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SESSION ENDS WITH LESS DEBT, INCREASED EDUCATION FUNDING, LT. GOV. REEVES ANNOUNCES

Measures pass to reduce spending, improve transparency, protect families

JACKSON – The 2012 legislative session ended with the passage of a balanced $5.5 billion budget for the next fiscal year and laws strengthening protections against child abuse and improving business regulations, Lt. Gov. Tate Reeves announced today.

Measures approved included a one-year moratorium on state vehicle purchases, increased spending on education, requiring doctors at abortion clinics to have admitting privileges at local hospitals, revisions that strengthen the state’s workers’ compensation law, and phasing out of the state’s inventory tax on businesses.

“This session, we addressed many of the key concerns expressed by Mississippians: to bring down the state’s debt, control spending and give more funds to education,” Lt. Gov. Reeves said. “I appreciate the hard work of the committee chairmen and the entire Senate in passing strong legislation that helps private businesses create jobs and makes Mississippi a better place to raise a family.”

While a strong public charter school measure did not survive the session, Lt. Gov. Reeves will continue to push for meaningful education reform that gives parents a choice in their children’s education. He supports a public charter school law that requires operators to have a proven track record of success and follow state attendance laws and testing requirements.

“We need education reform in Mississippi that will truly have an impact on students’ achievement, and charter schools are a way to accomplish that,” Lt. Gov. Reeves said. “Children trapped in failing school districts deserve an opportunity for success, and I look forward to passing real education reform next year.”

Highlights from the 2012 legislative session:
Budget

The Legislature had a difficult task of forecasting budget needs in a fragile economy with predictions that revenues would not return to pre-recession levels until 2015 or 2016. This session, the Legislature crafted a balanced budget that spends more on education and adequately funds other priorities for the fiscal year that begins in July.

Lawmakers agreed to set aside 2 percent of the general fund budget in the state’s “Rainy Day Fund” to provide a cushion in the current economic climate. The budget provided $30 million more to K-12 education, including $19 million more to the Mississippi Adequate Education Program, and more funding to community colleges and student financial aid.

This year, the state will not issue any new debt as the Senate and House did not agree on a bond bill. The Senate proposed $123 million for essential needs while the House proposed a $400 million plan. Taxpayers currently carry a $4.2 billion debt burden, and Lt. Gov. Reeves believes additional debt hampers the state’s efforts to fund other needs.

“Though we could not agree on a bond bill, this decision will allow Mississippi to take a step toward controlling our debt,” Lt. Gov. Reeves said. “The Legislature has relied on the state’s credit card far too long. In the long term, this will help free up tax dollars to be spent on important areas like education and public safety.”

Transparency and accountability

A bill to reduce the amount of vehicles owned by the state passed the Legislature, making agencies accountable for their purchases. No new state cars will be purchased in Fiscal Year 2013, though critical areas of law enforcement will be exempt. Taxpayers own almost 7,500 vehicles – the equivalent of one vehicle for every four state employees.

Both chambers approved the Attorney General “Sunshine Act,” which requires an open and transparent process for awarding legal contracts. The bill sets rates for private counsel, protecting Mississippians against exorbitant awards of taxpayer settlements to outside counsel. It also requires the Attorney General to provide notification to state agencies prior to filing legal action on that agency’s behalf. The law establishes a committee to review contracts with private attorneys ensuring the state’s interests are protected.

Lt. Gov. Reeves also secured a commitment from the Department of Finance and Administration and the State Personnel Board to develop statewide contracts for services, not just commodities, which will help state agencies take advantage of bulk purchasing power and reduce costs.

Education

Mississippi’s current rating system for school districts can be confusing and unclear for parents. In an effort to make ratings more transparent, the Legislature changed the grading system to A, B, C, D, and F. The simplified grading terminology will clarify district performance for parents.

After years of talking about school consolidation, the Legislature took action by combining
administrative operations of the three struggling schools in Sunflower County and authorizing the appointment of a superintendent. The measure, part of Lt. Gov. Reeves’ legislative agenda, will save more than $1 million by combining the administrations of Drew, Sunflower and Indianola school districts.

The Legislature also combined the administrations of six districts in Bolivar County into three districts: Cleveland, North Bolivar Consolidated School District (combining the current North Bolivar and Mound Bayou school districts), and West Bolivar Consolidated School District (combining West Bolivar, Shaw and Benoit school districts). North Bolivar and West Bolivar will have appointed superintendents. The measure will save $1.2 million.

Business regulation

The Legislature approved several measures to make Mississippi an even better place to do business. Lt. Gov. Reeves believes government should create an environment to encourage the private sector to create more jobs.

One new law allows businesses to claim a tax credit on inventory held in the state, as long as the business pays other state corporate taxes. This legislation – requested by the business community for many years – will allow companies to invest more capital in creating jobs.

Another measure realigned the state’s workers’ compensation law to ensure a more fair and impartial relationship between the worker and employer. The new law includes provisions to better define the employee’s choice of physician, implement stronger measures against workplace drug and alcohol use and increased certain benefits.

Protecting families

Several measures to make Mississippi a safe place to raise a family were adopted in the legislative session. Legislators worked with law enforcement and social services experts to enact new laws that would build a foundation for a better Mississippi.

The Child Protection Act requires health care professionals, members of the clergy, educators, child care providers and law enforcement to report cases of suspected child abuse. The new law also requires any physician, who performs an abortion on a child who is 14 years old or younger, to preserve the fetal tissue for DNA testing. This law will help protect children from horrendous cases of abuse and help law enforcement bring abusers to justice.

The Legislature took steps to end abortion in Mississippi by requiring doctors performing abortion to have admitting privileges at a local hospital. This measure not only protects the health of the mother but should close the only abortion clinic in Mississippi. Also, the Legislature improved adoption laws to make it easier for Mississippian to adopt a child.