

FY 01

- Original estimated growth rate of 5.8%
- FY 00 shortfall of 2%, so 7.8% growth necessary for FY 01
- FY 01 growth rate revised and decreased to 3.9% in November = \$145 million difference
- \$50 million from Working Cash Stabilization Fund: \$15 million used, \$35 million set aside

FY 02

- Mississippi's economy growing at 0-1%
- Legislature appropriated at 3.7% growth
- FY 01 shortfall = \$50-\$80 million
- Legislature appropriated at a higher level than state revenues will support

EDUCATION V PRISONS

- Districts facing \$56 million FY 01 shortfall
- SB 3055 identified \$41.6 million, partially in one time funds to offset shortfall
 - *\$18.6 million out of the Working Cash Stabilization Fund ("intent")*
- Authorized textbook and classroom supply funds to cover remaining \$14.3 M shortfall (HB 776)
- Eliminated HB 400 Money
- Legislature increased SBCJC and IHL funding from other sources: Budget Contingency Fund

- Legislature wired k-12 funding
- \$16.4 M intended as a portion of the Working Cash Stabilization Fund
- MDOC has 2,630 more beds than prisoners
- Veto of HB 1652 and SB 3202: Local and Private bills, 25 year contracts with 10% annual growth
- Policy being driven by private prisons
- Private prisons are being funded rather than k-12 education
- Legislature will say it funded k-12
- Legislature funded \$23 million M pay raise, but.....
- Legislature took \$14.6 in classroom supplies
- \$20.4 million (16%) of FY 02 MAEP funded with Public School Building Fund one-time money

FY 03 and Beyond

- Economy not going to grow at 3.7%
- FY 02 built-ins of \$200 M
- FY 03: Teacher pay raise, state employees, SBCJC/ IHL raises, health insurance
- Working Cash Stabilization Fund decreased by \$100 million (FY 01 and FY 02)
- Budget Contingency Fund
 - One-time money
 - HB 1015 diverted \$60.6 million to Budget Contingency Fund from, but not limited to, MDOC, MDE, Unclaimed Property, and Local Bridge programs
- Increase 4% millage to cover shortfall