

## **Setting the Record Straight on Education Funding**

There are several sources offering misinformation regarding the reduction the education budget received earlier this year. One of the greatest misconceptions is that the Legislature implemented more than \$700 in per-pupil cuts. This statistic is simply false. **The facts are listed here:**

- **There was a \$100 per-pupil cut to school districts, on average.** This 1.4 percent reduction from per-pupil funding in 2010/11 was the smallest of the reductions when compared with those received by other state departments. Any assessment that lists the cut as higher than \$100 per pupil mistakenly applies other statistics that don't relate to per-pupil spending in the classroom.
- **There was no federal stimulus funding for FY 2012.** The 2010/11 per-pupil increase that school districts received from President Obama's stimulus plan was a one-time allocation, which the Michigan Education Association (MEA) and the Michigan Association of School Boards (MASB), as well as local superintendents and board members requested be spent last year. They did so with full knowledge that the funding would not be available in the next fiscal year. Those that claim the absence of this stimulus money in FY2012 budget was a cut instituted by the Legislature are simply disingenuous.
- **The Legislature allocated \$300 million to K-12, reducing the cut in the governor's original proposal.** This additional funding was based on future revenues projected to be realized by the state as determined by the May 16 Revenue Estimating Conference. The decision to apply these funds to the education budget, promoted by Rep. Walsh and others, reduced what could have been a \$300 per-pupil cut to the current \$100 per-pupil reduction referenced above.
- **There was an estimated \$245 per-pupil increase in costs for those covered by MPERS.** The Michigan Public School Employee Retirement System was created to fund retirement costs for education employees. These employees pay a certain percentage out of their annual salary, which is determined by an actuary, not the Legislature. The actuary looks at several elements to set the percentage employees pay at a rate that will keep the liability funded. The determination is made by the actuary after considering past and current contractual agreements, the number of individuals paying into the system, the number of retired employees receiving payments from the system, market conditions, recipient life expectancy and interest rates, among other elements.

Therefore, if someone tells you that the Legislature cut \$715 per pupil in the FY 2012 budget for education, please know that they are misrepresenting the facts.