

Governor's Column – 01/06/02

## **2002 Session Demands Cooperation**

The new year is here, the holidays are over, and there's work to be done.

This coming week, the halls of the state capitol will give up the quiet of the holidays for the hustle and bustle of the legislative session. As usual, there will be no shortage of issues for discussion; how we shape that discussion will help determine the success of our efforts this year.

Times are tough. There's no argument there. But, we are charged with the responsibility of facing those tough times and reaching a solution. The people of Mississippi have elected me, along with the leadership and members of the Legislature, to find a way to make things work – in good times and bad.

The overriding issue is, obviously, the state budget. Mississippi has been affected by a sluggish national economy, one that impacted our revenue collections even before the tragedies of September 11. In the first six months of the current fiscal year, our collections are down approximately \$120 million below the original revenue collection estimate of 3.7 percent.

Our economy has “grown” by a negative 7 percent. This negative growth affects all aspects of state operations and, more importantly, the lives of people across the state.

In addition to the demands of the current fiscal year, we must make some difficult decisions about the budget for the fiscal year beginning in July. Most pressing is the situation at the Division of Medicaid with its deficit of \$124 million, a deficit created mainly by the addition of 87,000 new recipients, over 43,000 children added to the Children's Health Insurance Program (CHIP), and the expansion of benefits mandated by law.

The popular opinion about how this deficit will be managed is that the Legislature will dip into the tobacco trust fund. With approximately \$650 million in the fund, it is an inviting and seductive prospect, but one that needs to be turned away. We cannot afford to raid this fund on the premise that the money we take out will later be returned.

Other states, such as Tennessee and Ohio, have already raided their tobacco settlement funds to make up budget shortfalls. One-time raids have left their coffers empty. Unfortunately, they will suffer the consequences of these actions for years to come.

The money from the tobacco settlement is, by law, to be used for the health care needs of the people of Mississippi, not for covering budget shortfalls. The health care proposal I have laid out abides by the spirit of the tobacco settlement and does not touch the tobacco trust fund.

We can take a portion of the future annual settlement payments from the tobacco companies and match it with existing federal funds through Medicaid waivers, or more specifically, through Section 1115 waivers. These waivers allow the executive branch of the federal government to waive certain rules, and one-fifth of all federal Medicaid dollars are currently spent on Section 1115 waivers.

Give us a quarter, and we'll turn it into a dollar for health care needs affecting our people while the tobacco trust fund remains intact. Like every other state in the nation has been doing for years, we can and should do this.

It's been said that leadership is action, not position. The people of Mississippi want action. Now is not a time for us to point fingers or seek to shift responsibility. Rather, we should focus on the people, not on politics. Any less is a disservice to the offices we hold and those who entrusted us with this responsibility.

