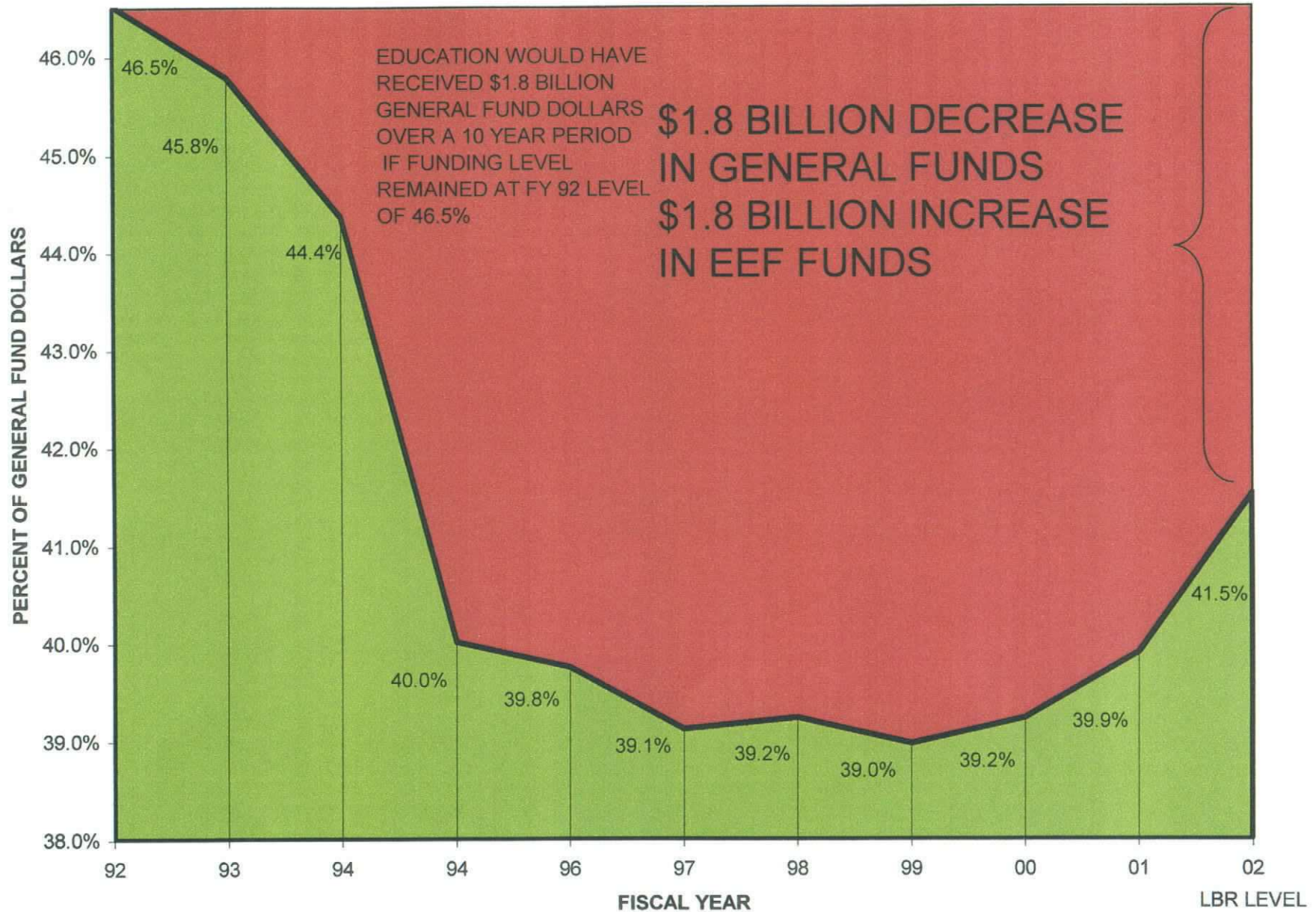


Education Budget Crisis of 2002

K-12 EDUCATION'S PERCENTAGE OF STATE GENERAL FUNDS

CHART I



FY2002 Mid-Year Budget Cut

MEP, MAEP, Equity, Chickasaw*	\$50,565,293
Non-MEP EEF*	2,871,717
Non-District Allocations	79,968
TOTAL MID-YEAR CUT	(\$53,516,978)

*Direct cuts to local districts

Two Years of Cuts for K12

FY2002 Reduction	50.4 million
FY2002 cut	\$53.5 million
FY2003 Reduction	\$111.4 million
TWO YEAR TOTAL	(\$215.3 million)

Built-in Deficit Increases – FY04

Teacher Pay – FY04	\$72 million
HB1379 Replacement	\$119 million
Total Beginning Deficit	(\$191 million)