TO:	GOVERNOR
FROM:	RILEY
SUBJECT:	ATTEMPT TO DISMANTLE MAEP AND REPORTED PROBLEM WITH MAEP INSURANCE FUNDING
DATE:	1/10/02
CC:	KINNEY

I had lunch with Gary Bailey and Elizabeth Farguson Stanga of Johnson Bailey Henderson McNeel today. As you probably know, the firm's educational affiliate, JBHM Education Group, has made its mission to assist school communities in their efforts to better organize themselves. JBHM Education Group currently works with 62 districts throughout the state.

Bailey serves on the Lee County Democratic Executive Committee, strongly believes that priorities should drive the budget and not vice verse, and shares your support for public education. He stated that he will stand behind you until the end. He could prove to be a friend.

Bailey mentioned the following MAEP items of concern to me in confidence. He said that he'll continue to give me "heads ups" as long as we disassociate what he tells us from him.

1. He has heard rumors that there is a group, particularly in the Senate, that not only is going to delay full implementation of MAEP for a year, but is going to try to dismantle MAEP this session. He said that they are going to use not fully funding MAEP as the vehicle to go in, change the law and dismantle it.

2. Bailey said at full implementation, MAEP will not fully fund public school employees' insurance. He said that this was an oversight in the development of the MAEP legislation. He said that there are about 4 or 5 people who know about this potential problem and that Dr. Thompson doesn't know about it. He is afraid that there is going to be a lot of finger pointing when and if this breaks.

   I am not familiar with the details of the insurance funding provisions of MAEP, but I'm going to research it. I wanted to go ahead and pass this along to you. I think we should ask Senator Bryan about this and see what he thinks.

Please advise as to the action you want me to take, especially regarding #2. Thank you.