
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: BOYD
SUBJECT: EDUCATION TRUST FUND
DATE: 12/4/2000
CC: FILE

Section 206(a) of the Mississippi Constitution (see attached) governs the Education Improvement Trust Fund. According to Donna Sanford, Mississippi currently has a balance in excess of \$30 million in the trust fund with the FY00 appropriation totaling \$1.5 million. The Legislature is prohibited from appropriating the principal of the fund.

According John Gilbert, the Oil and Gas Severance Tax to the General Fund is capped at \$15 Million in FY00, \$10 Million in FY01, \$5 Million in FY02, and \$0 million in FY03. That is, taxes collected above these figures are deposited into the Education Improvement Trust Fund.

Attached are code sections relating to the Oil and Gas Severance taxes. Please note the highlighted portions as they pertain to the Education Trust Fund. On Friday, the price for Crude Oil was \$28.44 on the New York Mercantile Exchange.