

March 30, 2001

TO THE MISSISSIPPI STATE SENATE:

GOVERNOR'S VETO MESSAGE FOR SENATE BILL 2680

I am returning Senate Bill Number 2680: "AN ACT TO AMEND SECTION 27-25-506, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT UNTIL FISCAL YEAR 2005, ALL OF THE STATE'S SHARE OF OIL AND GAS SEVERANCE TAXES SHALL BE APPROPRIATED FOR THE SUPPORT OF THE MINIMUM EDUCATION OR ADEQUATE EDUCATION PROGRAM; TO CREATE A SPECIAL FUND CALLED THE BUDGET CONTINGENCY FUND; AND FOR RELATED PURPOSES" without my approval and assign the following reason for my veto.

The fiscal year 2002 general fund budget as passed by the Legislature is based on a 3.7% revenue growth rate. We are currently growing at less than 1%. While I have repeatedly proposed that the revenue growth rate be reduced to a more realistic level, the Legislature has found an additional \$27.6 million of revenue in its budget that would be deposited into the Budget Contingency Fund. In the past this money would be deposited in the General Fund and appropriated by the Legislature. There is no need to create a Budget Contingency Fund. I agreed that we needed a bridge for higher education. This could have been accomplished without the creation of the fund. This action compounds the budget problem for the short and long term.

Senate Bill No. 2680 provides for the creation of the Budget Contingency Fund. These funds are appropriated to 24 different state departments and agencies. No repealer of the Budget Contingency Fund has been provided for in Senate Bill No. 2680 potentially creating an uncontrolled Legislative fund. If this is indeed a bridge, there should be a repealer on the fund.

Therefore, I can not in good conscience sign these bills without asking the Mississippi legislature, representatives duly elected by our people, to reconsider their efforts and take one more look at where we can make responsible decisions and set a reasonable direction for our state, together. Let's talk about making fiscally conservative projections, giving our agency directors flexibility to better manage their resources, and let's give our people a reason to have confidence in our actions for years to come.

Respectfully submitted,

RONNIE MUSGROVE
GOVERNOR