
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: SEWELL
FROM: RILEY
SUBJECT: BACKGROUND FOR 7/2/01 PRESS CONFERENCE
DATE: 7/2/01
CC: FILE

- School districts facing \$56.1 million in FY 01 shortages
- SB 3055 provided \$41.6 million in revenues/proceeds to address this shortfall in the Minimum Program

Trust Fund Diversion	\$14,398,662
Working Cash Stabilization Fund	18,600,000
Ad valorem Reduction (1 Cent Funds)	5,263,245
Public School Building Fund	<u>3,400,000</u>
TOTAL	\$41,661,907

- Legislature robbed Peter to pay Paul
- Legislature did not make education a priority
- Districts faced a FY 2001 shortfall of \$14,392,275 million shortfall at April 1, 2001
- Districts faced with increasing local millage or other means of increasing revenue to address this shortfall
- Governor is directing \$10 million of the reserves from the Working Cash Stabilization Fund to address this shortfall
- *Districts will also see an additional and unexpected \$611,095 in Educational Enhancement Funds (JOHN: This is due to unexpected increased collections, not something that we are doing, so we may not want to include)*
- This \$10 million will significantly impact local school districts
- School districts now faced with shortfall of \$3,781,180 rather than \$14.3 million

- We must make our students, our teachers, our administrators and our schools a priority