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

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**TO:** GOVERNOR  
**FROM:** RILEY  
**SUBJECT:** COMMENTS MADE IN JANUARY 18<sup>TH</sup> APPROPRIATIONS EDUCATION SUB-COMMITTEE MEETING  
**DATE:** 1/21/02  
**CC:** RENICK  
GAVIN

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The following comments were made or ideas discussed in last Friday's Appropriations' Education Sub-committee meeting:

- In addition to the \$111 million needed to implement MAEP at 100% or the \$56 million needed to hold it at 80%, the LBR puts MDE down \$13 million in general programs
- Rep. Warren asked Randy Sanders of LBO if the \$10 million saved by the Bond Commission's refinancing could be designated for K-12. Sanders said that he thought this \$10 million was just being "sucked up" to offset the 02 deficit
- Rep. Peranich said that LBO left \$3 million on the table (didn't include it in LBR) and that K-12 should grab it
- There is roughly \$20 million in the school building fund (\$10 million in EEF and another \$10 million in the fund) that could be used
- Randy Sanders said that LBO is going to be looking at Special Funds again this year to see what can be diverted (like last year's bridge)
- Judy Rhodes stated that other state agencies (Personnel Board) increased their fees for services (she mentioned accounting) after last year's reserves were made. She requested that such agencies be required to reduce their fees in amounts comparable to any future cuts
- Rep. Peranich said that there is a move afoot by Rep. McCoy to review the fee system for any potential revenues and that K-12 needs to claim any increased fees
- Rep. Frierson said that there is no prioritization in the current budget process and that everybody just runs around lying about education being a priority. Sub-committee members are going to have to fight for funding to be taken from other budgets (Mental Health).
- Rep. Peranich inquired as any savings from consolidating districts and this idea was given lengthy discussion, but Chairman Warren and Judy Rhodes basically convinced the sub-committee that consolidation is not the answer