



THE CLAY FIRM

NEWSLETTER

CAPITOL REPORT

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Tuesday was the deadline for floor action on appropriation and revenue bills originating in the opposite house. As the legislature enters its last few weeks of the session, lawmakers are busy finalizing the budget for Fiscal Year 2027. While the majority of appropriations bills have been invited to a conference committee, 26 agency budget bills have already arrived at Governor Tate Reeves' desk and are awaiting final approval.

Thursday, March 26, marks the deadline for legislators to concur or invite conference on general bills. With several measures still awaiting action on both the House and Senate calendars, members will soon have to determine



how they intend to handle the remaining legislation.

The Senate passed a bill this week to create educational tax credits for special-purpose schools under the Children's Promise Act. [HB 1944](#), rewritten through a strike-all, places these schools, which serve students with disabilities, into a new third category under state tax law. The exist-

-ing two categories would remain capped at \$9 million each, while special-purpose schools would receive \$6 million in available credits for 2027-28, increasing to up to \$8 million the following year.

One of the bills that did not survive Tuesday's revenue deadline was [HB 4074](#), the Mississippi Sports Wagering Act. This was the second time legislation authorizing mobile sports betting died this session. Senate Gaming Chairman David Blount attributed his decision to block the bill to concerns over the financial impact it would have on brick-and-mortar casinos' revenue.

SENATE REVIVES PERS REFORM

After the House killed all Senate legislation altering the Public Employees' Retirement System of Mississippi, the Senate revived most of its reforms this week through strike-all language.

Earlier this session, the Senate passed [SB 2909](#), which would have reduced the service requirement for the newly created PERS Tier 5 from 35 years to 30 years for all state employees. The measure failed when it reached the House. [HB 4074](#) was originally written to

create the Mississippi Work and Save Program, a state-sponsored retirement option for employers who do not offer retirement benefits. While the Senate's strike-all language preserves the Work and Save Program, it also adds several PERS-related changes.

The amended bill again reduces the service requirement for Tier 5 employees from 35 years to 30 years. It also proposes transferring \$500 million from the Capital Expense Fund to

the PERS account and adding \$5 million per year for 10 years to support future cost-of-living adjustments for new state employees hired after March under Tier 5. Another provision would lower the "sit-out time" for retired state employees returning to work from 90 days to 30 days.

The bill passed the Senate floor but was invited to a conference committee when returned to the House.



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Q U I C K H I T T E R S

1) The Mississippi State Board of Education announced on Thursday that they have approved an updated strategic plan titled "Mississippi Strategic Plan for Pre-K through Grade 12 Education." It is said to incorporate new priorities for the state's education system while ensuring Mississippi schools build upon their historic academic achievements of late. The Mississippi Department of Education developed the updated Strategic Plan after gathering stakeholder input through a survey and focus group interviews with approximately 100 Mississippians last fall. The updated plan includes six specific goals to equip every public school student with the knowledge and skills to succeed in college, careers, and life, per SBE. The six specific goals outlined in the plan are:

- Every child has access to a high-quality early childhood program and is prepared for kindergarten
- Every student develops strong literacy and mathematics skills in all grades

- Every student graduates prepared for success in college, career, or military service
- Every school and district demonstrates strong academic outcomes and continuous improvement
- Every school is fully staffed with qualified, effective teachers and leaders
- All students attend schools and districts with safe, engaging, and supportive environments