

From: RANDY MCCOY
To: PATRICE TATE
Date: 10/22/2008 3:27 PM
Subject: Fwd: Disbursements of EEF

For Board meeting

Randy D. McCoy, Ed.D.
Superintendent
Tupelo Public School District
662.841.8859

>>> LINDA PANNELL 10/22/2008 9:14 AM >>>

>>> "Wanda Cummins" <WCummins@mde.k12.ms.us> 10/03/2008 12:48 PM >>>

>>> Dr. Hank Bounds 10/03/08 12:23 PM >>>

Disbursements of Education Enhancement Funds (EEF) received for the three previous months (July - September) for Instructional Supplies and Equipment and MAEP have been less than the 12 month average required to meet the appropriation. Currently, disbursements from sales tax revenue to the Education Enhancement Fund are running 9.65% below the required amount to meet appropriated levels. This is the first time that we recall these disbursements being below required amounts this early in the fiscal year.

While this does not necessarily mean that school districts will not receive the appropriated amounts for EEF MAEP and Instructional Supplies and Materials, it is an indicator that there is the potential for a reduction in funding. You will recall that the FY 2008 EEF allocated amounts ended up being short \$5,898,886 for MAEP and \$206,865 for Classroom Supply. This amounted to a 3.3% reduction from the amounts appropriated for EEF. Currently we are only talking about a reduction in EEF funds.

However, we need to consider that sales tax collections are a good indicator of the state revenue picture as a whole. Given the current bleak economic forecast for the nation, this shortage in EEF could bleed over into a shortage of general fund revenues. If this occurs, there is a potential for reduction in the FY 2009 MAEP general fund appropriation.

At this time we have had no communications from any branch of State Government that states this possibility, but we feel current economic conditions warrant us making you aware of the potential. We recommend that each district review their budgets for FY 2009 and make a determination as to how any potential reductions will affect those budgets.

For planning purposes, it is recommended that you use a 5% reduction in your total FY 2009 MAEP allocation, which we believe to be a worst case scenario. For your EEF Classroom Supply funds, our recommendation is that you plan on receiving 95% of the original allocation for EEF Classroom Supply funds. Obviously this means that you will have to make an adjustment in your allocation to teachers. In the event teachers have already spent the original allocated amount, then you will need to take that into consideration when determining the new allocation. We expect to receive the entire \$16,000,000 for EEF Buildings and Buses funds, so there is no need to plan for a shortfall in that area.

The purpose of this email is not to alarm you, but to make you aware of the potential for shortfalls in allocations and give you time to make contingency plans in the event these shortfalls do occur.

If you have questions, please contact my office or Wanda Cummins or Todd Ivey in the Office of School Financial Services at 601-359-3294.

You are currently subscribed to business_managers as: lgpannell@tupeloschools.com.
To unsubscribe send a blank email to leave-219030-30744F@list.mde.k12.ms.us