

**For Immediate Release**

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**Contact:** John Sewell

601-359-2916

## **Governor Musgrove Calls on Agencies to Hold Back 5% for Fiscal Year 2003**

(Jackson, MS) – For the second year in a row, Governor Ronnie Musgrove has called on state agencies to hold back five percent of their appropriations for the first half of the 2003 fiscal year. Musgrove took this action last year in anticipation of budget cuts due to lower than estimated revenue collections.

“Once again, we should take the fiscally responsible route and plan for revenue collections to come in below the estimate of 3.8 percent,” Musgrove said. “All indicators show our recovery will most likely lag the national economy by at least twelve months, and we need to be prepared.”

A report released by the National Association of State Budget Officers (NASBO) in March stated that state revenues are trailing behind the national economy, due in part to an erosion of tax bases, escalating costs of health care, and an increase in temporary workers.

Today’s action is based on fiscal information from state and national economists, the business community, the National Governors Association, and NASBO.

“Given the national recession and the reports from organizations such as the NGA and NASBO, we’re taking action now to put a safety net in place,” said Musgrove. “This is the right thing to do and the right time to do it.”

A hand-out is available by calling 601-359-2916.

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