bryant and State Fiscal Officer Jackson cut MAEP again, this time by more than \$8.6 million. *See* Exhibit 4 (Spreadsheet of March

¹ *See* Miss. Code Ann. § 37-151-1, *et seq.*

2017 Cuts).

19. The approximate \$20 million in cuts to MAEP in February and March of 2017 represented roughly one-third of Governor Bryant's and State Fiscal Officer Jackson's total midyear budget cuts in those two months. Over the same two-month period, cuts to the Governor's office budget amounted to only \$43,000.

20. Governor Bryant and State Fiscal Officer Jackson made these budget cuts unilaterally, without any discussion with or oversight by the Legislature.

21. The Mississippi Department of Education then provides the State Treasurer and the State Fiscal Officer with such data and information as may be required to enable them to distribute funds to school districts, including the amount of funds each school district is entitled to receive. *See* Miss. Code Ann. § 37-151-101.

22. State Treasurer Fitch receives this data and information from MDE and distributes funds accordingly. *See* Miss. Code Ann. § 37-151-101.

B. Governor Bryant and State Fiscal Officer Jackson conduct midyear budget cuts pursuant to Section 27-104-13 of the Mississippi Code.

21. Current Mississippi law provides that when revenue falls below 98% of projections, the State Fiscal Officer may enact budget cuts in an amount necessary to account for the revenue shortfall. *See* Miss. Code Ann. § 27-104-13. Technically, the State Fiscal Officer decides which agencies' budget to cut and then reports the cuts to the Legislative Budget Office. *Id.* However, in practice, the State Fiscal Officer is appointed by the Governor, serves at his pleasure, and conducts the midyear budget cuts as directed by him. Miss. Code Ann. § 27-104-101.

22. For example, on February 21, 2017, Governor Bryant told State Fiscal Officer Jackson that "it is necessary to reduce Fiscal Year 2017 budgets to achieve a

savings of \$43,000,000. To accomplish the \$43 million in reductions to FY 2017 appropriations, I am mandating additional cuts to most agencies equivalent to 0.9% of their budget.” Exhibit 5 (February 2017 letter from Governor Bryant to State Fiscal Officer Jackson).

23. State Fiscal Officer Jackson implemented the February 21, 2017, budget cuts as directed by Governor Bryant.

24. On March 24, 2017, Governor Bryant again ordered State Fiscal Officer Jackson to conduct midyear budget cuts, stating that “a reduction in funds to state government agencies is needed to meet the requirement of state law to balance Mississippi’s budget. In accordance with Section 27-104-13, Mississippi Code of 1972, annotated, it is necessary to reduce FY 2017 budgets to achieve a savings of \$20,446,237.” Exhibit 6 (March 2017 letter from Governor Bryant to State Fiscal Officer Jackson).

25. State Fiscal Officer Jackson implemented the March 24, 2017, budget cuts as directed by Governor Bryant.

C. These midyear budget cuts are invalid because Section 27-104-13 of the Mississippi Code violates the Mississippi Constitution.

26. Section 27-104-13 violates the Mississippi Constitution’s separation of powers doctrine.

27. The separation of powers doctrine forbids any branch of government from exercising another branch’s core powers.² The Mississippi Supreme Court has explained that “no officer of one department may perform a function at the core of the power

² *Moore v. Bd. of Supervisors of Hinds Cnty.*, 658 So. 2d 883, 887 (Miss. 1995); *Howell v. State*, 300 So. 2d 774, 781 (Miss. 1974); *Columbia Gulf Transmission Co. v. Barr*, 194 So. 2d 890, 895 (Miss. 1967).

properly belonging to either of the other two departments.”³

28. “Budget-making” is a core power of the Legislature.⁴ Budget-making is “the power and prerogative to provide for the collection of revenues through taxation and other means and to appropriate or direct the expenditure of monies so raised.”⁵ This is a power that can *only* be wielded by the Legislature: “Under our Constitution the *final* budget-making power is vested in the legislature because it has the *ultimate* responsibility of appropriation by which it can honor the budget by appropriating, in whole or in part, or refusing a budget request by non-appropriation.”⁶

29. In contrast, “budget control” is an executive function,⁷ and is entirely separate from the budget-making process. Budget control occurs only *after* the Legislature has decided how much money goes to each agency.⁸ “[T]he ‘budget control process’ is the executive power used to administer appropriations to accomplish the purpose for which the funds were intended from the taxes levied for the appropriations.”⁹

30. Defendants’ midyear budget cuts are acts of “budget-making” because when Governor Bryant makes a midyear budget cut, he is “direct[ing] the expenditure of monies.”¹⁰ This is a core legislative power.

31. Mississippi’s midyear budget cuts statute, Miss. Code Ann. § 27-104-13, delegates to the Executive Branch the power to reduce appropriations, which is a purely legislative function.

³ *Moore*, 658 So. 2d at 888 (citations and quotations omitted).

⁴ *Id.* at 887 (citing *Alexander v. State ex rel. Allain*, 441 So. 2d 1329, 1339-40 (Miss. 1983)).

⁵ *Alexander*, 441 So. 2d at 1339.

⁶ *Id.* at 1340 (emphases added).

⁷ *Id.* at 1341.

⁸ *Id.* (“Once taxes have been levied and appropriations made, the legislative prerogative ends, and executive responsibility begins to administer the appropriation and to accomplish its purpose. . .”).

⁹ *Moore v. Bd. of Supervisors of Hinds Cnty.*, 658 So. 2d 883, 887 (Miss. 1995).

¹⁰ *Alexander*, 441 So. 2d. at 1339.

32. By allowing the Executive Branch to usurp the Legislature's budget-making power, Miss. Code Ann. § 27-104-13 violates the separation of powers doctrine in the Mississippi Constitution.

IV. CLAIMS FOR RELIEF

CLAIM NO. 1: DECLARATORY JUDGMENT

33. All paragraphs previously stated are incorporated herein as if fully reasserted.

34. Budget-making is a core power of the Legislative Branch of state government.

35. The Defendants are not part of the Legislative Branch of state government.

36. The midyear budget cuts enacted by Governor Bryant and State Fiscal Officer Jackson are exercises in budget-making.

37. The authority delegated to and exercised by Governor Bryant and State Fiscal Officer Jackson under Miss. Code Ann. § 27-104-13 is an unconstitutional exercise of power properly belonging to the Legislature alone. Miss. Const. art. I, §§ 1-2. The Defendants' resulting reduction of MAEP funds to school districts and the subsequent payment of these reduced funds are also unconstitutional. *See* Miss. Code Ann. §§ 37-151-101, 37-151-103.

38. The Plaintiffs are entitled to a judgment declaring that the Defendants' actions under Miss. Code Ann. § 27-104-13 are unconstitutional.

CLAIM NO. 2: PERMANENT INJUNCTION

39. All paragraphs previously stated are incorporated herein as if fully reasserted.

40. The Plaintiffs are entitled to a judgment permanently enjoining Governor Bryant and State Fiscal Officer Jackson from exercising the authority unconstitutionally delegated to them by Miss. Code Ann. § 27-104-13.

41. Likewise, the Plaintiffs are entitled to a judgment permanently enjoining MDE and the State Treasurer from taking any actions to effectuate midyear budget cuts announced pursuant to Miss. Code Ann. § 27-104-13.

**CLAIM NO. 3:
WRIT OF MANDAMUS**

42. All paragraphs previously stated are incorporated herein as if fully reasserted.

43. The midyear budget cuts enacted by Governor Bryant and State Fiscal Officer Jackson under Section 27-104-13 of the Mississippi Code in February 2017 and March 2017 were unconstitutional and void *ab initio*. Miss. Const. art. I, §§ 1-2. The resulting reduced calculations and payments by MDE and the State Treasurer are likewise unconstitutional. *See* Miss. Code Ann. §§ 37-151-101, 37-151-103.

44. The Plaintiffs are entitled to a judgment requiring the Defendants to rescind their February 2017 and March 2017 midyear budget cuts and to restore to all affected state agencies the full amounts properly appropriated to them by the Legislature.


V. PRAYER FOR RELIEF

45. The Plaintiffs pray that the Court will enter judgment:

- i. declaring Section 27-104-13(2) of the Mississippi Code to be facially unconstitutional; or, in the alternative, declaring Section 27-104-13(2) of the Mississippi Code to be unconstitutional as applied;

- ii. declaring that the Legislative Branch is the only branch of state government permitted by the Mississippi Constitution to exercise budget-making authority;
- iii. declaring that midyear budget cuts, should they occur, are part of the Legislature's budget-making authority;
- iv. permanently enjoining Governor Bryant and State Fiscal Officer Jackson from exercising the authority delegated to them by Section 27-104-13(2) of the Mississippi Code;
- v. permanently enjoining MDE and Treasurer Fitch from taking any actions to effectuate midyear budget cuts announced pursuant to Miss. Code Ann. § 27-104-13;
- vi. issuing a writ of *mandamus* to require the Defendants to rescind their unconstitutional midyear budget cuts in February 2017 and March 2017 and to restore to all affected state agencies the full amount budgeted to them by the Legislature;
- vii. awarding to the Plaintiffs all other relief to which they may be legally entitled in law or equity, including but not limited to general relief.

RESPECTFULLY SUBMITTED this 17th day of May 2017.



Will Bardwell
Attorney for the Plaintiffs

OF COUNSEL:

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EXHIBIT 1

Affidavit of Rep. Bryant W. Clark

**IN THE CHANCERY COURT OF HINDS COUNTY
FIRST JUDICIAL DISTRICT**

**REP. BRYANT W. CLARK AND
SEN. JOHN HORHN**

PLAINTIFFS

V.

CAUSE NO. _____

**GOVERNOR PHIL BRYANT,
STATE FISCAL OFFICER LAURA JACKSON,
THE MISSISSIPPI DEPARTMENT OF EDUCATION,
AND STATE TREASURER LYNN FITCH**

DEFENDANTS

**AFFIDAVIT OF
REPRESENTATIVE BRYANT W. CLARK**

STATE OF MISSISSIPPI
COUNTY OF HOLMES

The undersigned Bryant W. Clark, being duly sworn, hereby testifies as follows:

1. I am Bryant W. Clark, an adult resident citizen of Holmes County, Mississippi. I am of sound mind, and I am not under the effects of any drug, mental illness, or duress.
2. I am a taxpayer. I pay federal income taxes, state income taxes, state sales taxes, and local *ad valorem* taxes. I am not delinquent on my tax obligations.
3. I am the duly elected Representative of Mississippi House of Representatives District 47, which covers Attala, Holmes, and Yazoo Counties. I have represented District 47 since 2004.
4. One of my most important responsibilities as the Representative of District 47 is to pass a state budget every year. The budget-making process takes eight to nine months, involves a complex process so that all viewpoints are considered, and results in a budget that has been discussed, debated, and voted on by the Legislature.

5. The budget process begins with state agencies. By August 1 of each year, every state agency sends a budget request to the Legislative Budget Office (LBO). The LBO assists the Joint Legislative Budget Committee (JLBC) in the development of the Legislative Budget Recommendation (LBR) and in general, throughout the annual state budget cycle. The JLBC is composed of 14 legislators, half from the Senate and half from the House of Representatives.

6. In September, the JLBC conducts public hearings to discuss each agency budget request. These hearings allow committee members to ask specific questions of agency directors.

7. In October, the Revenue Estimating Committee examines economic trends and develops a consensus revenue forecast for the upcoming year. The committee, which includes the State Economist, the State Fiscal Officer, the State Treasurer, the Chairman of the State Tax Commission, and the Director of the LBO, submits its revenue estimate to the Governor and the JLBC.

8. Based on the revenue estimate, the Governor must submit a balanced budget recommendation to the Legislature by November 15. This budget amount must not exceed 98 percent of the jointly adopted general fund revenue estimate, plus any unencumbered balance that will remain from the current year's budget.

9. The JLBC must respond with its own balanced budget recommendation by December 15. The JLBC also creates draft appropriations bills based on their budget recommendations.

10. The legislative session convenes during the first week of January. The draft appropriations bills are divided up between the House and the Senate Appropriations Committees and further divided by subcommittee, usually by agency function. The

House of Representatives and the Senate spend the next few months debating, amending and voting on these budget bills.

11. The chamber which receives the draft bill must finalize that bill and vote on it, so it can go to the other chamber. Action in the originating chamber must occur by the last week in February. By mid-March, legislators must vote on bills that originated in the other house. Then, they must either concur with any amendments made or invite conference so these changes can be discussed.

12. The legislative session ends around early April. By an established deadline, both chambers must adopt the conference reports on all appropriations bills. If approved, the bills are sent to the Governor for his signature.

13. I believe that the most important component of the state budget is the funding for public schools, known as the Mississippi Adequate Education Program (MAEP). For the 2017 fiscal year, the budget allocated \$2,036,556,667 to MAEP. This funding is critical because school districts need financial resources in order to educate our children adequately.

14. As the Representative of District 47, my constituents frequently speak to me about their concerns related to the state budget. In particular, many of my constituents urge me to do everything in my power to ensure that public schools receive all the financial support that is possible. My discussions with other House members, comments on the floor of the House, and votes in the House of Representatives reflect my best efforts to convey my constituents' concerns.

15. In February 2017, Governor Bryant cut MAEP by more than \$11.2 million. In March 2017, he cut MAEP by more than \$8.6 million. These midyear budget cuts occurred without any input, oversight, or voting by the Legislature.

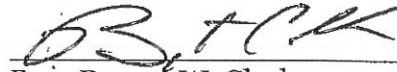
16. I don't know what, if any, process the Governor went through to make decisions related to these midyear budget cuts.

17. By imposing midyear budget cuts on the state budget that the Legislature spent months developing and ultimately passed, Governor Bryant and State Fiscal Officer Laura Jackson prevent me from representing my constituents' wishes in one of the most important responsibilities that I have as a legislator.

18. The foregoing statements are true, correct, and complete, to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NOT.

DATED this 14th day of May 2017.


Rep. Bryant W. Clark

SWORN TO and subscribed before me, this 14 day of May 2017.


NOTARY PUBLIC

My Commission Expires:


EXHIBIT 2

Affidavit of Sen. John Horhn

IN THE CHANCERY COURT OF HINDS COUNTY
FIRST JUDICIAL DISTRICT

REP. BRYANT W. CLARK AND
SEN. JOHN HORHN

PLAINTIFFS

V.

CAUSE NO. _____

GOVERNOR PHIL BRYANT,
STATE FISCAL OFFICER LAURA JACKSON,
THE MISSISSIPPI DEPARTMENT OF EDUCATION,
AND STATE TREASURER LYNN FITCH

DEFENDANTS

AFFIDAVIT OF
SENATOR JOHN HORHN

STATE OF MISSISSIPPI
COUNTY OF HINDS

The undersigned John Horhn, being duly sworn, hereby testifies as follows:

1. I am John Horhn, a resident citizen of Hinds County, Mississippi. I am of sound mind, and I am not under the effects of any drug, mental illness, or duress.
2. I pay federal income taxes, state income taxes, state sales taxes, and local *ad valorem* taxes. I am not delinquent on my tax obligations.
3. I am an elected Senator in the Mississippi Senate. In this capacity, I have represented District 26, which includes parts of Hinds County and Madison County, since 1993.
4. As a state Senator, I am responsible for passing a state budget each year. The budget-making process is complex and lengthy. First, state agencies submit budget requests to the Legislative Budget Office (LBO). The LBO assists the Joint Legislative Budget Committee (JLBC) in the development of the Legislative Budget

Recommendation (LBR). Next, the JLBC holds public hearings to review and discuss each agency budget request.

5. In October, the Revenue Estimating Committee examines economic trends and develops a consensus revenue forecast. The committee submits its revenue estimate to the Governor and the JLBC.

6. Based on the revenue estimate, the Governor must submit a balanced budget recommendation to the Legislature. This budget amount may not exceed 98 percent of the jointly adopted general fund revenue estimate, in addition to any unencumbered balance that will remain from the current year's budget.

7. The JLBC must respond with its own balanced budget recommendation by December 15. The JLBC also drafts appropriations legislation based on these recommendations.

8. The Legislative session convenes during the first week of January. The draft appropriations bills are divided between the House and the Senate Appropriations Committees. The House of Representatives and the Senate then spend several months debating, amending and voting on these budget bills.

9. After either chamber finalizes and passes a bill, the legislation is transmitted to the other chamber. By mid-March, legislators in both chambers must vote on bills that originated in the other chamber. Then, they must either concur with any amendments made or invite conference to discuss proposed changes.

10. Before the session ends in early April, both chambers must adopt the conference reports on all appropriations bills. If approved, the bills are sent to the Governor for his signature.

11. I believe that the Mississippi Adequate Education Program (MAEP) is the most important component of the state budget. For the 2017 fiscal year, the budget allocated just over \$2 billion to MAEP. Schools need this money. Without sufficient resources, school districts are unable to educate our children.

12. As the Senator from District 26, I frequently hear from constituents who are concerned that public schools in Jackson are underfunded. I have attempted to convey these concerns on the Senate floor.

13. In February 2017, Governor Bryant cut MAEP by more than \$11.2 million. In March 2017, he cut MAEP by more than \$8.6 million. These midyear budget cuts occurred without any input, oversight, or voting by the Legislature.

14. I don't know why Governor Bryant decided to cut MAEP by nearly \$20 million. I also don't know what analysis was conducted that allowed the Governor to conclude that schools did not need this \$20 million.

15. By imposing midyear budget cuts on the state budget, Governor Bryant and State Fiscal Officer Laura Jackson have prevented me from representing my constituents' interests in ensuring that their children's schools have enough funding.

16. The foregoing statements are true, correct, and complete, to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NOT.

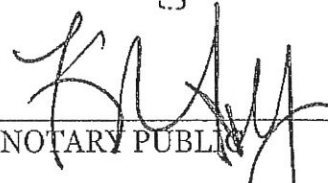
DATED this 17 day of May 2017.



Sen. John Horhn

SWORN TO and subscribed before me, this 17 day of May 2017.





NOTARY PUBLIC

My Commission Expires:

March 27, 2021

EXHIBIT 3

Department of Finance and Administration
Spreadsheet of February 2017 Cuts

FY2017 Budget Cuts - February

February 21, 2017

Agencies / Budgets	Total February Budget Cuts
General Fund Agencies	
Judiciary & Justice	
Attorney General's Office	(409,081)
Judicial Performance Commission	(5,779)
State Public Defender, Office of	(46,902)
Total Judiciary & Justice	(461,762)
Executive & Administrative	
Ethics Commission	(8,564)
Governor's Office - Support & Mansion	(33,071)
Secretary of State	(196,112)
Total Executive & Administrative	(237,747)
Fiscal Affairs	
Audit, Department of	(135,459)
Finance & Administration, Dept. of (DFA) - Support	(206,946)
DFA - Mississippi Home Corp.	(24,624)
DFA - Status of Women, Commission on the	(540)
DFA - Tort Claims	(71,747)
DFA - Subtotal	(303,857)
Information Technology Services - Support	(579,334)
ITS - Wireless Communications Commission	(45,365)
ITS - Subtotal	(624,699)
Personnel Board	(72,187)
Revenue, Dept. of - Support	(350,000)
Revenue, Dept. of - Subtotal	(350,000)
Board of Tax Appeals	(6,885)
Total Fiscal Affairs	(1,493,087)
Public Education	
General Education	(127,584)
Adequate Education Program (MAEP)	(11,207,191)
Vocational & Technical Education	(2,494,291)
MDE - Subtotal	(13,829,066)
Library Commission	(159,794)
Total Public Education	(13,988,860)

FY2017 Budget Cuts - February

February 21, 2017

Agencies / Budgets	Total February Budget Cuts
Higher Education	
IHL General Support	(5,895,189)
IHL Subsidiary Programs	(508,690)
IHL University Medical Center - Consolidated	(2,626,915)
IHL - Subtotal	(9,030,794)
Community Colleges Board - Admin	(99,603)
Community Colleges Board - Support	(3,746,302)
CCB - Subtotal	(3,845,905)
Total Higher Education	(12,876,699)
Public Health	
Dept. of Health - Support	(917,851)
Dept. of Health - Health Information Network	(9,294)
Dept. of Health - Local Gov't Rural Water Systems	(17,727)
Total Public Health	(944,872)
Agriculture & Commerce	
Agriculture & Commerce, Dept. of	(112,063)
Animal Health, Board of	(17,443)
Fair Commission - Livestock Shows	(3,593)
Total Agriculture	(133,099)
IHL Agricultural Units	
Alcorn Agricultural Programs	(97,112)
MSU- Agriculture & Forestry Experiment Station (MAFES)	(355,226)
MSU - Cooperative Extension Service	(458,713)
MSU- Forest & Wildlife Research Center	(94,254)
MSU - College of Veterinary Medicine	(272,849)
Total IHL Agriculture	(1,278,154)
Economic Development	
Mississippi Development Authority (MDA)	(302,836)
Total Economic Development	(302,836)

FY2017 Budget Cuts - February

February 21, 2017

Agencies / Budgets	Total February Budget Cuts
Conservation	
Archives & History, Dept. of	(7,082)
Archives & History - Statewide Oral History	(668)
Environmental Quality, Dept. of	(191,376)
Forestry Commission	(236,786)
Grand Gulf Military Monument	(2,808)
Marine Resources, Dept. of	(58,872)
Oil & Gas Board	(33,566)
Pearl River Basin Development District	(2,671)
Soil & Water Conservation	(10,927)
Tennessee-Tombigbee Waterway	(2,673)
Wildlife, Fisheries & Parks (WFP)	(6,379)
Total Conservation	(553,808)
Insurance & Banking	
Insurance Dept. - Support	(189,292)
State Fire Academy	(78,560)
Total Insurance & Banking	(267,852)
Corrections	
Corrections, Dept. of - Consolidated	(4,738,325)
Total Corrections	(4,738,325)
Social Welfare	
Human Services, Dept. of - Consolidated (excl. F&CS)	(875,809)
Rehabilitation Services - Consolidated	(395,439)
Total Social Welfare	(1,271,248)

FY2017 Budget Cuts - February

February 21, 2017

Agencies / Budgets	Total February Budget Cuts
Military, Police & Veterans' Affairs	
Military Department - Consolidated	(39,913)
DPS - Highway Safety Patrol	(302,357)
DPS - Aging, Council on	(6,480)
DPS - Crime Lab	(35,796)
DPS - Crime Lab - State Medical Examiner	(10,124)
DPS - Homeland Security	(1,317)
DPS - Juvenile Facility Monitoring Unit	(861)
DPS - Law Enforcement Officers Training Academy	(4,395)
DPS - Narcotics, Bureau of	(66,502)
DPS - Public Safety Planning, Office of	(5,002)
DPS - Support Services	(64,365)
DPS - Subtotal	(497,199)
Veterans Affairs Board	(25,298)
Total Military, Police & Veterans' Affairs	(562,410)
Local Assistance	
Homestead Exemption	(1,227,225)
Total Local Assistance	(1,227,225)
Miscellaneous	
Arts Commission	(25,745)
Gaming Commission	(7,416)
Public Service Comm. - Support	(4,203)
Public Service Comm. - No Call Solicitation	(1,190)
Public Service Comm. - Public Utilities Staff	(30,644)
Workers' Compensation Comm.	(87,828)
Total Miscellaneous	(157,026)
Special Fund Agencies (Non-State Support)	FY2017 Total February Other Special Fund Cuts
Corrections - Farming	(40,436)
Employment Security	(3,949)
Treasurer Office, State	(72,508)
Transportation, Dept. of	(859,990)
Transportation, Dept. of - State Aid Road (OSF)	(1,528,107)

EXHIBIT 4

Department of Finance and Administration
Spreadsheet of March 2017 Cuts

FY2017 Budget Reductions - March

March 24, 2017

Agencies / Budgets	March Budget Cuts
General Fund Agencies	
Judiciary & Justice	
Attorney General's Office	(128,511)
District Attorneys & Staff	(106,615)
Judicial Performance Commission	(1,815)
State Public Defender, Office of	(14,734)
Total Judiciary & Justice	(251,675)
Executive & Administrative	
Ethics Commission	(2,690)
Governor's Office - Support & Mansion	(10,389)
Secretary of State	(61,608)
Total Executive & Administrative	(74,687)
Fiscal Affairs	
Audit, Department of	(42,554)
Finance & Administration, Dept. of (DFA) - Support	(188,938)
DFA - Mississippi Home Corp.	(7,735)
DFA - Status of Women, Commission on the	(170)
DFA - Tort Claims	(22,539)
DFA - Subtotal	(219,382)
Information Technology Services - Support	(181,995)
ITS - Wireless Communications Commission	(41,417)
ITS - Subtotal	(223,412)
Personnel Board	(22,677)
Board of Tax Appeals	(2,163)
Total Fiscal Affairs	(510,188)
Public Education	
General Education	(738,904)
Adequate Education Program (MAEP)	(8,601,764)
MDE - Subtotal	(9,340,668)
Library Commission	(50,199)
Total Public Education	(9,390,867)

FY2017 Budget Reductions - March

March 24, 2017

Agencies / Budgets	March Budget Cuts
Higher Education	
IHL General Support	(1,851,944)
IHL Subsidiary Programs	(159,802)
IHL University Medical Center - Consolidated	(825,232)
IHL - Subtotal	(2,836,978)
Community Colleges Board - Admin	(31,290)
Community Colleges Board - Support	(1,176,882)
CCB - Subtotal	(1,208,172)
Total Higher Education	(4,045,150)
Public Health	
Dept. of Health - Support	(288,338)
Dept. of Health - Health Information Network	(2,920)
Dept. of Health - Local Gov't Rural Water Systems	(5,569)
Total Public Health	(296,827)
Hospitals & Hospital Schools	
Mental Health Department - excl. Central Office	(1,088,171)
Mental Health Department - Central Office	(12,412)
Total Hospital & Hospital Schools	(1,100,583)
Agriculture & Commerce	
Agriculture & Commerce, Dept. of	(35,204)
Animal Health , Board of	(5,480)
Fair Commission - Livestock Shows	(1,129)
Total Agriculture	(41,813)
IHL Agricultural Units	
Alcorn Agricultural Programs	(30,507)
MSU- Agriculture & Forestry Experiment Station (MAFES)	(111,593)
MSU - Cooperative Extension Service	(144,103)
MSU- Forest & Wildlife Research Center	(29,609)
MSU - College of Veterinary Medicine	(85,714)
Total IHL Agriculture	(401,526)

FY2017 Budget Reductions - March

March 24, 2017

Agencies / Budgets	March Budget Cuts
Economic Development	
Mississippi Development Authority (MDA)	(95,135)
Total Economic Development	(95,135)
Conservation	
Archives & History, Dept. of	(41,020)
Archives & History - Statewide Oral History	(210)
Environmental Quality, Dept. of	(60,120)
Forestry Commission	(74,385)
Grand Gulf Military Monument	(882)
Marine Resources, Dept. of	(18,495)
Oil & Gas Board	(10,545)
Pearl River Basin Development District	(839)
Soil & Water Conservation	(3,433)
Tennessee-Tombigbee Waterway	(840)
Wildlife, Fisheries & Parks (WFP)	(36,944)
Total Conservation	(247,713)
Insurance & Banking	
Insurance Dept. - Support	(59,465)
State Fire Academy	(24,679)
Total Insurance & Banking	(84,144)
Corrections	
Corrections, Dept. of - Consolidated	(1,488,521)
Total Corrections	(1,488,521)
Social Welfare	
Human Services, Dept. of - Consolidated (excl. F&CS)	(275,131)
Child Protection Services, Dept. of	(512,618)
Rehabilitation Services - Consolidated	(124,225)
Total Social Welfare	(911,974)

FY2017 Budget Reductions - March

March 24, 2017

Agencies / Budgets	March Budget Cuts
Military, Police & Veterans' Affairs	
Emergency Management Agency (MEMA)	(14,686)
MEMA Disaster Relief	(2,756)
Military Department - Consolidated	(36,440)
DPS - Aging, Council on	(961)
DPS - Crime Lab	(32,681)
DPS - Crime Lab - State Medical Examiner	(3,180)
DPS - Homeland Security	(414)
DPS - Juvenile Facility Monitoring Unit	(271)
DPS - Law Enforcement Officers Training Academy	(1,381)
DPS - Narcotics, Bureau of	(60,715)
DPS - Public Safety Planning, Office of	(1,571)
DPS - Support Services	(20,220)
DPS - Subtotal	(121,394)
Veterans Affairs Board	(23,097)
Total Military, Police & Veterans' Affairs	(198,373)
Local Assistance	
Homestead Exemption	(385,527)
Total Local Assistance	(385,527)
Miscellaneous	
Arts Commission	(8,088)
Gaming Commission	(42,946)
Public Service Comm. - Support	(24,342)
Public Service Comm. - No Call Solicitation	(374)
Public Service Comm. - Public Utilities Staff	(9,627)
Workers' Compensation Comm.	(27,591)
Total Miscellaneous	(112,968)

Special Fund Agencies (Non-State Support)	March Budget Cuts
Corrections - Farming	(12,703)
Employment Security	(22,876)
Treasurer Office, State	(22,779)
Transportation, Dept. of	(270,161)
Transportation, Dept. of - State Aid Road (OSF)	(480,047)

EXHIBIT 5

February 2017 Letter from Governor Bryant
to State Fiscal Officer Jackson



PHIL BRYANT
GOVERNOR

February 21, 2017

Laura Jackson, State Fiscal Officer
Department of Finance and Administration
501 North West Street
Suite 1301, Woolfolk Building
Jackson, Mississippi 39201

Dear Laura:

Revenue collections for FY 2017 continue to fall below expectations, and cuts in state government are necessary to meet the requirement of state law to balance Mississippi's budget. Last week, the State Economist presented his annual Legislative Economic Briefing and stated that "the Mississippi economy is growing, but the growth is not translating into more revenue." Additionally, the State Economist does not foresee an uptick in revenue for the remainder of the fiscal year.

As Governor, I am required by state law to impose budget cuts when revenue collections do not meet our estimates—and they have not. I also have authority to transfer up to \$50.0 million from the Working Cash Stabilization Reserve Fund, commonly known as the Rainy Day Fund, to the State General Fund to stabilize the budget when we are experiencing revenue shortfalls.

In accordance with Section 27-103-203, Mississippi Code of 1972, Annotated, I am directing \$7 million be transferred from the Working Cash Stabilization Reserve Fund to the State General Fund; and in accordance with Section 27-104-13, Mississippi Code of 1972, Annotated, it is necessary to reduce Fiscal Year 2017 budgets to achieve a savings of \$43,000,000.

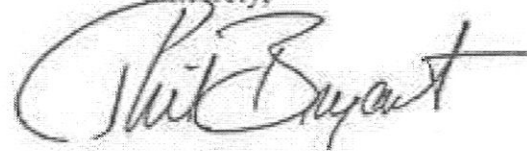
To accomplish the \$43 million in reductions to FY 2017 appropriations, I am mandating additional cuts to most agencies equivalent to 0.9% of their budget. Agencies that were exempted in last month's budget cuts will only be cut by one-half of one percent. No agencies that are statutorily exempt are included in the cuts. Additionally, I have exempted Student Financial Aid, School for the Blind & Deaf, the Department of Mental Health, the Department of Child Protection Services, and the Mississippi Emergency Management Agency.

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It is tempting to leave things alone and hope for revenue collections to improve and offset the shortfall we are experiencing; however, I feel it is imperative that we take action based on the best possible information available. If we postpone spending reductions until later, then state agencies must make relatively larger cuts and will have less flexibility/time to handle the necessary cuts.

Sincerely,

A handwritten signature in cursive script that reads "Phil Bryant". The signature is fluid and stylized, with a large initial "P" and a long horizontal stroke at the end.

Phil Bryant
Governor

EXHIBIT 6

March 2017 Letter from Governor Bryant
to State Fiscal Officer Jackson



PHIL BRYANT
GOVERNOR

March 24, 2017

Laura Jackson, State Fiscal Officer
Department of Finance and Administration
501 North West Street
Suite 1301, Woolfolk Building
Jackson, Mississippi 39201

Dear Laura:

After reviewing state tax collections for Fiscal Year 2017 and the forecast of the revenue estimating committee, it is clear that revenue will not be adequate to support budgeted expenditures for the current fiscal year. Unfortunately, a reduction in funds to state government agencies is needed to meet the requirement of state law to balance Mississippi's budget. In accordance with Section 27-104-13, Mississippi Code of 1972, annotated, it is necessary to reduce FY 2017 budgets to achieve a savings of \$20,446,237. To accomplish the \$20 million adjustment, I am mandating reductions to most agencies' budgets equivalent to 0.46%.

Additionally, I am authorizing you to transfer \$39 million from the Working Cash-Stabilization Reserve Fund as needed, and I have requested legislation allowing you to access additional funds from the Working Cash-Stabilization Reserve Fund to prevent additional reductions before the end of the fiscal year.

We will continue to closely monitor spending and to make fiscally conservative budget decisions.

Sincerely,

A handwritten signature in cursive script that reads "Phil Bryant".

Phil Bryant
GOVERNOR

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