

Governor's Column – 11/11/01

Mississippi's Budget Must Deal with Real Numbers, Not False Hopes

I've been traveling around the state recently, meeting with individuals and public officials in towns like Greenwood and Guntown, Monticello and McLain, Richton and Rosedale. The discussions have focused on the tough economic situation in our state and country.

In those discussions, I've heard firsthand from the people how they are dealing with the sluggish economy. They're practicing what parents have taught their children for generations – be realistic about how much money you have, and don't spend more than you have.

The size of the budget doesn't matter; the principle is the same. It's time to use that principle at the state level.

We knew these times were coming, but the times are tougher because of overly optimistic revenue projections used in shaping the budget. Earlier in the year, after meeting with Federal Reserve Chairman Alan Greenspan and reading reports from other economists, I urged a conservative revenue projection of one percent growth.

Following the adoption of the projection of nearly four percent, I asked state agencies in May to budget only 45 percent of their appropriations for the first half of the fiscal year. Based on the current situation, I believe this was the right move.

Those agencies that took this action are in a better position now to deal with the shortfall in revenue collections, now at \$66 million below estimates.

As Governor, I have a fiscal responsibility to the people of Mississippi. It is my job to provide leadership and planning for the good times as well as the bad times. It's a responsibility I have taken seriously for the past seven years in my time as Lieutenant Governor and Governor, and it's one I won't step away from.

The work is underway on developing the revenue projections for next year's budget. Again, all the evidence from the Federal Reserve Board and economists points to an economy that won't begin its recovery until at least the third quarter of 2002. We have to be very careful and very prudent in our estimation of revenue growth for the next fiscal year.

Mississippi isn't alone in this budget predicament. States around the country are dealing with budget shortfalls reaching into the hundreds of millions. However, this shared problem doesn't make Mississippi's situation any easier.

It is important for all involved in the budget process to remember we are dealing with real numbers and real people. Like oil and water, false hopes and real numbers don't mix. We cannot afford to threaten our stability by offering an elusive goal for growth in Mississippi.

There are people who work hard every day around this state to make ends meet for themselves and their families. They don't plan their spending on what they hope to bring in; they plan it on what they know they'll bring in. I want to do the same.

The people of this state deserve and demand real solutions. I'm going to work hard to see that they get them.