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**OFFICE OF GOVERNOR RONNIE MUSGROVE**  
**INTEROFFICE MEMORANDUM**

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**TO:** GOVERNOR  
**FROM:** RILEY  
**SUBJECT:** K-12 FUNDING AS OF 7:00 SUNDAY NIGHT (FINAL CONFERENCE BILLS NOT FILED)  
**DATE:** 3/31/02  
**CC:** RENICK, MAYO, KINNEY

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Based on a conversation with Judy Rhodes at 6:00 tonight, this is how the MAEP appears to be shaking out – a “real” conference report has not been filed. It appears as if the conferees are going with the House language.

- The House MAEP bill provided for \$64 million over the LBR and the LBR was \$45 million over the FY 02 funding level. K-12 has now lost \$4.5 million of the \$64 million, so now it is \$59 million over LBR’s \$45 million over FY 02, or approximately \$103 million over FY 02 MAEP.
- Overall, this \$103 million maintains the 02 MAEP level, provides \$72 million for the teacher pay raise, provides \$8 million for insurance and recaptures the \$16 million for textbooks that was taken last year. (NOTE: Although classroom supplies do not fall under the MAEP, it appears as if \$18 million will be restored there as well.)
- K-12 is still facing the MAEP distribution question, since MAEP will not be fully funded this year. It appears as if the Legislature is going to go with the formula that will take funds from those districts that would receive more funding in 03 than they did in 02 and direct these funds to those districts that would receive less funds in 03 than in 02 (SB 2969). This plan would take 21% of the “above 02 funds” from those districts that would receive more in 03 than 02. So, if a district were going to receive a \$100,000 bump in 03, they will actually receive \$79,000 and the \$21,000 will be distributed among those districts that would not have sufficient FY 03 funding for the teacher pay raise.

Other General Education matters:

- According to Judy, the National Board program will receive about \$346,000 more in FY 03. The Jobs for MS Graduates will go from \$219,000 to \$250,000.
- It appears as if there will be no money for new Critical Teacher Needs Scholarships, but money is available to cover those students already in the program.