

*Remarks for the  
ARC Meeting  
February 23, 2003*

- Concerned about FY2004 budget proposal for the ARC
  - President's budget cuts non-highway programs by more than 50%
    - These funds used for area development, distressed counties, etc.
  
- This represents major policy shift and alters the mission of the ARC
  - Restructures the agency from grantmakers to regional planners and coordinators
  - Diminishes worth of the program for MS by taking away my flexibility and ability to address needs at local level

- Both budget cut and policy shift are at odds with recent activities
  - 2002 – Congress and President approved 5-year reauthorization package for ARC, with increase in base funding for ARC
  - “Mission and operating” model of ARC used for proposal of four new regional commissions by Congress since 2000
  
- Hallmark of ARC has been partnership of state and federal governments with local governments
  - Budget proposal is in direct conflict with this successful grassroots approach that has been used for nearly 38 years
  
- MS has used limited ARC funds well
  - During my administration, about \$15 million in ARC funds spent on projects

- ARC projects in MS include:
  - More than 25 projects to provide water and/or sewer for businesses, schools and homes
  - Grants that helped create over 7,000 jobs and retain over 21,000 jobs
  - Support of Computers in the Classroom initiative, including \$2 million to build fiber network through state's ARC region
  - Education projects benefiting more than 114,000 students and 450 teachers
  - \$650,000 in ARC funds to help attract Eurocopter
  - \$650,000 in ARC funds helped create over 300 new jobs in Monroe County, an ARC distressed county

- As you can see, the role of ARC in MS vital to our efforts to build good schools, good jobs and good communities

### ***LANGUAGE FOR YOUR SUGGESTED MOTION***

Since taking office, I've personally witnessed what the ARC can do for our region. ARC funds have had a tremendously positive impact on our 24 ARC counties, helping to create and retain jobs, improve the infrastructure, and create a better atmosphere for educational growth.

Each year, our ARC office receives between \$10-14 million worth of project applications. Our ARC alternate, Bill Renick, and the state's program manager, Dr. Mabel Murphree, and I have to make some difficult decisions regarding which projects are

funded with our \$3.5-4 million annual allocation from ARC.

Not having the capability to keep this program flexible at the local level will destroy the grassroots approach that has made our work so successful.

There's no denying that we are in tough economic times. Every state has been affected by the national recession. However, now is not the time to cut funding that can stimulate hope, prosperity and economic growth in an impoverished region.

I am calling on my fellow governors within the ARC to join me in a bipartisan strategy and commitment to continue the work that remains to be done in our region, and lift our region to a point of economic parity with the rest of the nation.

We do not need to leave this room today without making a commitment to each other – and more importantly, to the people we serve – to work together to ensure the ARC is fully funded.

Mr. Chairman, I would like to make a motion that the 13 governors of the ARC co-sign a letter to the leadership of Congress and the White House, asking that the ARC be fully funded at the \$88.5 million level for FY04, and in future years at the recommended levels outlined in the 2002 reauthorization legislation.