

For Immediate Release

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Governor Musgrove Vetoes House Bill 1036

(Jackson, MS) – Governor Ronnie Musgrove today vetoed House Bill 1036. The legislation spends the state's 2 percent holdback for the 2004 fiscal year of more than \$71 million, as well as more than \$80 million of the less than \$102 million remaining in the state's rainy day fund.

"We simply cannot spend all current savings, as well as all savings for next year," Musgrove wrote in his veto message to the House of Representatives. "The effect of these two actions together is that the State Fiscal Officer will have no funds for cash flow management and agencies will have no savings cushion."

The impact of the national recession is affecting every state, Musgrove said, but Mississippi has been able to manage during the recession by setting priorities and maintaining a fiscally conservative approach. He called on legislators to rethink the legislation to divert the source by which the rainy day fund is replenished.

"This conservative, responsible budget principle is important to the future fiscal stability of the state," he wrote.

"Bear in mind that we have worked together in tough budgetary times to fund necessary services important to the people of Mississippi without raising taxes. I believe that by continuing this cooperative approach we can find solutions for the next fiscal year without the imposition of taxes."

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