

February 6, 2002

To the Members of the Mississippi State Legislature and the People of Mississippi:

I am pleased to present to you my budget recommendation for Fiscal Year 2003.

In the past year, the state and national economy have been relatively stagnant. The tragic events of September 11 have only served to prolong the economic recovery we have been hoping for. We must be prudent in our work and prepare a budget that reflects our state and national condition.

As Governor, I have a fiscal responsibility to the people of Mississippi. It is my job to provide leadership and planning for the good times as well as the bad times. Everyone involved in the budget process must remember we are dealing with real numbers and real people. Like oil and water, false hopes and real numbers do not mix. We cannot afford to threaten our stability by offering an elusive goal for growth in Mississippi.

The attached executive budget recommendation is based on a revenue estimate of 2.65 percent for 2003 and a negative 2.2 percent for 2002. We must maintain our focus on using real and conservative numbers when shaping our budget plans for the future.

To that end, I am once again calling on the Mississippi Legislature to provide agency directors with the freedom and flexibility to manage their budgets. These individuals have been selected because of their expertise in their respective fields, and we must allow them the opportunity to use that expertise.

Great things are happening in Mississippi, and the priorities in my budget reflect the work that is being done as well as the work yet to be done. We are receiving national and international attention for our economic development efforts. We have made a commitment to our teachers and our children by maintaining the Fiscal Year 2002 funding level of the Mississippi Adequate Education Program, including \$70 million for the teacher pay raise, and restoring \$30.5 million in textbook and classroom supply funds. We have an opportunity to positively change the health care needs of Mississippians and the generations to follow. The safety and security of our citizens is being ensured through new initiatives, protocols and levels of cooperation between public safety, emergency and law enforcement agencies.

The success of our work depends on building a strong and realistic budgetary foundation. I look forward to working with you on crafting a budget that will provide the great State of Mississippi with the ability to serve its people and their needs.

Very truly yours,

Ronnie Musgrove

