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**OFFICE OF GOVERNOR RONNIE MUSGROVE**  
**INTEROFFICE MEMORANDUM**

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**TO:** MUSGROVE, RENICK  
**FROM:** BOYD  
**SUBJECT:** ECONOMIC STIMULUS PACKAGE  
**DATE:** OCTOBER 24, 2001  
**CC:** FILE

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Jump-starting the state economy is vastly different from the national economy. The following list provides a starting point for the development of stimulus package for the State of Mississippi. Just fill in the blanks.

#### Economic Development

- \$\_\_\_\_ million for the ACE Fund—which can be used recruitment and retention of businesses. Grants to companies are made at the sole discretion of MDA.
- \$\_\_\_\_ million for a Mississippi Community Development Block Grant Program, similar to the Small Population and CDBG program, but would also include larger population applications.
- \$\_\_\_\_ million for water and wastewater system improvements (including a grant program for small areas and funding for the State Revolving Loan Program).
- \$\_\_\_\_ million “Mississippi Works” program—a workforce investment and education training and provide lower interest loans for community and senior colleges (e.g., qualifying people who have been laid off)
- \$\_\_\_\_ million to start state-backed guarantee program for business lending which could stimulate lending to businesses and improve employment. (e.g., low interest, emergency qualification, etc.)

#### Housing Starts and Building Permits

- \$\_\_\_\_ million for housing program (i.e., inmate-built homes), low interest housing construction loans, and individual loan assistance programs.
- \$\_\_\_\_ million to fast-track state buildings for core agencies (i.e., MEMA, DEQ, MESC).

### High Tech Infrastructure

- \$\_\_\_ million technology enhancements for attracting a high tech economy (i.e., Computers in Classrooms, fiber-optic cables along highway right-of-ways, High Tech Incubator)

### Health Care

- \$400 million in tobacco and federal funds. (need I say more).

### Transportation

- \$\_\_\_ million for road and highway projects—speeding up the conclusion of Phase III and starting of Phase IV on the 1987 Highway Program—or specifically funding the Highway 15 four-lane project (or, designing a new program for Highway Improvements).
- \$\_\_\_ million for airports and port facilities—increase size and capacity as well as security.

### Education

- \$\_\_\_ million for the construction of new classrooms, university research centers (i.e., biotechnology, high technology, remote sensing, medical research, engineering).
- \$\_\_\_ million for university research, specifically for commercialization. By investing in the university research capacity, we are making long term investments in the diversification of our state's economy.
- \$\_\_\_ million for extend grace periods for education loans.
- \$\_\_\_ million for worker training and education efforts for displaced workers (Mississippi Displaced Workers Education Plan—M-Depth—In-depth).

### Revenue Generation for Local Communities

- Levying a \$0.02 tax on gasoline for local transportation infrastructure improvements (similar to the sales tax rebate). This would permit local construction projects for municipalities and counties (could assist with the bridge replacement program).

### Tax Breaks

- \$\_\_\_ million for additional workforce investments, expansions, etc.
- \$\_\_\_ million for a tax holiday prior to the Christmas Shopping season. We could work with local storeowners and announce this with an additional commitment from them to match the 7% reduction. (We could also propose this for Back-to-School Day.)

- Eliminate/Reduce the sales tax on food. This leads to more funds into the economy and assists lower income families with more disposable income.
- Increase the standard deduction on state income taxes \$6,000 to \$\_\_\_\_\_ per individual and \$12,000 to \$\_\_\_\_\_ per couple, retroactive for 2002 calendar year/tax year.

\$\_\_\_\_\_ million—Total Economic Stimulus Package

#### Other Suggestions

Once the stimulus package has been drafted, we should obtain input from economists regarding its potential success, secondary market impact, and total value. Once we have this additional information, we should then work with MEC, business leaders, and others to announce this package—it should be a large event. This idea is unprecedented on a state level, and it should be marketed that way.

#### Direction from Here

Please review and advise on what options you wish to pursue and other ideas that you have.