

March 20, 2007

TO THE MISSISSIPPI STATE SENATE:

GOVERNOR'S VETO MESSAGE FOR SENATE BILL 2496

I am returning Senate Bill 2496, "AN ACT MAKING AN ADDITIONAL APPROPRIATION OF STATE GENERAL FUNDS TO DEFRAID THE EXPENSES OF THE MISSISSIPPI DEPARTMENT OF HEALTH FOR FISCAL YEARS 2007 AND 2008, THE MISSISSIPPI DEPARTMENT OF MENTAL HEALTH FOR FISCAL YEAR 2007, THE MISSISSIPPI TORT CLAIMS BOARD FOR FISCAL YEAR 2007, THE GOVERNOR'S OFFICE-DIVISION OF MEDICAID FOR FISCAL YEARS 2007 AND 2008, THE MISSISSIPPI SUPREME COURT FOR FISCAL YEAR 2007, AND AN ADDITIONAL APPROPRIATION OF SPECIAL FUNDS TO DEFRAID THE EXPENSES OF THE MISSISSIPPI SUPREME COURT FOR FISCAL YEAR 2007," partly approved and partly not approved pursuant to the authority of Article IV, Section 73 of the Mississippi Constitution and assign the following reasons for partial veto of this bill:

After full consideration, I am vetoing Section 5 of Senate Bill 2496, a separate, separable, and discrete portion of the legislation. Section 5 appropriates \$2,000,000 to defray the expenses of the Mississippi Department of Mental Health in constructing a group home.

Deficit appropriations should be utilized in the case of an emergency or when there is a circumstance which was reasonably unanticipated during the formulation of the entire state budget. Section 5 does not meet this standard. The Legislature carefully considered the needs of the Department of Mental Health when crafting the Fiscal Year 2007 budget, and balanced those needs with the needs of education, public safety, and other priorities, all within the context of a balanced budget. The Legislature could have provided extra funding for new mental health facilities as a part of the Fiscal Year 2007 Department of Mental Health budget, but chose not to do so.

It is my understanding that the intent of Section 5 is to create two new Intermediate Care Facilities for People with Mental Retardation (ICF/MR). However, the proposed deficit appropriation within Section 5 does not account for the annual increased operating costs which would result from the construction of additional facilities. It is my understanding that a bed at an ICF/MR costs more than \$250 per day to operate. Assuming ten beds at each facility, the annual cost of this proposal is nearly \$2 million. Such a proposal should be considered within the entire mental health budget and in the context of the overall state budget. To do otherwise would be fiscally irresponsible.

In addition to being fiscally irresponsible, Section 5 perpetuates a misguided policy of expanding inefficient institutionalized mental health care in our state. Nationally, there is a trend away from institutionalized care in favor of more home and community based options which can provide better care at a lower cost. While the Mississippi Department of Mental Health and the Division of Medicaid have implemented a Home and Community-Based Services (HCBS) waiver program for individuals with mental retardation/developmental disabilities, it has not yet achieved its maximum potential benefit. As long as the state continues to devote resources to expanding institutionalized mental health care, home and community based options will suffer.

I am concerned that Section 4 of Senate Bill 2496, which appropriates \$2,000,000 to pay a portion of the Medicaid match of community mental health centers, also does not meet the standard of a justifiable deficit appropriation. As a part of the Fiscal Year 2007 Department of Mental Health budget, the Legislature provided nearly \$7 million for the purpose of paying the Medicaid match of community mental health centers, a 42% increase over Fiscal Year 2006. Even with that increase, it was known at that time that the community mental health centers would be contributing in excess of \$20 million toward match for Fiscal Year 2007. If the Legislature is aware of funding needs and chooses to address those needs, a more appropriate manner is to address them in the regular appropriations process rather than through deficit appropriations. While this additional appropriation will become law, the Legislature and state agencies should be on notice that the practice of expecting deficit appropriations must stop.

I urge the members to sustain the partial veto of Senate Bill 2496.

Sincerely,

Haley Barbour
GOVERNOR