
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: MDE'S FY 04 BUDGET HEARING
DATE 9/27/02
CC: FILE

This memo is to make you aware of statements made and info distributed during MDE's budget hearing that implied education has suffered as a result of executive action, rather than as a result of inaccurate revenue projections and the lack of education being a priority:

MDE requested \$2,602,658,282 for FY 04, an increase of \$202,117,381 over the FY 03 appropriation. A.M Ziedman (Board Vice-Chairman) and Dr. Johnson gave opening remarks and then turned the briefing over to Judy Rhodes. Judy began by addressing fiscal years' 01 and 02 reserves, the under-funding of MAEP by \$59 million in FY 03, and the appropriation of \$77 million (\$57 million in budget contingency funds + \$20 million from the Public School Building Fund) of one-time funds in FY 03. You need to be aware of the following:

- The handout (see attached) classifies reductions of \$56.1 million in FY 01 as "The Governor reduced district allocations" and does not stipulate that such reserves were necessary due to revenue shortfalls. The handout then states "The Legislature restored" \$41.7 million of the above-mentioned \$56.1 million and Judy stated, "Fortunately, you were able to restore \$41.7 million..."
- For FY 02, the handout again states that "The Governor reduced district allocations" by \$66.9 million. The handout also presents your restoration of \$12.9 million in June of this year due to the funds being available as "The Legislature provided the method whereby the Governor could restore" the funds. The Legislature had nothing to do with it. You have the statutory authority to restore reserves/cuts.
- Judy stated, "We're appreciative of the steps you took to help public education in tough budget times." I'm not sure what steps she is referring to – education isn't a priority.

Judy did stress the importance of continuing the teacher pay raise plan and she was also very complimentary of the National Board certification program and its positive impact.

I know agencies "kiss up" to the Legislature during budget hearings, but we need to discuss the above with Dr. Johnson. MDE is still sucking up to the Legislature, when the leadership is not a friend to education. I've shown Phillip the handout. Armerita told me this morning that she had discussed this with you and you said to set up a meeting with Johnson, Dr. Jordan and Judy. I have set up a meeting for 1:30 p.m. on Monday, October 7, for you to meet with them.