

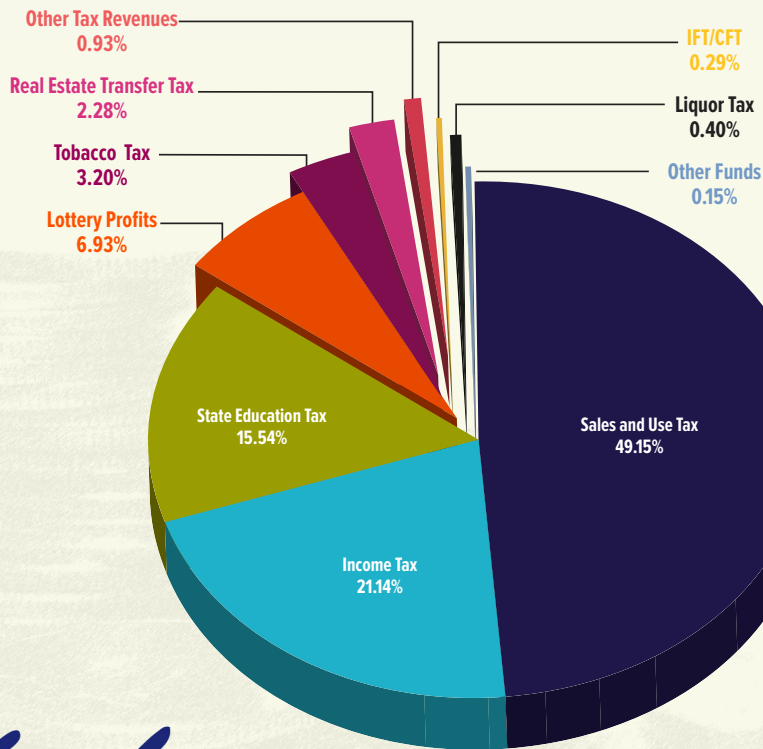
Lottery

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The Lottery Misrepresentation

A day doesn't go by when you don't hear about how much lottery profits benefit public schools. You see commercials on TV, as well as ads on the side of buses. Lottery profits play a critical piece in representing the revenue pie of the school aid fund. The school aid fund is how schools are funded in Michigan and it is how Farmington is allocated its foundation allowance; however, lottery profits account for only approximately 7% of the school aid fund, not the magnitude that is misrepresented with the commercials. The largest slices of the school aid pie are sales tax (49.15%), state education tax (15.54%) and income tax (21.14%). The balance is made up of various other sources.

The current State budget discussion centers on the difficulty to estimate revenue sources during the unprecedented economic downturn. The largest portions of the school aid pie are unstable sources of revenue that are impacted by the economic health of the State.



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