The $224 in per-pupil spending schools may lose because of the growing state deficit isn’t enough to bottom out the state’s national ranking in per-pupil spending.

If the state cuts $224 per student to help balance the $438.3 million School Aid Fund (SAF) deficit, the state’s spending ranking will still be higher than the national average. This cut would eclipse the entire $210 per pupil increase the state OK’d earlier this year.

Michigan has long been known as a state with per pupil spending allocations that are higher than the national average. According to the latest U.S. Census Bureau data available, Michigan ranks fourth highest in state revenue raised for K-12 education and ninth for total revenue (state and local) that goes towards K-12 education. This data is based on 2002-2003 numbers.

Not only does Michigan raise money for K-12 education, it also spends money on K-12 education. In 2003-2004, Michigan ranked 15 nationally for per pupil spending for elementary-secondary education, according to U.S. Census Bureau numbers. That means in 2003-2004, the state spent $9,072 per pupil.

So, according to the latest figures that are available, even if Michigan does loose $224 per pupil this year, it will still be spending more money on students than 30 other states.

Jim BALLARD, with the Michigan Association of Secondary School Principals (MASSP), said that even though the state will still have a relatively high per pupil spending ranking, the cuts “will be ugly.”

“The bottom line is, it’s ugly,” Ballard said.

“There’s no smooth way to do it. It’s not like we’ve been living high on the hog for the last five years and can cut five percent without wincing too much. We’ve been close for a long time. The wiggle room’s gone. There’s not a lot to cut without significantly cutting delivery of services.”

Ballard said exactly what gets cut depends on the school district. Some districts will trim back transportation costs, others will privatize kitchen help, some will opt not to make infrastructure improvements and others will start cutting school programs.

However, 83 percent of the per pupil dollars go toward paying for personnel costs. Michigan uses 59 percent of per pupil dollars to pay for salaries and wages and 24 percent to pay for employee benefits.

Part of the issue is that Michigan has a higher pay scale than other states, Ballard said. Starting teaching wages in Michigan are high comparable to other states. However, more experienced teachers make a disproportionately high salary compared to other states.

MI RS asked if this is a union issue.

“It’s a car issue,” Ballard said. “The state needs more money.”

The fall of the auto industry and the high wages that Michigan residents have always enjoyed, have hurt the state and when the state loses money, it’s hard to keep up with high wages, he said.

Ballard did not say that teacher salaries should be cut. He said it would be hard to decide where to make the cuts.

“There’s no easy answer,” he said.

Ballard then mentioned that the state also has a higher-than-average number of special needs students. These students cost one-third to one-half more than non-special needs kids.

Many legislators have suggested that the state let school districts unchain themselves from the union-run teacher health care system, MESSA, as a way to save per pupil costs (See related story).

Ryan OLSON with the Mackinac Center, said that the average cost for one state teacher to be insured under MESSA is $17,000 a year while the average cost of a teacher to be insured outside of MESSA is $12,000 a year.

Olson said the SAF issue is a management problem that schools need to deal with by privatizing some resources and looking at other cost cutting options.

But, there are those who don’t want education to lose any money, even if it means the General Fund will suffer.

Rep. John MOOLENAAR (R-Midland)’s solution to the SAF problem is to fill the hole with money from the General Fund. Moolenaar recently introduced a bill that would take $377 million from the General Fund and put it in the SAF.

“We must use general fund dollars to offset the school aid fund deficit,” said Moolenaar, the former House chair of the K-12 budget. “Lawmakers always seem quick to say that children are our top priority. The governor and the Legislature are now faced with an excellent opportunity to prove it.”