

31st Annual Conference of MS Association of School Business Officials (MASBO)
Tuesday, February 20, 2001
9:30 a.m.
Hilton Hotel – Jackson

(Message: Importance of education to Mississippi’s success. We have the money to properly fund education, despite cuts we have had to make.)

Opening

- Good Morning
- (Story)

Main Points

1. Education
 - a. Is our #1 priority
 - b. Every success story in MS “hinges” on a successful education and education system
 - c. We must continue to fund education
 - d. Mississippi is experiencing a slowdown in the economy
 - i. But we are not broke
 - ii. We have a \$3.6 billion budget
 - iii. We must prioritize our budget
 - e. Even with a slowing economy, we must continue to have strong schools and good jobs for our people.
 - f. There is no excuse for failing to make education our top priority.

- g. We have worked hard this past year to make improvements in education
 - i. Teacher Pay Raise to Southeastern average
 - 1. From 49th to 19th in the nation.
 - ii. Teacher accountability plan
 - iii. Computers in the Classroom
- h. Our teachers are committing to our students
 - i. We must stop making excuses and commit to our teachers.
 - ii. National Board Certified Teachers
 - 1. Consistently ranking in Top 5%

2. Budget

- a. By state law in MS, I am required to reduce state budgets, if the state does not reach 98% of the projected revenue growth estimate.
- b. MS has not met this 98% requirement in 2001
 - i. Therefore, I had to make budget reductions to make up for the lack of taxes collected.
- c. Other states are making similar reductions
 - i. North Carolina - \$500 million less in tax revenue
 - ii. Alabama – reduced education budgets by 6%

- iii. Tennessee – sales tax revenues were down \$130 million
 - d. By keeping our people’s priorities in check, we will be able to meet the needs of our state.
 - e. I must keep the budget balanced in a good or bad economy.
 - f. We must be fiscally responsible in making growth estimates
 - i. Make changes to our budget proposal that reflect the slowdown in the economy.
 - g. We must be realistic
 - i. We must set a conservative rate of growth from which to spend
 - ii. Last years estimate of 8.25% was way off the mark.
 - h. We must think long-term solutions, considering how this year’s budget affects future state budgets.
3. Recent Budget Reductions in Education
- a. **Minimum Program** deficit of \$14,398,000 million
 - b. **Critical Teacher Shortage Program** deficit of \$2,600,000
 - c. These programs will be funded from Oil & Gas Severance Tax Funds

- i. Money from this fund is normally put into the Education Trust Fund
 - ii. The money will be diverted until 2006 to fund the Minimum Program and the Mississippi Adequate Education Act.
- d. These 2 programs were about \$17 million short this year, and are projected to be \$22 million short next year.
- e. **General Funds** deficit of \$39 million
 - i. Occurred because of the required budget reservations made on Feb. 2
 - ii. 3% budget cut to this fund, except for general education – 3.8%
 - iii. Not all areas were cut (Exemptions)
 - 1. Total areas that were exempt from reductions = \$127 million plus
 - iv. The Senate has passed a bill that would provide money from the Working Cash Stabilization Fund that will make up for this loss in funding (Senate Bill 3083)
- f. We have solutions to help Mississippi deal with budget reductions
- g. We are open to all potential options
- h. One solution for our 2002 state budget is utilizing funds from the AMS settlement

- i. To stabilize our budget and allow us to meet our needs in education.

Closing

- We are listening to our people
- Prioritizing your needs.
- By working together, we can balance our state budget
- With the leadership of the House and the Senate, education leaders and others, we can establish short, intermediate and long-terms solutions for our budget
- Mississippi has made many advancements; we will continue to be America's State of Promise