

March 30, 2001

TO THE HOUSE OF REPRESENTATIVES:

GOVERNOR'S VETO MESSAGE FOR HOUSE BILL 1015

I am returning House Bill Number 1015: "AN ACT TO DIRECT THE STATE TREASURER TO TRANSFER CERTAIN FUNDS INTO 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.

House Bill No. 1015 identifies 12 funds that the \$27.6 million will come from. Two of the funds, State Personnel Board and Information Technology Services, receive their funding from assessments to other state agencies. These assessments are paid with state and federal funds. Previous attempts by the Legislature to use these types of funds for the benefit of the state as a whole, have resulted in the Federal Government demanding their share. Cost allocation fund experts tell us the Federal Government will most certainly make a demand on the state for their share of these funds.

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