

BUDGET CRUNCH MAY FORCE 1400 MUNICIPAL LAYOFFS IN MEMPHIS



Like most municipalities struggling to recover from the recession, Memphis is facing a budgetary crisis. In this particular case the crisis takes on a unique flavor thanks to an ongoing battle over \$55 million dollars between the city and the local school district. After the city cut \$57 million from the funding it provides to the school district in 2008, the district took the city to court and won, but so far Memphis has refused to pay up. Now the district is back in court asking for a court order for immediate payment, while the city is asking to pay in installments. If the city has to pay the full sum in one lump payment, then as many as 1400 municipal employees may find their jobs in jeopardy as one means of making up the difference. Even without a court order requiring payment, the city is looking at a \$20 million shortfall that will likely put 330 jobs at risk.

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