



SCHOOL AID

02/20/2026

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FULL-TIME EQUATED (FTE) POSITIONS FUNDING SOURCE	FY 2025-26	CHANGES FROM FY 2025-26 YEAR-TO-DATE		
	YEAR-TO-DATE AS OF 2-11-26	FY 2026-27 GOV'S REC.	GOVERNOR	
			AMOUNT	PERCENT
FTE Positions.....	0.0	0.0	N/A	N/A
GROSS.....	21,288,831,700	21,403,420,100	114,588,400	0.5
Less:				
Interdepartmental Grants Received.....	0	0	0	0.0
ADJUSTED GROSS.....	21,288,831,700	21,403,420,100	114,588,400	0.5
Less:				
Federal Funds.....	2,407,708,500	2,405,708,500	(2,000,000)	(0.1)
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING.....	18,881,123,200	18,997,711,600	116,588,400	0.6
Less:				
Other State Restricted Funds.....	18,807,972,100	18,952,376,700	144,404,600	0.8
GENERAL FUND/GENERAL PURPOSE.	73,151,100	45,334,900	(27,816,200)	(38.0)
PAYMENTS TO LOCALS.....	17,433,304,100	17,501,029,700	67,725,600	0.4

Includes ongoing and one-time appropriations.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

Sec. 6 – Definitions

(4) “Membership” is the funding student count calculated as 90% of current-year K–12 students attending on count day plus 10% of the prior year’s audited supplemental count, with certain statutory adjustments and audit verification.

(m) Individual who has achieved a high school diploma.

(dd) Dropout recovery program.

(8) “Pupils in grades K–12 actually enrolled and in regular daily attendance” means students who attend all enrolled classes on count or supplemental count day and meet post-count attendance requirements, with full-time membership denied or prorated for unexcused absences, prolonged nonattendance, or certain suspensions or expulsions unless timely attendance resumes.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(4) ...In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, a public school academy, or an intermediate district:</p> <p>(m) An individual who has achieved a high school diploma is not counted in membership unless a pupil is enrolled in a state-approved early middle college and at least one college course is transcribed for high school credit each membership count during the pupil’s fifth year. An individual who has achieved a high school equivalency certificate is not counted in membership unless the individual is a student with a disability as that term is defined in R 340.1702 of the Michigan Administrative Code. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the department of labor and economic opportunity, or participating in any successor of either of those 2</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

programs, is not counted in membership.

(dd) For a pupil enrolled in a dropout recovery program that meets the requirements of section 23a, the pupil ~~is~~ **shall be** counted as 1/12 of a full-time equated membership for each month that the district operating the program reports that the pupil was enrolled in the program and was in full attendance, or based on the number of successfully completed courses by the pupil, with each **successfully completed** course equivalent to 1/12 of a full-time equated membership. A district may claim more than 1/12 of a full-time equated membership within a month for an enrolled pupil who was in full attendance and successfully completed more than 1 required course. ~~However, if~~ **If** the special membership counting provisions under this subdivision and the operation of the other membership counting provisions under this subsection result in a pupil being counted as more than 1.0 FTE in a fiscal year, the ~~payment made for the pupil~~ **entire FTE amount, including any amount in excess of 1.0 FTE, shall be funded** under sections 22a and 22b. ~~must not be based on~~ **A district may generate** more than 1.0 FTE for ~~that a pupil, and any portion of an FTE for that pupil that exceeds 1.0~~ **is instead paid** ~~enrolled in a program~~ under section ~~25g.~~ **23a.** The district operating the program shall report to the center the number of pupils who were enrolled in the program and were

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

in full attendance for a month not later than 30 days after the end of ~~the~~ that month.

(f) A district shall not report a pupil as being in full attendance for a month unless both of the following are met:

(A) ~~(f)~~ A personalized learning plan is in place on or before the first school day of the month for the first month the pupil participates in the program.

(B) ~~(f)~~ Either of the following is met:

(I) ~~(A)~~ The pupil meets the district's definition under section 23a of satisfactory monthly progress for that month or, if the pupil does not meet that definition of satisfactory monthly progress for that month, the pupil did meet that definition of satisfactory monthly progress in the immediately preceding month and appropriate interventions, as defined by the district, are implemented within 10 school days after it is determined that the pupil does not meet that definition of satisfactory monthly progress.

(II) ~~(B)~~ For the first 2 months that the pupil participates in the program, the pupil earns 0.25 credit by the end of the second month. A pupil described in this sub-subparagraph may be retroactively reported as being in full attendance for the first month that the pupil participated in the program.

(mm) As used in this article, "weighted pupil membership"

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

means that term as calculated in this subdivision. For the purposes of calculations under this subdivision, the base weighted pupil membership for a district is 0.

(i) For each full-time English language learner counted in membership in a district in the immediately preceding fiscal year, the weighted pupil membership for that district must be increased as follows:

(A) For a full-time equivalent English language learner who was assessed in the immediately preceding fiscal year under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, as applicable to each assessment, an increase of 0.1687. It is intended that the increase under this sub-subparagraph be adjusted annually until the increase equals 0.75.

(B) For a full-time equivalent English language learner who was assessed in the immediately preceding fiscal year under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, as applicable to each assessment, an increase of 0.1165.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

It is intended that the increase under this sub-subparagraph be adjusted annually until the increase equals 0.50.

(C) For a full-time equivalent English language learner who was assessed in the immediately preceding fiscal year under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 3.0 and 3.9, as applicable to each assessment, an increase of 0.0190. It is intended that the increase under this sub-subparagraph be adjusted annually until the increase equals 0.35.

(ii) For each economically disadvantaged pupil counted in membership in a district, the weighted pupil membership for that district must be increased as follows:

(A) For the purpose of this sub-subparagraph, the department shall determine the number of pupils in membership who are economically disadvantaged as the greater of the following:

(l) The number of membership pupils in the district who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year.

(II) If the district is in the community eligibility program, the number of pupils determined to be eligible based on the product of the identified student percentage multiplied by the total number of pupils in the district, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year. These calculations must be made at the building level. This sub-sub-subparagraph only applies to an eligible district for the fiscal year immediately following the first fiscal year in which it is in the community eligibility program. As used in this sub-sub-subparagraph, "identified student percentage" means the quotient of the number of pupils in an eligible district who are determined to be economically disadvantaged, as reported to the center in a form and manner prescribed by the center, not later than the fifth Wednesday after the pupil membership count day in the fiscal year preceding the first fiscal year in which the eligible district is in the community eligibility program, divided by the total number of pupils counted in an eligible district on the pupil membership count day in the fiscal year preceding the first fiscal year

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

in which the eligible district is in the community eligibility program.

(III) If the district began operations as a district after the pupil membership count day of the current fiscal year, the number of membership pupils in the district who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the supplemental count day of the current fiscal year.

(IV) If, for a particular fiscal year, the number of membership pupils in a district who are determined under sub-sub-subparagraph (I) to be economically disadvantaged or to be eligible based on the identified student percentage varies by more than 20 percentage points from the number of those pupils in the district as calculated under sub-sub-subparagraph (I) for the immediately preceding fiscal year caused by an egregious reporting error by the district, the department may choose to have the calculations under sub-sub-subparagraph (I) instead be made using the number of membership pupils in the district who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the supplemental count day of the

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

immediately preceding fiscal year.

(B) Each district or public school academy must be assigned an opportunity index score each fiscal year, the value of which is the quotient of the number of economically disadvantaged pupils as determined under this sub-sub-paragraph for the district or public school academy and the total number of pupils in the district or public school academy in the immediately preceding fiscal year, multiplied by 100 and rounded up to the nearest whole number. Each district or public school academy must be assigned an opportunity index band as follows:

(l) A district or public school academy with an opportunity index score greater than or equal to 0 but less than 20 must be assigned to band 1 and shall receive an additional weighted pupil membership of at least 0.1692 and less than 0.1741 for each economically disadvantaged pupil. The additional weighted pupil membership under this sub-sub-paragraph must be an amount equal to the district's opportunity index score minus 1, multiplied by the band adjustment factor applicable to this sub-sub-paragraph, plus 0.1692 multiplied by the number of pupils identified as economically disadvantaged under this subparagraph. It is intended that

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

the additional weighted pupil membership under this sub-sub-subparagraph will be increased until it reaches between .35 and .36 per economically disadvantaged pupil.

(II) A district or public school academy with an opportunity index score greater than or equal to 20 but less than 44 must be assigned to band 2 and shall receive an additional weighted pupil membership of at least 0.1741 and less than 0.1813 for each economically disadvantaged pupil. The additional weighted pupil membership under this sub-sub-subparagraph must be an amount equal to the district's opportunity index score minus 20, multiplied by the band adjustment factor applicable to this sub-sub-subparagraph, plus 0.1741 multiplied by the number of pupils identified as economically disadvantaged under this subparagraph. It is intended that the additional weighted pupil membership under this sub-sub-subparagraph will be increased until it reaches between 0.360 and 0.375 per economically disadvantaged pupil.

(III) A district or public school academy with an opportunity index score greater than or equal to 44 but less than 59 must be assigned to band 3 and shall receive an additional weighted pupil

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

membership of at least 0.1813 and less than 0.1886 for each economically disadvantaged pupil. The additional weighted pupil membership under this sub-sub-paragraph must be an amount equal to the district's opportunity index score minus 44, multiplied by the band adjustment factor applicable to this sub-sub-paragraph, plus 0.1813 multiplied by the number of pupils identified as economically disadvantaged under this subparagraph. It is intended that the additional weighted pupil membership under this sub-sub-paragraph will be increased until it reaches between 0.375 and 0.39 per economically disadvantaged pupil.

(IV) A district or public school academy with an opportunity index score greater than or equal to 59 but less than 73 must be assigned to band 4 and shall receive an additional weighted pupil membership of at least 0.1886 and less than 0.2031 for each economically disadvantaged pupil. The additional weighted pupil membership under this sub-sub-paragraph must be an amount equal to the district's opportunity index score minus 59, multiplied by the band adjustment factor applicable to this sub-sub-paragraph, plus 0.1886 multiplied by the number of pupils identified as economically

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

disadvantaged under this subparagraph. It is intended that the additional weighted pupil membership under this sub-sub-subparagraph will be increased until it reaches between 0.39 and 0.42 per economically disadvantaged pupil.

(V) A district or public school academy with an opportunity index score greater than or equal to 73 but less than 85 must be assigned to band 5 and shall receive an additional weighted pupil membership of at least 0.2031 and less than 0.2273 for each economically disadvantaged pupil. The additional weighted pupil membership under this sub-sub-subparagraph must be an amount equal to the district's opportunity index score minus 73, multiplied by the band adjustment factor applicable to this sub-sub-subparagraph, plus 0.2031 multiplied by the number of pupils identified as economically disadvantaged under this subparagraph. It is intended that the additional weighted pupil membership under this sub-sub-subparagraph will be increased until it reaches between 0.42 and 0.47 per economically disadvantaged pupil.

(VI) A district or public school academy with an opportunity index score greater than or equal to 85 must be assigned to band 6 and

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

shall receive an additional weighted pupil membership at a rate of 0.2273 for each economically disadvantaged pupil. It is intended that the additional weighted pupil membership under this sub-sub-paragraph will be increased it reaches 0.47 per economically disadvantaged pupil.

(VII) As used in this sub-sub-paragraph, "band adjustment factor" means an amount equal to the difference between the lowest and highest reimbursement bounds for each band, divided by the number of possible opportunity index scores in that band.

(iii) To assist the legislature in determining necessary funding levels to support foundation allowance payments for weighted pupil membership calculated in this subdivision, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b must include estimated pupil counts necessary to determine a weighted pupil membership under this section for the current and subsequent two fiscal years.

(8) For purposes of this subsection:

(b) "Class" means either of the following, as applicable:

~~(i) A~~ a period of time in 1 day when

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

pupils and an individual who is appropriately placed under a valid certificate, substitute permit, authorization, or approval issued by the department, are together and instruction is taking place.—~~This subdivision does not apply for the FY 2024-25 and FY 2025-26 school years.~~

~~(ii) For the FY 2024-25 and FY 2025-26 school years only, a period of time in 1 day when pupils and a certificated teacher, a teacher engaged to teach under section 1233b of the revised school code, MCL 380.1233b, or an individual working under a valid substitute permit, authorization, or approval issued by the department are together and instruction is taking place.~~

Sec. 11 - Total Appropriations

Provides a summation of the total School Aid Fund, General Fund, and Federal funding in the Act. Includes a method for proration if revenue is not sufficient to support spending.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriations in FY 2025-26: SAF: \$18,189,425,300 GF/GP: \$73,151,100 School Consolidation and Infrastructure fund: \$100,000,000 Transportation fund: \$125,000,000 Enrollment stabilization: \$71,000,000 GSRP reserve: \$18,000,000			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>Educator Fellowship Public Provider Fund: \$30,000,000</p> <p>State school aid pupil support reserve fund: \$97,037,400</p> <p>General pupil support reserve fund: \$600,000</p> <p>Appropriations in FY 2026-27:</p> <p>SAF: \$18,546,739,300</p> <p>GF/GP: \$45,334,900</p> <p>Transportation fund: \$125,000,000</p> <p>Enrollment stabilization: \$125,000,000</p> <p>GSRP reserve: \$18,000,000</p> <p>Educator Fellowship Public Provider Fund: \$30,000,000</p> <p>State school aid pupil support reserve fund: \$107,037,400</p> <p>General pupil support reserve fund: \$600,000</p>			
Sec. 11a - School Aid Stabilization Fund			
Establishes the School Aid Stabilization Fund.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
Sec. 11j - School Bond Loan Redemption Fund			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

FY 2025-26 appropriation of \$23,000,000 for debt service payments on school bond loan revolving fund obligations.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			

Sec. 11k - School Loan Revolving Fund
 Appropriates from the General Fund to the School Loan Revolving Fund an amount equal to the repayments.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			

Sec. 11m - School Aid Fund Borrowing Costs
 FY 2025-26 appropriation of \$5,000,000 to pay for borrowing costs at the State level.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			

Sec. 11s - Flint Declaration of Emergency
 Appropriates \$8,000,000 (\$5,000,000 SAF and \$3,000,000 GF/GP) in FY 2025-26 as follows:
 (2) \$2,425,000 for school nurses, classroom aides, school social workers, and community health workers; for the provision of behavioral or mental health supports, parental engagement activities, community coordination activities, and other support services; and for purchasing program supplies.
 (3) \$575,000 for nutritional services.
 (4) \$5,000,000 to Genesee ISD for interventions and supports for K-12 students impacted by the drinking water declaration of emergency. Funds are to be used for behavioral supports, social workers, counselors, psychologists, nursing services, transportation services, parental engagement, community coordination, and other support services.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 11y - School Facilities Study
 Appropriates \$20,000,000 SAF in FY 2022-23 only for a statewide study of school buildings to determine the most cost-effective way to bring a building to health, safety, and wellness standards.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 11bb - GEER Fund Reallocation

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

Appropriates \$13,300,000 Federal Governor’s Emergency Education Relief (GEER) Fund in FY 2023-24 to districts and ISDs under the same formula as previous GEER appropriations. Funds must be expended by districts and ISDs by September 30, 2024.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 15 - Audits and Apportionments
 Allows MDE to adjust State aid payments based on audits of current or prior-year programs and funding.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			

Sec. 18 – Annual Audit and Reporting Requirements for School Districts
 (8) MDE must review and update its pupil accounting and auditing manuals every year. Any changes that apply to the next school year must be published by March 31. If new legislation requires changes after March 31 and a district violates the updated rules the following year, MDE must first notify the district and give it 30 days to fix the issue before imposing any financial penalties.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(8) The department shall review its pupil accounting and pupil auditing manuals at least annually and shall periodically update those manuals to reflect changes in this article. Any changes to the pupil accounting manual that are applicable for the school year that begins after March 31 of a fiscal year must be published by not later than March 31 of that fiscal year. However, if legislation is enacted that necessitates adjustments to the pupil accounting manual after March 31 of a fiscal year, and a district incurs a violation of the amended pupil accounting manual in the subsequent fiscal year, the department must notify the district of that violation and allow the district 30 days to correct the violation before the department is allowed to impose financial penalties under this act related to the violation.			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

Sec. 18a – Grant Funds to be Expended by End of Fiscal Year

Requires grant recipients to spend funds by the end of the fiscal year following the fiscal year that funds are appropriated, report by November 1 if funds are not fully spent in the year received, and return any unexpended funds to MDE by September 30 after the fiscal year in which funds are received.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) This subsection only applies to grant funds awarded and allotted from appropriations in this article that have not been designated a work project appropriation pursuant to section 451a of the management and budget act, 1984 PA 431, MCL 18.451a. Except as otherwise provided in this article, such grant funds awarded and allotted to a district, intermediate district, or other entity, unless otherwise specified in this article, must be expended by the grant recipient before the end of the fiscal year immediately following the fiscal year in which the funds are received. Except as otherwise provided in this article, if a grant recipient does not expend the funds received under this article before the end of the fiscal year in which the funds are received, the grant recipient shall submit a report to the department not later than November 1 after the fiscal year in which the funds are received indicating whether it expects to expend those funds during the fiscal year in which the report is submitted. Except as otherwise provided in this article, a recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 after the fiscal year in which the funds are received.</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>(2) This subsection applies only to grant funds awarded and allotted from appropriations in this article that have been designated a work project appropriation pursuant to section 451a of the management and budget act, 1984 PA 431, MCL 18.451a. Except as otherwise provided in this article, such grant funds awarded and allotted to a district, intermediate district, or other entity, unless otherwise specified in this article, must be expended by the grant recipient before the end of the fiscal year immediately following the fiscal year in which the work project is closed, pursuant to section 451a of the management and budget act, 1984 PA 431, MCL 18.451a. Except as otherwise provided in this article, a recipient of a grant shall return any unexpended grant funds to the department in the manner prescribed by the department not later than September 30 after the fiscal year in which the work project is closed.</p>			
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<p>Sec. 19 - Compliance with State and Federal Reporting Requirements</p> <p>(3) Changes in employment status.</p>			
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<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(3) By the first business day in December and by the last business day in June of each year, and within 30 days of changes in employment or assignment status, a district shall furnish to the center, in a manner prescribed by the center, information related to educational personnel and</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<p>personnel vacancies as necessary for reporting required by state and federal law. For the purposes of this subsection, the center shall only require districts and intermediate districts to report information that is not already available from the office of retirement services in the department of technology, management, and budget, including, but not limited to, vacancy start and end dates and reasons for vacancy and vacancy termination.</p>			
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Sec. 20 - Foundation Allowance Calculation

Target foundation allowance is \$10,050 in FY 2025-26.

(4) Defines how the state portion of a district's foundation allowance is calculated—generally as the lesser of the district or target allowance minus local revenue—with special calculation rules for certain districts, millage reductions, dissolved districts, and specified community districts.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Target foundation allowance is \$10,300 in FY 2026-27.</p> <p>Cyber charter schools: \$8,240 in FY 2026-27.</p> <p>(4) ... For Before the fiscal year ending September 30, 2027, for a community district, except as otherwise provided in this subsection, if school operating taxes continue to be levied by a qualifying school district under section 12b of the revised school code, MCL 380.12b, with the same geographic area as the community district, the taxable value per membership pupil of property in the community district to be used for the purposes of this subsection does not include the taxable value of</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<p>property within the geographic area of the community district. Beginning with the fiscal year ending September 30, 2027, it is the intent of the legislature that the previous sentence no longer applies and the taxable value per membership pupil of property in the community district used for the purposes of this subsection includes the taxable value of property within the geographic area of the community district on or after July 1, 2026 and thereafter.</p>			
<p>Sec. 20d - Revenue per Membership Pupil</p> <p>Provisions regarding the calculation of revenue per membership pupil.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
<p>Sec. 21b – Dual Enrollment</p> <p>Requires districts to use state aid funds to pay required postsecondary enrollment costs for eligible students, allows but does not require payment of transportation and certain fees, permits districts to pay more using local operating revenue, and makes students responsible for any remaining costs.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(1) Subject to subsections (2) and (3), a district shall use funds received under section this section and sections 22a or 22b to support the attendance of a district pupil who is an eligible student at an eligible postsecondary institution under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, or under the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, by paying eligible charges on behalf of the district pupil as required under			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

those acts.

(3) From the state school aid fund money appropriated in section 11, there is allocated in FY 2026-27 only an amount not to exceed \$20,000,000.00 for reimbursements to eligible districts supporting eligible charges on behalf of students as described in subsection (1). All of the following apply to payments made under this subsection:

(a) As used in this subsection, an eligible district is a district with an opportunity index band, as described in section 6, of 4 or higher.

(b) Payments must not exceed the amount the eligible district is required to pay under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, and the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913.

(c) If the amount allocated in this subsection is not sufficient to fully reimburse all eligible districts, payments to eligible districts must be adjusted as follows:

(i) Payments to any individual district that exceed 25% of the allocation under this subsection must be reduced to an amount equal to 25% of the allocation under this subsection.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<p>(ii) If, after the operation of subparagraph (i) the amount allocated under this subsection is still insufficient to fully reimburse all eligible districts, the payment to each eligible district must be prorated on an equal percentage basis.</p> <p>(d) Notwithstanding section 17b, the department shall make payments under this subsection on a schedule determined by the department.</p>			
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Sec. 21h - Partnership Model Districts

Appropriates \$6,137,400 in FY 2025-26 only from the state school aid pupil support reserve fund to assist eligible districts assigned by the State Superintendent to participate in a partnership to improve student achievement.

Earmarks \$137,400 for those districts that have established a community engagement advisory committee (Benton Harbor).

(3) Academic and financial operating or intervention plan implementation.

(7) Appropriates an additional \$36,000,000 in FY 2023-24 only as supplemental funding to be distributed in equal installments over 3 years.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Appropriates \$6,137,400 in FY 2026-27 only from the state school aid pupil support reserve fund.</p> <p>(3) Upon approval of the district continuous improvement plan developed under subsection (2), the department shall assign a team of individuals with expertise in comprehensive school and district reform to partner with the district, the intermediate district, community organizations, education organizations, and postsecondary institutions identified in the academic</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<p>and financial operating or intervention plan——district continuous improvement plan to review the district's use of existing financial resources to ensure that those resources are being used as efficiently and effectively as possible to improve student academic achievement and to ensure district financial stability.</p> <p>(7) In addition to the allocation under subsection (1), from the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$36,000,000.00 to districts described in subsection (1) in FY 2023-24 only for supplemental funding to be used by districts for the purposes of this section in equal installments of \$12,000,000.00 in each of the fiscal years FY 2023-24, FY 2024-25, and FY 2025-26. The funds allocated under this subsection in FY 2023-24 are a work project appropriation, and any unexpended funds in FY 2023-24 are carried forward into FY 2024-25. The purpose of the work project is to provide assistance to districts eligible for funding under this section. The estimated completion date of the work project described in this subsection is September 30, 2026.</p>			
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Sec. 22a - Proposal A Obligation Payment (The Constitutionally-required portion of the foundation allowance.)
 FY 2025-26 appropriation of \$3,785,000,000.
 This section provides funding equal to the 1994-1995 Proposal A foundation allowance levels multiplied by pupils.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
FY 2025-26: \$3,711,000,000			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>FY 2026-27: \$3,564,000,000</p> <p>(2) ... For a community district, except as otherwise provided in this subdivision, the department shall reduce the allocation as otherwise calculated under this section by an amount equal to the amount of local school operating tax revenue that would otherwise be due to the community district if not for the operation of section 386 of the revised school code, MCL 380.386, and the amount of this reduction is offset by the increase in funding under section 22b(2). Beginning with the fiscal year ending September 30, 2027, it is the intent of the legislature that the previous sentence no longer applies and the allocation for a community district under this section shall not be reduced by the amount of local school operating tax revenue that would otherwise be due to the community district if not for the operation of section 386 of the revised school code, MCL 380.386; and no offset is provided by increased funding under section 22b(2).</p>			
<p>Sec. 22b - Discretionary Payment (The discretionary portion of the foundation allowance.)</p> <p>This funding provides roughly the difference between the current foundation allowance and the 1994-95 foundation allowance, multiplied by general education pupils.</p> <p>Special education funding is paid under Section 51e.</p> <p>(3) Requirements to receive funding under this section.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
FY 2025-26: \$6,657,000,000 SAF			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

FY 2026-27: **\$8,308,687,600** SAF

(1) ... In FY 2024-25, the amount necessary, ~~estimated~~ at \$77,700,000.00, must be deposited from the general fund into the state school aid fund to reimburse the state school aid fund for community district education trust fund costs in excess of \$41,000,000.00, as required under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262. In FY 2024-25 only, if the amount allocated under this subsection from the community district education trust fund appropriation under section 11 is insufficient to pay for an increase under this section, any amount exceeding that allocation may be paid from other allocations under this subsection. Except for money allocated under this section from the community district education trust fund appropriation in section 11, funds **Funds** allocated under this section that are not expended in the fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 51c to fully fund those allocations for the same fiscal year.

(2) Subject to subsection ~~(3)~~**(4)** and section 296, the allocation to a district under this section is an amount equal to the sum of the amounts calculated under sections 20, 20m, 51a(2), 51a(3), 51a(11), and 51e, minus the sum of the allocations to the district

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

under sections 22a and 51c. For a community district, **except as otherwise provided in this subsection**, the allocation as otherwise calculated under this section is increased by an amount equal to the amount of local school operating tax revenue that would otherwise be due to the community district if not for the operation of section 386 of the revised school code, MCL 380.386, to offset the absence of local school operating revenue in a community district in the funding of the state portion of the foundation allowance under section 20(4)., and, in FY 2024-25 only, this increase must be paid from the community district education trust fund allocation in subsection (1). **Beginning with the fiscal year ending September 30, 2027, it is the intent of the legislature that the previous sentence no longer applies.**

(3) In addition to the allocation under subsection (2), subject to subsection (4) and section 296, there is allocated to each district an amount equal to the target foundation allowance multiplied by the weighted pupil membership for the district.

(4) ~~(3)~~-To receive an allocation under subsection (1), each district must do all of the following:

(g) Comply with section 164m.

(h) Beginning with the fiscal year

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

ending September 30, 2026, if a district is not using a curriculum from the department’s evidence-based curriculum list required under section 1280f of the revised school code, MCL 380.1280f, the district must provide a notification to all parents or legal guardians of students in grades K to 5 receiving instruction with that curriculum that includes all of the following:

(i) A statement informing parents or legal guardians that the curriculum used by the district is not evidence-based or not aligned to state standards, which could negatively impact student academic outcomes.

(ii) A statement explaining why the district is not using a curriculum that is evidence-based or aligned to state standards.

(iii) A plan, including a projected timeline, for when a new curriculum will be adopted that is evidence-based and aligned to state standards.

Sec. 22d - Isolated Districts

Appropriates \$12873,100 in FY 2025-26 to provide \$3,906,200 for island/isolated districts, \$554,800 for island districts that are accessible by bridge, and \$8,412,100 for rural districts as follows:

- \$6.37 million for districts with fewer than 8.0 pupils per square mile, paid on an equal per-pupil basis;
- \$2.04 million allocated to districts with between 8.0 and 9.0 pupils per square mile (75% of what districts with fewer than 8.0 pupils per square mile receive); to districts with between 9.0 and 10.0 pupils per square mile (50% of what districts with fewer than 8.0 pupils per square mile receive); and to districts that have at least 10.0 pupils per square miles, cover more than 250 square miles, and do not receive funding under (2) (100% of what districts with fewer than 8.0 pupils per square mile receive).

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>FY 2025-26 total: \$13,656,100</p> <p>Isolated/island districts: \$4,143,800</p> <p>Districts less than 8.0 pupils per square mile: \$6,761,400</p> <p>Other rural districts: \$2,162,400</p> <p>Island districts accessible by bridge: \$588,500</p>			
<p>Sec. 22I - Transportation Costs</p> <p>Appropriates \$125 million in FY 2025-26 only from the School Transportation Fund to support district transportation costs.</p> <p>(2) Appropriates \$200,000 in FY 2022-23 only for a study on district transportation costs.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Appropriates \$125 million in FY 2026-27 only.</p> <p>(2) In addition to the funds allocated under subsection (1), from the school transportation fund money appropriated under section 11, there is allocated in FY 2022-23 only an amount not to exceed \$200,000.00 to an intermediate district for a study on district transportation costs. The intermediate district receiving funds under this subsection must submit a report to the department, the state budget director, the house and senate appropriations subcommittees on school aid, and the house and senate fiscal agencies by February 29, 2024 on the outcomes of the study under this subsection. Notwithstanding section 18a, funds allocated under this subsection may be available for</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

expenditure until September 30, 2026. A recipient of funding under this subsection must return any unexpended funds to the department in a manner prescribed by the department by not later than October 30, 2026.			
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Sec. 22m - Data Hub Network
 Appropriates \$5,000,000 SAF (\$3,500,000 ongoing/\$1,500,000 one-time) in FY 2025-26 for integrating local data systems based on common standards and applications that comply with Section 19(6) into the Michigan Data Hub Network.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$3,500,000 SAF in FY 2026-27.			

NEW EXEC Sec. 23h - Mathematics Pathways

(1) Appropriates \$12,000,000.00 SAF for 2026-2027 only for mathematics instruction.

(2) Allocates \$3,000,000 for professional learning in early mathematics (PreK–5), including instructional and leadership coaching.

(3) Allocates \$9,000,000 to fund early mathematics specialists in intermediate districts to support PreK–5.

(4) Requires an annual report by September 1 to legislative and budget leaders assessing the impact of funds on math instruction and learning at ISD, district, and student levels.

(6) Funds are available through September 30, 2029, with unexpended funds returned by October 30, 2030, notwithstanding section 18a.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$12,000,000.00 in FY 2026-27 only to an intermediate district in which the combined total number of pupils in membership of all of its constituent districts is the fewest among all intermediate districts in this state for the purpose of this section. Funding must be used by the intermediate district, in partnership with an association that			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

represents intermediate district administrators in this state, to do all of the following

(2) Provide up to \$3,000,000.00 for professional learning opportunities for mathematics educators, including instructional and leadership coaching, designed to strengthen early mathematics content knowledge and instructional practices among PreK to 5 teachers. Funds must be used for:

(a) Development of local district professional learning systems that incorporate job-embedded educator learning structures, resources to support local district leadership teams, and the intentional integration of the Michigan integrated continuous improvement process, and the MiStrategy Bank.

(b) Professional learning for early math specialists, coaches, administrators, and teachers.

(c) Implementation of statewide and regional professional learning networks in early mathematics instruction.

(d) Development and support of tools to support the implementation at the intermediate district and district levels.

(3) Provide up to \$9,000,000.00 to

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

fund early mathematics specialists within intermediate districts to assist teachers, school leaders, and intermediate district leaders in implementing research-based instructional strategies for Pre-K to 5 students. To be eligible to receive funding under this section, an intermediate district must apply to the association referenced in subsection (1) in a form and manner determined by the association.

(a) The application for funds under this subsection must provide assurances that the early math specialists funded under this subsection demonstrate the following:

(i) A deep and broad understanding of mathematics content, including the specialized knowledge needed for teaching.

(ii) Expertise in effective instructional and assessment practices informed by research-based mathematical learning trajectories.

(iii) Knowledge and skills for working with adult learners.

(iv) Leadership skills necessary to influence and support educational efforts to improve mathematics teaching and learning.

(b) Funding under this subsection must be awarded as follows:

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(i) An equal amount per eligible intermediate district necessary to support the cost of one early math specialist, as determined by the intermediate district and association described in subsection (1).

(ii) After initial distributions under subparagraph (i), any remaining funds may be allocated by the association described in subsection (1) to eligible intermediate districts for early math specialists based on regional need, using a rubric developed by the department and the Michigan Association of Intermediate School Administrators Early Mathematics Task Force.

(4) By not later than September 1 of each year, the intermediate district and the association described in subsection (1), in consultation with grant recipients, shall submit a report to the chairs of the senate and house appropriations subcommittees on school aid, the chairs of the senate and house standing committees responsible for education legislation, the house and senate fiscal agencies, and the state budget director. The report must include, at a minimum, an assessment of the impact of funds allocated in this section on mathematics instruction and learning at the intermediate district, district, and student level.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(5) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

(6) Notwithstanding section 18a, funds allocated under this section may be available for expenditure until September 30, 2029. A recipient of funding under this section must return any unexpended funds to the department in the manner prescribed by the department by not later than October 30, 2030.

Sec. 24 - Court-Placed Children

Appropriates \$7,650,000 in FY 2025-26 to reimburse districts for the additional costs of educating students placed in the district by the court system.

Executive

Senate

House

Conference

Update fiscal years.

Sec. 24a - Juvenile Detention Facility Programs

Appropriates \$1,355,700 in FY 2025-26 for payments to intermediate districts for pupils who are placed in juvenile justice facilities.

Executive

Senate

House

Conference

Update fiscal years.

Sec. 25f - Strict Discipline Academies

Allocates \$1,600,000 in FY 2025-26 for strict discipline academies to compensate for the added cost for court placed pupils.

The total amount allocated is equal to the strict discipline academy's or qualified district's pupil membership in the immediately preceding year multiplied by an amount calculated by dividing the total allocation under the section by the total pupil membership for eligible strict discipline academies and qualified districts in the immediately preceding year.

Executive

Senate

House

Conference

Update fiscal years.

Sec. 25g - Dropout Recovery Program

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Appropriates \$1,250,000 SAF in FY 2025-26 to pay for any additional FTE beyond 1.0 in eligible dropout recovery programs. Proration language is included if funding is not sufficient.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 26a - Renaissance Zone Reimbursements

In FY 2025-26, appropriates \$14,000,000 from the School Aid Fund to reimburse districts for lost local revenue due to taxes not collected in Renaissance Zones.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$14,000,000.00 in FY 2025-26 to reimburse districts and intermediate districts under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2024 2025, and an amount not to exceed \$14,000,000.00 in FY 2026-27 to reimburse districts and intermediate districts under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2026.			

Sec. 26b - PILT Reimbursement

Appropriates \$5,549,000 in FY 2025-26 to reimburse districts for lost local revenue due to taxes not collected on State-owned land.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			

Sec. 26c - Promise Zone Payments

This categorical is necessary to reimburse local districts and ISDs for Promise Zone reimbursements. FY 2025-26 reimbursement is \$43,300,000.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$48,300,000 in FY 2026-27.			

Sec. 26d - Brownfield Redevelopment Reimbursements

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

Includes funding of \$14,400,000 in FY 2025-26 to reimburse ISDs for lost revenue due to Brownfield redevelopment zones.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$19,000,000 in FY 2025-26 and \$21,800,000 in FY 2026-27.			

Sec. 27a - MI Future Educator Fellowship

Appropriates \$25 million (\$10 million SAF/\$10 million Educator Fellowship Public Provider Fund/\$5 million GF/GP) in FY 2025-26 for a Future Educator Scholarship program for students in educator preparation programs. At the close of the fiscal year, unspent funds are deposited into the Educator Fellowship Public (or Private) Provider Fund (as applicable).

(2) Applicant eligibility.

(13) Definition of “eligible educator preparation program”.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Update fiscal years.</p> <p>(2) To establish initial eligibility for an award from funding under this section, an individual must meet all of the following conditions by the date of enrollment described in subdivision (b)-(a):</p> <p>(a) Have graduated from high school with a diploma or certificate of completion or achieved a high school equivalency certificate.</p> <p>(13) As used in this section, "eligible educator preparation program" means a public or nonpublic institution of higher education or an alternative route provider that meets all of the following, as applicable:</p> <p>(d) Includes as part of its required educator preparation coursework, pedagogical methods grounded in the science of reading. If an educator preparation program does</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

not meet this standard, the program may maintain eligibility by providing to the department of lifelong education, advancement, and potential a detailed public plan, in a form and manner determined by the department of lifelong education, advancement, and potential, to comply with 2024 PA 147 by no later than September 30, 2027.

Sec. 27b - Grow-Your-Own and Educator Grants

Appropriates \$70 million SAF in 2025–26 only for competitive grants that support grow-your-own and educator development programs.

- (2) Applicants must show need, outline plans and outcomes, and provide assurances of no-cost, paid training.
- (3) Requires biannual public performance reports.
- (5) Distributes funds through three tiers based on program maturity, evaluation status, and scope, each with specific funding limits, timelines, and criteria.
- (6) Tier 1 grants, capped at \$50 million with at least one grant of \$40 million or more, support long-standing, independently evaluated, geographically broad programs with private matching funds.
- (7) Tier 1 funds may be spent through September 30, 2029, with unspent funds returned by October 30, 2029.
- (8) Tier 2 grants support mid-stage programs with at least three years of operation, promising results, geographic diversity, and prior private funding.
- (9) Tier 2 grant awards may not exceed \$12.5 million per year.
- (10) Tier 2 funds may be spent through September 30, 2027, with unspent funds returned by October 30, 2027.
- (11) Tier 3 grants fund early-stage or pilot programs with limited scope and a documented plan for future expansion.
- (12) Tier 3 grant awards may not exceed \$5 million per year.
- (13) Tier 3 funds may be spent through September 30, 2027, with unspent funds returned by October 30, 2027.
- (14) Individuals may not receive funding simultaneously under this section and sections 27a or 27c.
- (15) MDE must issue grant payments by December 15, 2025.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(1) From the state school aid fund money appropriated in section 11, there is allocated in FY 2025-26 FY 2026-27 only an amount not to exceed			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~\$70,000,000.00~~—**\$60,000,000.00** to districts, intermediate districts, and consortia of intermediate districts for grow your own programs ~~and educator development programs~~—as described in this section. ~~and subject to subsection (5).~~

(2) ... As part of the application described in this subsection, a district, intermediate district, or consortium of intermediate districts must submit the following information and assurances:

(d) Projected outcomes of programs described in this section, which must include, but are not limited to, the following:

(iv) Demonstration of addressing projected workforce needs.

(f) Assurances that any educator preparation program partnering with the district, intermediate district, or consortium of intermediate districts to support a grow your own program under this section is approved by the department for the preparation of teachers in this state.

(5) Grant awards under this section must be structured into 3 tiers, as described in subsections (6), ~~(8)~~—**(7)**, and ~~(11)~~—**(8)**, **or for the purposes described in subsection (9). The department shall award grants in a quantity and magnitude such that the allocation in subsection (1) is distributed over 3 fiscal years,**

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

beginning in FY 2026-27. All programs funded under this section must address a measurable and critical problem related to the health and efficacy of this state's education talent working in Michigan schools and be data- and research-driven, demonstrating effectiveness against intended and measurable outcomes.

~~(6) Funding for tier 1 grant awards must not exceed \$50,000,000.00, unless otherwise directed by the legislature. The department shall allocate at least 1 tier 1 grant of not less than \$40,000,000.00. Tier 1 grants must sustain or further scale grow your own programs or educator development programs that meet all of the following criteria:~~

~~(a) Have been in operation in this state for at least 5 years, and evaluated for at least 2 years by a rigorous, independent Michigan-based evaluator, and results of the program have been made publicly available.~~

~~(b) Have at least 2 consecutive years of public financial audits of the program with no material findings.~~

~~(c) Demonstrate broad geographic reach and investment into teachers and school leaders at every experience level, in partnerships established with not fewer than 15 local education agencies across both urban and rural regions, that extend back to the start of the FY 2023-24 school year, bound by written~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

agreements that include data sharing with an independent evaluator for evaluation purposes.

(d) Generate private matching funds.

~~(7) Notwithstanding section 18a, funds allocated for programs described in subsection (6) may be available for expenditure until September 30, 2029. A recipient of funding for a program described in subsection (6) must return any unexpended funds to the department in a manner prescribed by the department by not later than October 30, 2029.~~

~~(7) (8)~~ Tier 2 grants must scale or sustain grow your own programs or educator development programs that meet all of the following criteria:

(a) Have been in operation for at least 3 years.

(b) Demonstrate promising internal results, but are not yet supported by an independent evaluation.

(c) Serve a geographically diverse population, including both urban and rural areas.

(d) Have a demonstrated track record of receiving private philanthropic or corporate funding.

~~(9) Grant awards for programs described in subsection (8) must not exceed \$12,500,000.00 per year.~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~(10) Notwithstanding section 18a, funds allocated for programs described in subsection (8) may be available for expenditure until September 30, 2027. A recipient of funding for a program described in subsection (8) must return any unexpended funds to the department in a manner prescribed by the department by not later than October 30, 2027.~~

(8) ~~(11)~~-Tier 3 grants must fund pilot-stage or early-stage grow your own programs or educator development programs that meet all of the following criteria:

~~(a) Have been in operation for fewer than 2 years.~~

(a) ~~(b)~~-Do not yet have independent evaluation data available.

(b) ~~(e)~~-Are limited in scope or geography.

(c) ~~(d)~~-Include a documented path to scale or expand the program to serve more educators or additional districts.

~~(12) Grant awards for programs described in subsection (11) must not exceed \$5,000,000.00 per year.~~

(9) From the amount allocated in subsection (1), an amount not to exceed \$3,000,000.00 may be awarded by the department for school librarian specialist certification grants. These grants

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

may be awarded to eligible grow your own programs, educator development programs, or other programs that provide a pathway for certified teachers to receive a school librarian specialist (NQ) endorsement from the department. In awarding grants under this subsection, the department shall prioritize awards for applicants serving in schools that have libraries but do not have staff with an NQ endorsement.

(10) ~~(13)~~ Notwithstanding section 18a, funds allocated for programs described in ~~subsection (11)~~ **this section** may be available for expenditure until September 30, 2027. **for up to 3 fiscal years after the fiscal year in which funds were made available to the program.** A recipient of funding for a program described in ~~subsection (11)~~ **under this section** must return any unexpended funds to the department in a manner **and timeframe** prescribed by the department. ~~by not later than October 30, 2027.~~

(12) ~~(15)~~ Notwithstanding section 17b, the department shall make payments under this section ~~by not later than December 15, 2025.~~ **on a schedule determined by the department.**

(13) The funds allocated under this section in FY 2026-27 are a work project appropriation, and any unexpended funds in FY 2026-27 are carried forward into FY 2027-28.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

The purpose of the work project is to continue funding supports for grow your own educator programs. The estimated completion date of the work project is September 30, 2031.

Sec. 27c - MI Future Educator Student Teacher Stipends

Appropriates \$50,000,000 (\$30 million SAF/\$20 million Educator Fellowship Public Provider Fund) in FY 2025-26 for districts and ISDs for compensation for student teachers. At the close of the fiscal year, unspent funds are deposited into the Educator Fellowship Public Provider Fund.

(7) Definition of “eligible educator preparation program”.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Update fiscal years.</p> <p>(7) As used in this section, "eligible educator preparation program" means an institution of higher education that meets all of the following:</p> <p>(d) Includes as part of its required educator preparation coursework, pedagogical methods grounded in the science of reading. If an educator preparation program does not meet this standard, the program may maintain eligibility by providing to the department of lifelong education, advancement, and potential a detailed public plan, in a form and manner determined by the department of lifelong education, advancement, and potential, to comply with 2024 PA 147 by no later than September 30, 2027.</p>			

Sec. 27j - Student Loan Repayment Assistance Reserve Fund

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

Creates a non-lapsing reserve fund within the School Aid Fund to hold, invest, and carry forward appropriated and unspent state money for the student loan repayment assistance program, with expenditures only by specific appropriation and Treasury administering and auditing the fund.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(3) Money in the student loan repayment assistance reserve fund at the close of the fiscal year remains in the student loan repayment assistance reserve fund and does not shall lapse to the state school aid fund.</p> <p>(6) At the close of each fiscal year, unspent funds from state sources allocated in section 27k must be deposited into the student loan repayment assistance reserve fund created in this section.</p>			

Sec. 27l - Salary Incentive Pilot program

(2) Appropriates \$203.0 million SAF in FY 2024-25 only to be distributed equally per pupil and used solely to increase educator pay.

(4) Appropriates \$147.3 million from the MPSERS Reform Reserve Fund in FY 2024-25 only to participating entities in proportion to their 2024–25 section 147g funding and used solely to offset normal retiree health benefit costs.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 27m - National Board Certification Fund

Appropriates \$4,000,000 in FY 2023-24 only to give bonuses to teachers who complete national board certification by January 1, 2024. Allocates additional \$1,000,000 to reimburse teachers for the costs of certification fees.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 28 - Weighted Per-Pupil Education Funding Model

Provides a list of sections that provide some type of additional funding in recognition of differentiated costs of instruction:

- Sec. 22d (isolated, rural)
- Sec. 22l (transportation costs)
- Sec. 29 (declining enrollment)

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Sec. 31a (at risk)
 Sec. 32d (great start readiness program)
 Sec. 41 (bilingual education)
 Sec. 51c (special education mandated percentages)
 Sec. 54d (early on)
 Sec. 61a (CTE)
 Sec. 61d (CTE incentives)

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Update amounts to reflect FY 2026-27 allocations.</p> <p>(1) To recognize differentiated instructional costs for different types of pupils as well as additional costs to provide essential services in FY 2025-26 FY 2026-27, the following sections provide a weighted foundation allocation or an additional payment of some type in the following amounts, as allocated under those sections:</p> <p>(a) Section 22b, weighted foundation payment for at risk students, \$1,372,405,000.00.</p> <p>(b) Section 22b, weighted foundation payment for English language learners, \$66,532,600.00.</p> <p>(d) Section 31a, at risk, \$1,293,655,000.00.</p> <p>(f) Section 41, bilingual education for English language learners, \$62,732,600.00.</p> <p>(j) Section 61b, career and technical</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>education, early middle college and career and technical education, \$8,868,000.00.</p> <p>(j) Section 61d, career and technical education incentives, \$13,400,000.00.</p>			
<p>Sec. 29 - Enrollment Stability Supports</p> <p>Appropriates \$71,000,000 in FY 2025-26 to districts.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$125,000,000 in FY 2026-27.			
<p>Sec. 30d - Expanded Breakfast/Lunch Programs</p> <p>Appropriates \$200 million SAF and \$1.6 million GF/GP in FY 2025-26 that, when combined with available federal funding, ensures all students in a public school or a participating nonpublic school can receive breakfast and lunch at no cost.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$200,000,000.00 in FY 2025-26, and from the general fund money appropriated in section 11, there is allocated an amount not to exceed \$1,600,000.00 in FY 2025-26 only FY 2026-27 for the purpose of making payments to participating entities to provide free school lunch and breakfast to public school and nonpublic school pupils in grades pre-K to 12.</p> <p>(2) To receive funding under this section, a participating entity must participate in the National School Lunch Program and school breakfast program and must do all of the following:</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Sec. 31a - At-Risk Programs/Child and Adolescent Health Centers/Vision-Hearing Screening + Dental

Standard At-Risk funding is \$1,293,655,000 in FY 2025-26. In addition, vision and hearing is \$10,150,000, \$1.5 million GF/GP is added for dental screenings, and child and adolescent health services are appropriated at \$33,000,000.

(2) Sets eligibility requirements for districts and PSAs, including compliance with early literacy law and implementation of a data-driven, evidence-based multi-tiered system of supports (MTSS).

(3) Allocates most funding to a weighted per-pupil payment based on counts of economically disadvantaged pupils, with detailed rules for calculating eligibility.

(4) Standard at-risk funding is determined by each district's opportunity index score, giving higher per-pupil reimbursements to districts with a higher concentration of at-risk pupils. Reimbursements range from 35% - 47% of the target foundation allowance, and are prorated based on available funding.

(5) Allowable uses of funds.

(6) Requires participating districts with breakfast programs to use up to \$10 per eligible pupil to support breakfast program costs.

(7) Child and adolescent health services.

(8) Hearing, vision, and dental screenings.

(9) Requires annual reporting on funded programs, expenditures, pupils served, and TANF match data, with penalties for noncompliance.

(10) Requires districts and PSAs to allow audits of funded programs and repay any disallowed costs.

(11) If more than 40% of pupils are identified as at risk, districts may use funds for evidence-based, school wide reforms.

(12) Permits use of funds for research-based professional development and coaching to support MTSS and early literacy implementation.

(13) Funds may be used for support staff to assist at-risk pupils.

(14) A district or public school academy may use up to 60% of the funds it receives under this section for the following purposes:

(a) Up to 30% to reduce the teacher to pupil ratio in grades K to 3.

(b) Up to 30% to support retention and recruitment efforts that help reduce staff turnover and vacancies of instructional and support staff if the district or public school academy is assigned to opportunity index band 4, 5, or 6.

(15) Requires that funds used under subsection (14) align with needs assessments, prohibit supplanting or administrative costs, and be reported to MDE.

(16) Allows districts qualifying for subsection (14) uses to retain that flexibility for three fiscal years.

(17) Requires districts to annually report to parents on opportunity index funding amounts, distribution, interventions, and feedback mechanisms beginning in FY 2025-26.

(18) Up to 10% of funds may be used toward pre-K services.

(19) Department shall prorate payments if necessary.

(20) Establishes how economically disadvantaged pupil counts are estimated and redistributed if a district is dissolved.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

- (21) Allows funds to be used for anti-bullying or crisis intervention programs.
- (22) Directs collaboration to prioritize assigning Pathways to Potential success coaches to elementary schools with low early literacy proficiency.
- (23) In addition to allocation in (1), \$10,000,000 is appropriated in FY 2023-24 only for an electronic patient data and health care analytic system.
- (24) Defines “at-risk pupil,” “economically disadvantaged,” and “English language learner.”

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) There is allocated in FY-2025-26 FY 2026-27 an amount not to exceed \$1,336,805,000.00 \$43,150,000.00 from the state school aid fund money appropriated in section 11 and an amount not to exceed \$1,500,000.00 from the general fund money appropriated in section 11 for payments to eligible districts and eligible public school academies for the purposes of ensuring that pupils are proficient in English language arts by the end of grade 3, that pupils are proficient in mathematics by the end of grade 8, that pupils are attending school regularly, that high school graduates are career and college ready, and for the purposes under subsections (7), (8), and (23). (2) and (3).</p> <p>(2) For a district or public school academy to be eligible to receive funding under this section, other than funding under subsection (7), (8), or (23), the district or public school academy, for grades K to 12, must comply with the requirements under section 1280f of the revised school code, MCL 380.1280f, and must use resources to address early literacy and numeracy, and for at least grades K to 12 or, if the district or public school</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~academy does not operate all of grades K to 12, for all of the grades it operates, must implement a multi-tiered system of supports that is an evidence-based framework that uses data-driven problem-solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. The multi-tiered system of supports described in this subsection must provide at least all of the following essential components:~~

- ~~(a) Team-based leadership.~~
- ~~(b) A tiered delivery system.~~
- ~~(c) Selection and implementation of instruction, interventions, and supports.~~
- ~~(d) A comprehensive screening and assessment system.~~
- ~~(e) Continuous data-based decision making.~~

~~(3) From the state school aid fund money allocated under subsection (1), there is allocated in FY 2025-26 an amount not to exceed \$1,293,655,000.00 to continue a weighted foundation per pupil payment for districts and public school academies enrolling economically disadvantaged pupils. The department shall pay under this subsection to each eligible district or eligible public school academy an amount per pupil equal to a percentage calculated under subsection (4) multiplied by the target foundation allowance for the following, as applicable:~~

- ~~(a) Except as otherwise provided~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~under subdivision (b), (c), or (d) the greater of the following:~~

~~(i) The number of membership pupils in the district or public school academy who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year.~~

~~(ii) If the district or public school academy is in the community eligibility program, the number of pupils determined to be eligible based on the product of the identified student percentage multiplied by the total number of pupils in the district or public school academy, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the immediately preceding fiscal year. These calculations must be made at the building level. This subparagraph only applies to an eligible district or eligible public school academy for the fiscal year immediately following the first fiscal year in which it is in the community eligibility program. As used in this subparagraph, "identified student percentage" means the quotient of the number of pupils in an eligible district or eligible public school academy who are determined to be economically disadvantaged, as reported to the center in a form and manner prescribed by the center, not later than the fifth Wednesday after the pupil membership count day in the~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~fiscal year preceding the first fiscal year in which the eligible district or eligible public school academy is in the community eligibility program, divided by the total number of pupils counted in an eligible district or eligible public school academy on the pupil membership count day in the fiscal year preceding the first fiscal year in which the eligible district or eligible public school academy is in the community eligibility program.~~

~~(b) If the district or public school academy began operations as a district or public school academy after the pupil membership count day of the immediately preceding school year, the number of membership pupils in the district or public school academy who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the pupil membership count day of the current fiscal year.~~

~~(c) If the district or public school academy began operations as a district or public school academy after the pupil membership count day of the current fiscal year, the number of membership pupils in the district or public school academy who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the supplemental count day of the current fiscal year.~~

~~(d) If, for a particular fiscal year, the~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~number of membership pupils in a district or public school academy who are determined under subdivision (a) to be economically disadvantaged or to be eligible based on the identified student percentage varies by more than 20 percentage points from the number of those pupils in the district or public school academy as calculated under subdivision (a) for the immediately preceding fiscal year caused by an egregious reporting error by the district or public school academy, the department may choose to have the calculations under subdivision (a) instead be made using the number of membership pupils in the district or public school academy who are determined to be economically disadvantaged, as reported to the center in the form and manner prescribed by the center not later than the fifth Wednesday after the supplemental count day of the immediately preceding fiscal year.~~

~~(4) Each district or public school academy must be assigned an opportunity index score each fiscal year, the value of which is the quotient of the number of economically disadvantaged pupils as determined under subsection (3) for the district or public school academy and the total number of pupils in the district or public school academy in the immediately preceding fiscal year, multiplied by 100 and rounded up to the nearest whole number. Each district or public school academy must be assigned an opportunity index band as follows:~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~(a) A district or public school academy with an opportunity index score greater than or equal to 0 but less than 20 must be assigned to band 1 and shall receive reimbursement under subsection (3) at a rate of at least 35.0% and less than 36.0%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 1, multiplied by the band adjustment factor applicable to this subdivision, plus 35.0%.~~

~~(b) A district or public school academy with an opportunity index score greater than or equal to 20 but less than 44 must be assigned to band 2 and shall receive reimbursement under subsection (3) at a rate of at least 36.0% and less than 37.5%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 20, multiplied by the band adjustment factor applicable to this subdivision, plus 36.0%.~~

~~(c) A district or public school academy with an opportunity index score greater than or equal to 44 but less than 59 must be assigned to band 3 and shall receive reimbursement under subsection (3) at a rate of at least 37.5% and less than 39.0%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 44, multiplied by the band adjustment factor applicable to this subdivision, plus 37.5%.~~

~~(d) A district or public school academy with an opportunity index score greater~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~than or equal to 59 but less than 73 must be assigned to band 4 and shall receive reimbursement under subsection (3) at a rate of at least 39.0% and less than 42.0%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 59, multiplied by the band adjustment factor applicable to this subdivision, plus 39.0%.~~

~~(e) A district or public school academy with an opportunity index score greater than or equal to 73 but less than 85 must be assigned to band 5 and shall receive reimbursement under subsection (3) at a rate of at least 42.0% and less than 47.0%. The reimbursement rate under this subdivision must be an amount equal to the district's opportunity index score minus 73, multiplied by the band adjustment factor applicable to this subdivision, plus 42.0%.~~

~~(f) A district or public school academy with an opportunity index score greater than or equal to 85 must be assigned to band 6 and shall receive reimbursement under subsection (3) at a rate of 47.0%.~~

~~(g) As used in this subsection, "band adjustment factor" means an amount equal to the difference between the lowest and highest reimbursement bounds for each band, divided by the number of possible opportunity index scores in that band.~~

~~(5) Except as otherwise provided in this section, a district or public school academy receiving funding under this~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical, mental health, or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (6), (7), (8), or (23). In addition, a district that is a school district of the first class or a district or public school academy in which at least 50% of the pupils in membership were determined to be economically disadvantaged in the immediately preceding state fiscal year, as determined and reported as described in subsection (3), may use the funds it receives under this section for school security or school parent liaison personnel. The uses of the funds described in the immediately preceding sentence must align to the needs assessment and the multi-tiered system of supports model and, for funds spent on parent liaison personnel, must connect parents to the school community. A district or public school academy shall not use any of the money received under this section for administrative costs. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year.~~

~~(6) A district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a,~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~shall use from the funds received under this section an amount, not to exceed \$10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to pay for costs associated with the operation of the school breakfast program.~~

(2) ~~(7)~~ Appropriates \$33 million in FY 2026-27.

(3) ~~(8)~~ Appropriates \$10,150,000 SAF and \$1,500,000 GF/GP in FY 2026-27.

~~(9) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, in the form and manner prescribed by the department, that includes a brief description of each program conducted or services performed by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs or services, the total number of at-risk pupils served by each of those programs or services, and the data necessary for the department and the department of health and human services to verify matching funds for the temporary assistance for needy families program. In prescribing the form and manner of the report, the department shall ensure that districts are allowed to expend funds received under this section on any activities that are permissible under this section. If a district or public school academy does~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the fiscal year, the withheld funds are forfeited to the school aid fund.~~

~~(10) To receive funds under this section, a district or public school academy must allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.~~

~~(11) Subject to subsections (6), (7), (8), and (23), for schools in which more than 40% of pupils are identified as at-risk, a district or public school academy may use the funds it receives under this section to implement tier 1, evidence-based practices in schoolwide reforms that are guided by the district's comprehensive needs assessment and are included in the district improvement plan. Schoolwide reforms must include parent and community supports, activities, and services, that may include the pathways to potential program created by the department of health and human services or the communities in schools program. As used in this subsection, "tier 1, evidence-based practices" means research based~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~instruction and classroom interventions that are available to all learners and effectively meet the needs of most pupils.~~

~~(12) A district or public school academy that receives funds under this section may use those funds to provide research based professional development and to implement a coaching model that supports the multi-tiered system of supports framework. Professional development may be provided to district and school leadership and teachers and must be aligned to professional learning standards; integrated into district, school building, and classroom practices; and solely related to the following:~~

~~(a) Implementing the multi-tiered system of supports required in subsection (2) with fidelity and utilizing the data from that system to inform curriculum and instruction.~~

~~(b) Implementing section 1280f of the revised school code, MGL 380.1280f, as required under subsection (2), with fidelity.~~

~~(13) A district or public school academy that receives funds under subsection (3) may use funds received under subsection (3) for support staff providing services to at-risk pupils.~~

~~(14) A district or public school academy may use up to 60% of the funds it receives under this section for the following purposes:~~

~~(a) Up to 30% to reduce the teacher to~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~pupil ratio in grades K to 3.
(b) Up to 30% to support retention and recruitment efforts that help reduce staff turnover and vacancies of instructional and support staff if the district or public school academy is assigned to opportunity index band 4, 5, or 6.~~

~~(15) Funds used as described in subsection (14) must align with the needs assessment and the multi-tiered system of supports model. A district or public school academy shall not use any of the money described in subsection (14) for administrative costs or to supplant existing funding, including, but not limited to, maintaining existing salaries or costs. A district or public school academy shall report its intent to use funds described in subsection (14) to the department by not later than November 1 of the current fiscal year.~~

~~(16) A district or public school academy determined to be eligible to use a portion of funds received under subsection (3) for the purposes described in subsection (14) retains the ability to use funding for the purposes described in subsection (14) for the fiscal year in which eligibility was determined plus 2 additional fiscal years beyond that fiscal year.~~

~~(17) Beginning with the fiscal year ending September 30, 2026, and each year thereafter, for a district receiving funding under this section through the opportunity index formula, the district~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~must provide a report to parents or legal guardians that details the amount of funding received under that allocation, how the district distributed that funding in a way to target buildings with the highest needs, and what evidence-based interventions were implemented with those dollars. The report must include a method, including contact information, for parents or legal guardians to provide feedback on the use of these dollars as well as to seek more information about services and interventions available for their children.~~

~~(18) A district or public school academy that receives funds under this section may use up to 10% of the funds received under this section to provide evidence-based instruction for pre-kindergarten instructional and noninstructional services to at-risk pupils.~~

~~(19) Except as otherwise provided in this subsection, if necessary, the department shall prorate payments under this section, except payments under subsection (7), (8), or (23), by reducing the amount of the allocation as otherwise calculated under this section by an equal percentage per district. Subject to the availability of funds, if proration is necessary under this subsection, the department must ensure that no district receives an amount less than 11.5% of the target foundation for each economically disadvantaged pupil enrolled in the district.~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~(20) If a district is dissolved pursuant to section 12 of the revised school code, MCL 380.12, the intermediate district to which the dissolved district was constituent shall determine the estimated number of pupils that are economically disadvantaged and that are enrolled in each of the other districts within the intermediate district and provide that estimate to the department for the purposes of distributing funds under this section within 60 days after the district is declared dissolved.~~

~~(21) A district or public school academy that receives funds under this section may use funds received under this section to provide an anti-bullying or crisis intervention program.~~

~~(22) The department shall collaborate with the department of health and human services to prioritize assigning Pathways to Potential success coaches to elementary schools that have a high percentage of pupils in grades K to 3 who are not proficient in English language arts, based upon state assessments for pupils in those grades.~~

~~(23) From the state school aid fund money appropriated under section 11, there is allocated in FY 2023-24 only an amount not to exceed \$10,000,000.00 for an electronic patient data and health care analytic system to be made available to each child and adolescent health center~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~program. The department of health and human services shall collaborate on system implementation with a nonprofit organization exclusively dedicated to serving child and adolescent health center programs in this state and that has a membership that includes federally qualified health centers, local public health departments, hospital systems, and public school districts, including, but not limited to, technology assessment, design, coordination, and system implementation with child and adolescent health center programs. Funds appropriated under this subsection are a work project appropriation and any unexpended funds in FY 2023-24 are carried forward into FY 2024-25. The purpose of the work project is to continue to implement an electronic patient data and health care analytic system. The estimated completion date of the work project is September 30, 2028.~~

~~(24) As used in this section:~~

~~(a) "At risk pupil" means a pupil in grades pre-K to 12 for whom the district has documentation that the pupil meets any of the following criteria:~~

~~(i) The pupil is economically disadvantaged.~~

~~(ii) The pupil is an English language learner.~~

~~(iii) The pupil is chronically absent as defined by and reported to the center.~~

~~(iv) The pupil is a victim of child abuse or neglect.~~

~~(v) The pupil is a pregnant teenager or~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~teenage parent.~~

~~(vi) The pupil has a family history of school failure, incarceration, or substance abuse.~~

~~(vii) The pupil is an immigrant who has immigrated within the immediately preceding 3 years.~~

~~(viii) The pupil did not complete high school in 4 years and is still continuing in school as identified in the Michigan cohort graduation and dropout report.~~

~~(ix) For pupils for whom the results of the state summative assessment have been received, is a pupil who did not achieve proficiency on the English language arts, mathematics, science, or social studies content area assessment.~~

~~(x) Is a pupil who is at risk of not meeting the district's or public school academy's core academic curricular objectives in English language arts or mathematics, as demonstrated on local assessments.~~

~~(b) "Economically disadvantaged" means a pupil who has been determined eligible for free or reduced-price meals as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j; who is in a household receiving supplemental nutrition assistance program or temporary assistance for needy families assistance; or who is homeless, migrant, or in foster care, as reported to the center.~~

~~(c) "English language learner" means limited English proficient pupils who speak a language other than English as their primary language and have difficulty speaking, reading, writing, or~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

understanding English as reported to the center.			
Sec. 31d - School Lunch			
Appropriates \$29,553,400 SAF in FY 2025-26 to fund the State share of the school lunch programs as required by the <i>Durant</i> settlement and includes \$923,400,000 Federal.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
Sec. 31f - School Breakfast			
Appropriates \$16,900,000 in FY 2025-26 to provide reimbursement for the State school breakfast program.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
Sec. 31n - Mental Health Grants and Administration			
Appropriates \$106,545,000 from the SAF and \$1,300,000 from the GF/GP to support licensed behavioral health providers for general education students. Funding is distributed as follows:			
(4) Directs DHHS to amend the state Medicaid plan to secure waivers that generate additional Medicaid matching funds for school mental health and support services.			
(6) \$87,245,000 for grants to intermediate school districts (ISDs) for the provision of mental health and support services to general education students. The first \$56,173,600 is distributed as \$1,003,100 to each ISD that distributes a plan approved by MDHHS. The remaining \$31,071,400 is distributed on a per-pupil basis to all ISDs.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
(4) The department of health and human services shall amend ensure that the state Medicaid plan continues to be written in a way sufficient to obtain appropriate Medicaid waivers as necessary for the purpose of generating to generate additional Medicaid match funding for school mental health and support services for general education pupils, and this expansion is called through the Caring for Students (C4S) expansion.			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(6) ... From the first \$56,173,600.00 of the funds allocated under this subsection, the department shall distribute up to \$1,003,100.00 in FY ~~2025-26~~ **FY 2026-27** to each intermediate district that submits a plan approved by the department and the department of health and human services by February 1 of each fiscal year for which funds are allocated under this section. The department shall distribute the remaining \$31,071,400.00 of the funds allocated under this subsection in FY ~~2025-26~~ **FY 2026-27** to intermediate districts **that submit a plan approved by the department and the department of health and human services by February 1 of each fiscal year for which funds are allocated under this section** on an equal per-pupil basis based on the combined total number of pupils in membership in the intermediate district and its constituent districts, including public school academies that are considered to be constituent districts under section 705(7) of the revised school code, MCL 380.705.

(15) As used in this section, "general education pupil" may include children served under section 32d and section 32t.

Sec. 31aa - Mental Health and School Safety Per Pupil Payments

(2) Appropriates \$200 million SAF and \$14 million GF/GP in FY 2025-26 only for per-pupil grants to districts, intermediate districts, nonpublic schools, and the Michigan Schools for the Deaf and Blind, for activities to improve student mental health and improve student safety.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

- (3) Payments must be made in an equal amount per pupil.
- (4) Appropriates \$50 million SAF and \$3.5 million GF/GP in FY 2025-26 only for competitive grants to hire school resource officers.
- (5) Appropriates \$50 million SAF and \$3.5 million GF/GP in FY 2025-26 only for competitive grants to hire mental health professionals.
- (6) To receive funding, an eligible district must agree to a full investigation in the event of a mass-casualty incident, including waiving any applicable privileges and fully complying with the investigative process.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Appropriates \$300 million SAF in FY 2026-27 (\$50 million ongoing/\$250 million one-time).</p> <p>(2) From the The state school aid fund money funds allocated in subsection (1), an amount not to exceed \$200,000,000.00, and from the general fund money allocated in subsection (1), an amount not to exceed \$14,000,000.00 may be used to provide payments to districts, intermediate districts, nonpublic schools, and the Michigan Schools for the Deaf and Blind that opt in and agree to receive funding under this subsection, for activities to improve student mental health and improve student safety. The allowable expenditures of funds under this subsection are as follows:</p> <p>(s) Emergency infrastructure needs to respond to an immediate threat to the health or safety of students and staff in the district, intermediate district, nonpublic school, or the Michigan Schools for the Deaf and Blind. A district, intermediate district, nonpublic school, or the Michigan Schools for the Deaf and Blind shall not expend funds for this purpose without first obtaining approval from the department. In</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

making a determination of approval, the department shall, at a minimum, assess whether the district, intermediate district, ~~nonpublic school,~~ or the Michigan Schools for the Deaf and Blind is responding to an immediate threat to the health or safety of students and staff, and whether the district, intermediate district, ~~nonpublic school,~~ or the Michigan Schools for the Deaf and Blind has other sources of funding that should be utilized first.

(t) A contract with a vendor for a comprehensive safety and security assessment or a comprehensive safety and security event assessment in schools operated by the district, intermediate district, ~~nonpublic school,~~ or the Michigan Schools for the Deaf and Blind.

(3) By not later than December 31 of each fiscal year, from the state school aid fund money allocated in subsection (1), the department shall make payments to districts, intermediate districts, and the Michigan Schools for the Deaf and Blind that opt in and agree to receive funding in an equal amount per pupil based on the total number of pupils in membership in each district, intermediate district, and the Michigan Schools for the Deaf and Blind that opts in and agrees to receive funding. ~~By December 31 of each fiscal year, from the general fund money allocated in subsection (2), the department shall make payments to nonpublic schools that opt in and~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~agree to receive funding in an equal amount per pupil based on the total number of pupils in membership in each nonpublic school that opts in and agrees to receive funding, using pupil counts determined by the department. The department shall ensure that the amount per pupil paid to nonpublic schools does not exceed the amount per pupil paid to districts and intermediate districts. Districts, intermediate districts, and the Michigan Schools for the Deaf and Blind, and nonpublic schools may opt in and agree to receive funding in a form and manner determined by the department.~~

~~(4) From the state school aid fund money allocated in subsection (1), there is allocated an amount not to exceed \$50,000,000.00, and from the general fund money allocated in subsection (1), there is allocated an amount not to exceed \$3,500,000.00 for competitive grants to districts, intermediate districts, and nonpublic schools for school resource officers and safety dogs. To receive funding under this subsection, a district, intermediate district, or nonpublic school must apply for funding to the department in a form and manner prescribed by the department. The department shall prioritize applicants who include a spending plan to sustain salaries after grant funding has concluded. Recipients of funding under this subsection shall ensure that any school resource officer hired with these funds has completed training by~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~the Michigan commission on law enforcement standards.~~

~~(5) From the state school aid fund money allocated in subsection (1), there is allocated an amount not to exceed \$50,000,000.00 and from the general fund money allocated in subsection (1), there is allocated an amount not to exceed \$3,500,000.00 for competitive grants to districts, intermediate districts, and nonpublic schools to hire or contract for support staff for student mental health needs, including, but not limited to, school psychologists, social workers, and counselors. To receive funding under this subsection, a district, intermediate district, or nonpublic school must apply for funding to the department in a form and manner prescribed by the department. The department shall prioritize applicants that include a spending plan to sustain salaries after grant funding has concluded.~~

~~(7) (9)-To receive funding under this section, a district, an intermediate district, a nonpublic school, or the Michigan Schools for the Deaf and Blind must agree to be subject to a comprehensive investigation, must affirmatively agree to waive any privilege that may otherwise protect information from disclosure in the event of a mass casualty event, and must agree to comply with a comprehensive investigation.~~

~~(10) Funds allocated under subsection (4) in FY 2025-26 are a work project~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~appropriation, and any unexpended funds in FY 2025-26 are carried forward into FY 2026-27. The purpose of the work project is to continue providing funding to support districts, intermediate districts, and nonpublic schools in having school resource officers. The estimated completion date of the work project is September 30, 2029.~~

~~(11) Funds allocated under subsection (5) in FY 2025-26 are a work project appropriation, and any unexpended funds in FY 2025-26 are carried forward into FY 2026-27. The purpose of the work project is to continue providing funding to support districts, intermediate districts, and nonpublic schools in hiring staff to support student mental health. The estimated completion date of the work project is September 30, 2029.~~

Sec. 32d - Great Start Readiness Program (GSRP)

Appropriates \$638,217,600 from the School Aid Fund to operate the district Great Start Readiness Program (GSRP) and \$350,000 GF/GP to continue a longitudinal study of the GSRP.

An ISD or grant recipient list may enroll children in families at any income level. The enrollment process shall consider income and risk factors, such that higher-need children are enrolled prior to those with lesser need.

For enrollment across ISD boundaries, the ISDs must enter into a written agreement for payment, in a manner prescribed by MiLEAP.

An ISD or consortium may retain 4% for administration and expenses incurred by subrecipients are considered program costs or a contracted program fee for service.

(2) Appropriates \$626,217,600 in FY 2025-26 to intermediate districts based on a formula, with reserve fund backfills if allocations are insufficient.

(3) Appropriates \$350,000 GF/GP in FY 2025-26 for a competitive grant to continue longitudinal evaluation of GSRP participants.

(8) Establishes application requirements prior to September 30, 2025, including income eligibility ($\leq 400\%$ FPL), staffing qualifications, and non-supplanting budgets.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

- (10) Specifies how children in school-day and extended programs are counted for funding purposes through September 30, 2025.
- (17) Requires income-based prioritization of enrollment using quintiles up to 400% FPL through September 30, 2025.
- (19) An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total allocation.
- (21) Requires MILEAP to support community-based provider participation through outreach, quality ratings, reporting, and shared materials.
- (24) \$28,000,000 of the total is earmarked for reimbursement for transportation costs, up to \$500 per slot.
- (25) Specifies allowable transportation costs, including parent-provided transportation beginning in FY 2025-26, with documentation requirements.
- (29) Earmarks \$2,000,000 out of the total appropriation for professional development and training materials for educators implementing new curricula, and for child assessment tools.
- (31) Appropriates \$10 million in FY 2025-26 only for GSRP classroom startup grants.
- (32) Appropriates \$1,950,000 GF/GP in FY 2024-25 for statewide GSRP outreach and enrollment campaigns.
- (33) Designates the outreach funding as a work project carried forward through FY 2025-26 with completion by September 30, 2027.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From the state school aid fund money appropriated in section 11, there is allocated to eligible intermediate districts and consortia of intermediate districts for great start readiness programs and other purposes described in this section an amount not to exceed \$609,720,000.00 in FY 2024-25 and \$638,217,600.00 in FY 2025-26. \$801,667,600.00 in FY 2025-26. From the general fund money appropriated under section 11, there is allocated \$600,000.00 in FY 2024-25 and \$350,000.00 in FY 2025-26, FY 2026-27 and from the great start readiness reserve fund money appropriated in section 11, there is allocated \$18,000,000.00 in FY 2024-25 and FY 2025-26 FY 2026-27 for the purposes of this section. In FY 2024-25, an intermediate district or consortium shall use funds allocated</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~under this section for great start readiness programs to provide part-day programs, school-day programs, GSRP extended programs, GSRP/Head Start school-day blended programs, or GSRP/Head Start extended blended programs that are comprehensive, free, compensatory classroom programs designed to improve the readiness and subsequent achievement of children who meet the participant eligibility and prioritization guidelines as defined by the department of lifelong education, advancement, and potential. In FY 2025-26, an~~ An intermediate district or consortium shall use funds allocated under this section for eligible great start readiness program options.

(2) From the state school aid fund money allocated under subsection (1), an amount not to exceed ~~\$597,720,000.00 in FY 2024-25 and \$626,217,600.00~~ **\$764,667,600.00** in ~~FY 2025-26~~ **FY 2026-27** is allocated to intermediate districts or consortia of intermediate districts based on the formula in section 39. An intermediate district or consortium of intermediate districts receiving funding under this section shall act as the fiduciary for the great start readiness programs. An intermediate district or consortium of intermediate districts receiving funding under this section may collaborate with local governments to identify children eligible for programs funded under this section and may contract with local governments to provide services. To be eligible to receive funds allocated

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

under this subsection from an intermediate district or consortium of intermediate districts, a district, a consortium of districts, a local government, or a public or private for-profit or nonprofit legal entity or agency must comply with this section and section 39. ~~In FY 2024-25, if, due to the number of GSRP extended program or GSRP/Head Start extended blended program slots awarded, the amount allocated in this subsection is insufficient to award at least the same number of part-day program and school-day program slots as awarded in the immediately preceding fiscal year, there is appropriated from the great start readiness program reserve fund the amount necessary to fully award the same number of part-day program and full-day program slots as awarded in the immediately preceding fiscal year.~~ In FY 2025-26, ~~if~~ **if** the amount allocated in this subsection is insufficient to fully fund allocations calculated under section 39, there is appropriated from the great start readiness program reserve fund the amount necessary and available to fully fund those allocations.

(3) From the ~~general fund~~ **state school aid fund** money allocated under subsection (1), ~~there is allocated an amount not to exceed \$600,000.00 in FY 2024-25 and an amount not to exceed \$350,000.00 in FY 2025-26 for~~ **(2), the department shall award a competitive grant to a state public university** to continue a longitudinal

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

evaluation of children who have participated in great start readiness programs.

~~(8) For applications submitted before September 30, 2025, an application for funding under this section must provide for the following, in a form and manner determined by the department of lifelong education, advancement, and potential:~~

~~(a) Ensure either of the following:~~

~~(i) That the applicant complies with all program components described in subsection (4).~~

~~(ii) That the applicant meets the requirements of a waiver under subsection (5).~~

~~(b) Except as otherwise provided in this subdivision, ensure that children participating in an eligible great start readiness program for whom the intermediate district is receiving funds under this section are children who live with families with a household income that is equal to or less than 400% of the federal poverty guidelines. If the intermediate district determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than 400% of the federal poverty guidelines, the intermediate district may then enroll children who live with families with a household income that is greater than 400% of the federal~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~poverty guidelines. The enrollment process must consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subdivision, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education programs recommending placement in an inclusive preschool setting are considered to live with families with household income equal to or less than 400% of the federal poverty guidelines regardless of actual family income and are prioritized for enrollment within the lowest quintile. The department of lifelong education, advancement, and potential shall publish the household income thresholds under this subdivision in a clear manner on its website and the great start to quality website.~~

~~(c) Except as provided in subsection (5), ensure that the applicant only uses qualified personnel for this program, as follows:~~

~~(i) Teachers possessing proper training. A lead teacher must have a valid Michigan teaching certificate with an early childhood or lower elementary endorsement or a bachelor's or higher degree in child development or early childhood education with specialization in preschool teaching. However, except as otherwise provided in this subparagraph, if an applicant demonstrates to the~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~department of lifelong education, advancement, and potential that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, teachers or paraprofessionals with at least 5 years of experience as a paraprofessional in a great start readiness program, Head Start, or licensed child care center classroom who have significant but incomplete training in early childhood education or child development may be used if the applicant provides to the department of lifelong education, advancement, and potential, and the department of lifelong education, advancement, and potential approves, a plan for each teacher to come into compliance with the standards in this subparagraph. Individuals may qualify with at least 3 years of experience and significant training in early childhood education or child development, based on the recommendation of the intermediate district after a classroom observation. A teacher's compliance plan must be completed within 3 years of the date of employment. Progress toward completion of the compliance plan consists of at least 2 courses per calendar year.~~

~~(ii) Paraprofessionals possessing proper training in early childhood education, including an associate degree in early childhood education or child development or the equivalent, or a child development associate (CDA) credential. However, if an applicant demonstrates to the department of~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~lifelong education, advancement, and potential that it is unable to fully comply with this subparagraph after making reasonable efforts to comply, the applicant may use paraprofessionals who have completed at least 1 course that earns college credit in early childhood education or child development or enroll in a child development associate credential with at least 6 months of verified experience in early education and care, if the applicant provides to the department of lifelong education, advancement, and potential, and the department of lifelong education, advancement, and potential approves, a plan for each paraprofessional to come into compliance with the standards in this subparagraph. A paraprofessional's compliance plan must be completed within 3 years of the date of employment. Progress toward completion of the compliance plan consists of at least 2 courses, 60 clock hours, or an equivalent of training per calendar year.~~

~~(d) Include a program budget that contains only those costs that are not reimbursed or reimbursable by federal funding, that are clearly and directly attributable to the great start readiness program, and that would not be incurred if the program were not being offered. Eligible costs include transportation costs. The program budget must indicate the extent to which these funds will supplement other federal, state, local, or private funds. An applicant shall not use funds~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~received under this section to supplant any federal funds received by the applicant to serve children eligible for a federally funded preschool program that has the capacity to serve those children.~~

~~(10) For a grant recipient that enrolls pupils in a school-day program or GSRP extended program funded under this section, each child enrolled in the school-day program or GSRP extended program is counted as described in section 39 for purposes of determining the amount of the grant award. This subsection does not apply after September 30, 2025.~~

~~(17) Each grant recipient shall enroll children identified under subsection (8)(b) according to how far the child's household income is below 400% of the federal poverty guidelines by ranking each applicant child's household income from lowest to highest and dividing the applicant children into quintiles based on how far the child's household income is below 400% of the federal poverty guidelines, and then enrolling children in the quintile with the lowest household income before enrolling children in the quintile with the next lowest household income until slots are completely filled. If the grant recipient determines that all eligible children are being served and that there are no children on the waiting list who live with families with a household income that is equal to or less than 400% of the federal poverty~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~guidelines, the grant recipient may then enroll children who live with families with a household income that is greater than 400% of the federal poverty guidelines. The enrollment process must consider income and risk factors, such that children determined with higher need are enrolled before children with lesser need. For purposes of this subsection, all age-eligible children served in foster care or who are experiencing homelessness or who have individualized education programs recommending placement in an inclusive preschool setting are considered to live with families with household income equal to or less than 400% of the federal poverty guidelines regardless of actual family income and are prioritized for enrollment within the lowest quintile. This subsection does not apply after September 30, 2025.~~

(16) ~~(19)~~—An intermediate district or consortium of intermediate districts receiving a grant under this section shall conduct a local process to contract with interested and eligible public and private for-profit and nonprofit community-based providers that meet all requirements of subsection (4) for at least 30% of its total allocation. ~~In FY 2024-25, for the purposes of this 30% allocation, an intermediate district or consortium of intermediate districts may count children served by a Head Start grantee or delegate in a GSRP/Head Start school-day blended program,~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~GSRP/Head Start extended blended program, GSRP extended program, and great start readiness school day program.~~ Children served in a program funded only through Head Start are not counted toward this 30% allocation. ~~Beginning in FY 2025-26, the~~ **The** department of lifelong education, advancement, and potential shall provide guidance to intermediate districts and consortia of intermediate districts on counting children served by Head Start programming for the purposes of this 30% allocation. ~~In FY 2024-25, an intermediate district or consortium shall report to the department of lifelong education, advancement, and potential, in a manner prescribed by the department of lifelong education, advancement, and potential, a detailed list of community based providers by provider type, including private for-profit, private nonprofit, community college or university, Head Start grantee or delegate, and district or intermediate district, and the number and proportion of its total allocation allocated to each provider as subrecipient. Beginning in FY 2025-26, an~~ **An** intermediate district or consortium shall report to the department of lifelong education, advancement, and potential, in a manner prescribed by the department of lifelong education, advancement, and potential, information necessary for the department of lifelong education, advancement, and potential to determine the intermediate district's or consortium of intermediate

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

districts' compliance with this subsection.

(18) ~~(21)~~—To assist intermediate districts and consortia in complying with the requirement to contract with community-based providers, for at least 30% of their total allocation, the department of lifelong education, advancement, and potential shall do all of the following:

~~(b) Provide, or ensure that an organization with which the department of lifelong education, advancement, and potential contracts provides, a community-based provider with a validated great start to quality rating within 90 days of the provider's having submitted a request and self-assessment. This subdivision does not apply after September 30, 2025.~~

(21) ~~(24)~~ Update fiscal years.

(22) ~~(25)~~ In FY 2024-25, subject to, and from the funds allocated under, subsection ~~(24)~~, the department of lifelong education, advancement, and potential shall reimburse a program for transportation costs related to parent- or guardian-accompanied transportation provided by transportation service companies, buses, or other public transportation services. Beginning in FY 2025-26, subject **Subject** to, and from the funds allocated under, subsection ~~(24)~~, **(21)**, the department of lifelong education, advancement, and potential shall allow programs to utilize those funds for

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

costs related to parent- or guardian-provided transportation and for costs related to parent- or guardian-accompanied transportation provided by transportation service companies, buses, or other public transportation services. For payments related to parent- or guardian-provided transportation, the department of lifelong education, advancement, and potential shall develop parameters to ensure dollars are utilized in a way that improves access to eligible great start readiness program options for low-income and geographically isolated families. To be eligible for reimbursement under this subsection in FY 2024-25, and to utilize funding under this subsection in FY 2025-26, a program must submit to the intermediate district or consortia of intermediate districts all of the following:

(26) ~~(29)~~ From the state school aid fund money allocated under subsection (1), there is allocated in FY ~~2024-25 and FY 2025-26~~ **FY 2026-27** an amount not to exceed \$2,000,000.00 for payments to intermediate districts or consortia of intermediate districts for professional development and training materials for educators in programs implementing new curricula or child assessment tools approved for use in the great start readiness program. **Curricula and child assessment tools purchased with funds received under this subsection must be in compliance with early childhood standards of**

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

quality for birth to kindergarten children.

~~(28) (31) In addition to~~ **From the state school aid fund** allocation under subsection (1), ~~from the state school aid fund money appropriated under section 11,~~ there is allocated an amount not to exceed \$25,000,000.00 in FY ~~2024-25~~ and an amount not to exceed \$10,000,000.00 in FY ~~2025-26~~ **FY 2026-27** only for classroom start up grants to intermediate districts and consortia of intermediate districts for new or expanding great start readiness classrooms. All of the following apply to funding allocated under this subsection:

(b) The department of lifelong education, advancement, and potential shall pay an amount not to exceed \$50,000.00 for each new or expanded classroom. If funding is insufficient to fully fund all eligible applicants, the department of lifelong education, advancement, and potential must prorate the per-classroom amount on an equal basis. ~~If the allocation is not fully paid in the current fiscal year, the department of lifelong education, advancement, and potential may award any remaining funding from fiscal year FY 2024-25 during fiscal year FY 2025-26, and may award any remaining funding from fiscal year FY 2025-26 during fiscal year FY 2026-27 for each new or expanded classroom at an equal amount per classroom, based on~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~remaining available funds, not to exceed \$50,000.00 per classroom.~~

~~(e) The funds allocated under this subsection in FY 2024-25 are a work project appropriation, and any unexpended funds in FY 2024-25 do not lapse to the state school aid fund and are carried forward into FY 2025-26. The purpose of the work project is to continue support for new or expanded great start readiness classrooms. The estimated completion date of the work project is September 30, 2026.~~

~~(f) The funds allocated under this subsection in FY 2025-26 are a work project appropriation, and any unexpended funds in FY 2025-26 do not lapse to the state school aid fund and are carried forward into FY 2026-27. The purpose of the work project is to continue support for new or expanded great start readiness classrooms. The estimated completion date of the work project is September 30, 2027.~~

~~(32) In addition to the funds allocated in subsection (1), there is allocated from the general fund money appropriated under section 11 in FY 2024-25 only an amount not to exceed \$1,950,000.00 for an intermediate district or a consortium of intermediate districts to partner with the department of lifelong education, advancement, and potential and community based organizations to continue implementing statewide outreach and~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~enrollment campaign activities to raise awareness about the availability of services through the great start readiness program, and to promote enrollment.~~

~~(33) The funds allocated under subsection (32) in FY 2024-25 are a work project appropriation, and any unexpended funds in FY 2024-25 are carried forward into FY 2025-26. The purpose of the work project is to raise awareness of and participation in great start readiness programming. The estimated completion date of the work project is September 30, 2027.~~

~~(34) Notwithstanding section 17b, the department of lifelong education, advancement, and potential shall make payments under subsection (32) on a schedule determined by the department of lifelong education, advancement, and potential.~~

Sec. 32n - Out-Of-School Time Learning

Appropriates \$75,000,000 SAF in FY 2025-26 only for before and after school programs for children in grades K-12.

(2) Establishes a competitive grant program using the subsection (1) funds to expand before-school, after-school, and summer programming for K-12 students through eligible organizations meeting specified programmatic and licensing criteria.

(3) Requires MiLEAP to administer a competitive grant process, including application requirements, public posting of evaluation criteria, and minimum application open periods, with a one-year exception to advance publication.

(7) In FY 2024-25 only, allows up to 2% of grant funding for a nonprofit to provide start-up support, professional development, and technical assistance.

(10) Requires full payment of grants upon award and allows repayment if reporting, service delivery, or operational requirements are not met.

(12) Allocates \$22.0 million in FY 2024-25 to specified named organizations for designated out-of-school and youth-serving programs.

(13) Prohibits subsection (12) recipients from applying for competitive grants under subsection (2) in FY 2024-25.

(15) Defines key terms related to child care licensing, exempt entities, and school-age children for purposes of this section.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Appropriates \$50.0 million (ongoing) SAF and \$85.0 million (one-time) from the state school aid pupil support reserve fund in FY 2026-27.</p> <p>(2) From the state school aid fund money allocated in subsection (1), there is allocated in FY 2024-25 only FY 2026-27 an amount not to exceed \$57,000,000.00, \$50,000,000.00 and from the state school aid pupil support reserve fund money allocated in subsection (1), there is allocated in FY 2025-26 FY 2026-27 only an amount not to exceed \$75,000,000.00 \$85,000,000.00 for a grant program for eligible applicants to expand access to quality, affordable programming before and after the school day or during the summer for young people. No more than 40 percent of the total allocation under this subsection may be allocated to statewide or regional grant applications. The department of lifelong education, advancement, and potential shall establish competitive grant criteria for the program described in this subsection. section. To be eligible for a grant under this subsection, the applicant must meet, at a minimum, all of the following criteria:</p> <p>(b) Be a community-based organization that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501, an institution of higher education, a public library, a local government, city or municipality, or</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>an intermediate district.</p> <p>(d) Address at least 3 measurable goals, including, but not limited to, improved school attendance, literacy and other academic outcomes, improved attitudes toward school, improved positive behaviors, skill development and retention, higher education aspirations, and improved family engagement and include activities linked to research or quality practices.</p> <p>(e) Be 1 of the following:</p> <p>(i) A licensed child care organization.</p> <p>(ii) An entity that has an active application to be a licensed child care organization.</p> <p>(iii) An exempt entity.</p> <p>(f) For entities meeting eligibility requirements under subparagraphs (e)(ii) and (e)(iii), demonstrate in a form and manner determined by the department that all of the following are in place for staff working with youth:</p> <p>(i) Background checks through the Central Registry Clearance and the Internet Criminal History Access Tool.</p> <p>(ii) First aid and cardiopulmonary resuscitation (CPR) training.</p> <p>(iii) Health and Safety Training</p>			
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SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Courses for Child Care Providers, Modules A, B, and C.

(3) The department of lifelong education, advancement, and potential shall establish a competitive grant process for awarding funding under subsection (2). ... ~~Except as otherwise provided in this subsection, at~~ **At** least 30 days before the application is opened, the department of lifelong education, advancement, and potential must publish on its public website the criteria that will be used in evaluating the application that must include, but are not limited to, priorities under subsection (5). ~~In FY 2025-26 only, the department of lifelong education, advancement, and potential, is not required to publish the evaluation criteria at least 30 days before the application is opened.~~

~~(7) In FY 2024-25 only, and subject to subsections (4) and (5), up to 2% of funding allocated under subsection (2) must be allocated to a nonprofit entity with experience serving youth serving organizations to provide start up grants and capacity building, professional development, and technical assistance for implementation of high quality, evidence-based out-of-school time learning opportunities.~~

~~(9) (10)~~ Notwithstanding section 17b, the department of lifelong education, advancement, and potential shall make payments under this section in full upon grant award. **as one-half**

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

upon the grant award and the remaining one-half on a schedule determined by the department. The department may make payments in full to awardees demonstrating resource needs, as determined by the department. Grantees that do not comply with reporting requirements, fail to provide the services proposed in their grant application, or close during the grant period may be required to repay the funding they received under this section to the department of lifelong education, advancement, and potential.

(11) Subject to subsection (2), the department of lifelong education, advancement, and potential shall establish and implement a multi-tiered grant funding structure within its competitive grant process to account for statewide or regional grant applications, as well as mid-size grants serving 6 to 14 program sites and smaller grants serving 1 to 5 program sites.

~~(12) From the state school aid fund money allocated in subsection (1), Clinton County RESA shall allocate \$22,000,000.00 in FY 2024-25 only to recipients under this subsection as follows:~~

~~(a) \$4,000,000.00 to support the efforts of FFA.~~

~~(b) \$4,000,000.00 to the Boys and Girls Club of Southeastern Michigan in Detroit to expand programming.~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~Programming expansion includes, but is not limited to, construction or remodeling of facilities to allow for new or extended programs.~~

~~(c) \$4,000,000.00 to the HYPE Athletics Center in Dearborn Heights to provide programming that may include, but is not limited to, science, technology, engineering, arts, and mathematics (STEAM) programs; literacy and reading programs; after-school programs; youth fitness and athletic programs; and mental health and behavioral health services.~~

~~(d) \$1,500,000.00 to Brilliant Detroit to support delivery of high dosage neighborhood-based tutoring and direct noninstructional services for at-risk pupils who are 3 to 12 years of age. Funding under this subdivision is intended to ensure that pupils are proficient in English language arts by the end of grade 3 and proficient in mathematics by the end of grade 8; that all participants are kindergarten ready, and that pupils are prepared to attend school regularly. As used in this subdivision, "at-risk pupil" means that term as defined in section 31a.~~

~~(e) \$1,200,000.00 to the State Alliance of Michigan YMCAs to provide students in grades 6 to 12 with hands-on civics and model government programs that offer statewide engagement with peers across this state for the purpose of expanding those students' opportunities to improve their social studies~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~knowledge, thinking skills, and intellectual processes and dispositions required for active engagement in fulfilling responsibilities of civic participation.~~

~~(f) \$1,000,000.00 to the Downtown Boxing Gym in Detroit to expand programming. Programming expansion includes, but is not limited to, construction or remodeling of facilities to allow for new or extended programs.~~

~~(g) \$1,000,000.00 to support the operations of the Flint Center for Educational Excellence.~~

~~(h) \$800,000.00 to the Detroit Opera for educational programming for grades pre-K to 12, including field trips, summer camps, and other learning opportunities. The funds allocated under this subdivision are a work project appropriation, and any unexpended funds in FY 2024-25 are carried forward into FY 2025-26. The purpose of the work project is to support the Detroit Opera educational programming as described in this subdivision. The estimated completion date of the work project is September 30, 2028.~~

~~(i) \$500,000.00 to Special Olympics Michigan, a nonprofit organization organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, that has a mission statement to~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~provide year-round sports training and athletic competition for children and adults with intellectual disabilities. Funding under this subdivision must be used by the organization to expand the organization's programming.~~

~~(j) \$500,000.00 to the Horatio Williams Foundation to support efforts to provide college preparation services, math leagues, sports programming, and literacy services in Detroit.~~

~~(k) \$500,000.00 to Friends of the Children, a nonprofit organization that employs salaried professional mentors who support youth and their families from grades K to 12. The salaried professional mentorship program in this subdivision must employ a 2-generational approach to supporting youth in and outside of the classroom, particularly in reading and math comprehension; support students and their families by connecting them to concrete supports like education and employment pathways, housing, utility assistance, and food security; and be located in a city with a population greater than 600,000 in a county with a population greater than 1,500,000 according to the most recent federal decennial census.~~

~~(l) \$500,000.00 to the Detroit Police Athletic League to support operations and programming including, but not limited to, athletic programs and youth enrichment programs.~~

~~(m) \$500,000.00 to the Detroit Science~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~Center, a nonprofit organization that is tax exempt under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and located in a city with a population greater than 600,000 in a county with a population greater than 1,700,000 according to the most recent federal decennial census. Funds under this subdivision must be used by the nonprofit organization to expand the nonprofit organization's mission of providing opportunities for students to discover, explore, and appreciate science, technology, engineering, and mathematics in a creative, dynamic learning environment.~~

~~(n) \$2,000,000.00 to build On Detroit to expand the Service Learning Program for high school students.~~

~~(13) In FY 2024-25 only, recipients of grants under subsection (12) may not apply for funding under subsection (2).~~

~~(14) Funds allocated under subsection (12) in FY 2024-25 are a work project appropriation, and any unexpended funds in FY 2024-25 are carried forward into FY 2025-26. The purpose of the work project is to provide additional support to out-of-school time programs. The estimated completion date of the work project is September 30, 2026.~~

~~(12) (15) As used in this section:~~

~~(f) "Statewide or regional grant" means a grant that represents two or more entities, community-based~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<p>organizations, statewide network affiliations, or any combination of these entities with the objective of participating in a common goal of serving more than 2,000 children across at least 15 program sites statewide, or to serve more than 2,000 children across at least 15 program sites within a publicly defined boundary region; and has a demonstrated track record of success in providing or organizing a statewide or regional system of out-of-school time programs. If an applicant applies under a statewide or regional grant, they and the program sites included on their application may not appear on any other grant application submitted for funding under subsection (2).</p>			
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NEW EXEC Sec. 32p - Early Learning Partnerships

Appropriates \$30.0 million SAF in FY 2026-27 to create statewide early learning partnerships that provide coordinated family access, outreach, early screening, and data-driven system improvement.

(2) Requires at least \$16.9 million to be awarded to intermediate districts to operate early learning partnerships, ensure equitable statewide access, support family engagement centers, and fund core partnership activities and staffing.

(3) Allocates up to \$3.9 million for evidence-based, family-centered support services such as home visiting, administered jointly with the Department of Health and Human Services.

(4) Requires at least \$4.0 million to be awarded to intermediate districts to expand access to books and literacy materials for children from birth to age 5, prioritizing families with the highest economic need.

(5) Allocates up to \$4.0 million for outreach, awareness, and development of a coordinated statewide enrollment system for early childhood programs.

(6) Allows up to \$1.2 million for statewide administration, leadership, technical assistance, and outreach, primarily through Oakland Schools and Clinton County RESA.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

exceed \$30,000,000.00 to create and implement statewide early learning partnerships. It is intended that these partnerships provide centralized access points to families for trusted entry into the early childhood system; family and community outreach to build awareness, trust, and referral networks; outreach through child health providers to engage pediatric professionals for early detection of developmental delays or other health needs; and data collection and analysis to provide real-time insights necessary to improve services and systems.

(2) From the funds allocated in subsection (1), the department shall award at least \$16,900,000.00 to eligible intermediate districts for the purposes of this subsection. All of the following apply to funds awarded under this subsection:

(a) Intermediate districts must apply for funding in a form and manner determined by the department.

(b) The department must award funding to eligible intermediate districts in a way to ensure that families statewide have equitable access to services provided by an early learning partnership. The amount awarded to an eligible intermediate district must not be less than the amount received by the intermediate district in FY 2024-25 for local great start

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

collaboratives. At least \$1,000,000.00 must be awarded to eligible intermediate districts in a manner determined by the department to support MiFamily Engagement Regional Centers. To be eligible for funds awarded under this subparagraph, intermediate districts must partner with an entity with expertise in family leadership, as determined by the department.

(c) Intermediate districts must use funding received under this subsection for the following purposes:

(i) Convening early learning partnerships on a regular basis to ensure early childhood system building and the development of implementation strategies through active partnerships with families and multiple community organizations.

(ii) Improving family access, leadership, and engagement in early childhood education.

(iii) Enhancing child development, learning, and well-being.

(iv) Creating strong, efficient community systems.

(v) Providing universal developmental screening and follow up support through care coordinators.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(vi) Participating in a coordinated, statewide enrollment system that increases child participation in early care and education programs described in subsection (5).

(vii) Supporting the following staffing costs in each early learning partnership:

(A) At least 0.8 FTE for a lead position to provide system-building capacity by facilitating the implementation of program components and activities, ensuring initiatives are data-driven, completing annual program assessments, connecting families to developmental screening, and ensuring intermediate districts have dedicated care coordinators.

(B) At least 0.5 FTE for a care coordinator within each intermediate district. Care coordinators are responsible for answering questions from families, providing follow up services related to developmental screenings and referrals, tracking data, and providing cross-sector coordination to ensure families are seamlessly connected to the full scope of services within the intermediate district region.

(3) From the funds allocated in subsection (1), there is allocated in FY 2026-27 an amount not to exceed \$3,900,000.00 for evidence-based, family-centered, data-driven family

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

support services, including, but not limited to, home visiting programs that comply with requirements of the voluntary home visitation programs act, MCL 400.791 to 400.798. These funds must be expended in a form and manner determined jointly by the department and the department of health and human services. The department shall make payments under this subsection to an intermediate district serving as a fiscal agent for these funds on a schedule determined by the department.

(4) From the funds allocated in subsection (1), the department shall award at least \$4,000,000.00 to eligible intermediate districts for the purpose of improving access to books and other literacy materials for children from birth to age 5. An intermediate district must apply for these funds in a form and manner determined by the department and may use the funding to support programs, including, but not limited to, the Dolly Parton Imagination Library, Reach Out and Read Michigan, or any other program that provides books and literacy materials to children from birth to age 5 and educates families on the importance of frequently reading aloud with children. If funding available under this subsection is insufficient to fully fund all interested intermediate districts and families, funding to each

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

intermediate district must prioritize enrollment to those families with the highest levels of economic need.

(5) From the funds allocated in subsection (1), there is allocated in FY 2026-27 an amount not to exceed \$4,000,000.00 for an intermediate district to partner with the department and community-based organizations to raise awareness about the availability of services through early learning partnerships and to develop systems to identify and reach out to families. All of the following apply to funding under this subsection:

(a) Funding under this subsection must be used for the following purposes:

(i) Organizing community events and outreach activities to inform parents about early learning partnerships, the positive impacts of early childhood education, and additional early childhood programs available to families.

(ii) Developing and implementing a coordinated statewide enrollment system that allows providers to advertise available services and allows families to enroll in early education programs. The system must include information about additional early childhood programs for families to increase participation in early care and

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

education.

(6) From the funds allocated in subsection (1), the department may award up to \$1,200,000.00 to intermediate districts to administer or provide services, programs, or resources required by this section that would otherwise be administered or provided by the department. Funds awarded under this subsection may be distributed as follows:

(a) Up to \$50,000.00 to Oakland Schools to provide strategic leadership in collaboration with the department to ensure accountability, efficacy and consistent implementation of programs under this section to a national fidelity standard, as department by the department.

(b) Up to \$1,150,000.00 to Clinton County RESA to collaborate with the department to provide statewide leadership, technical assistance, a central access point, community outreach, and administrative support.

(7) As used in this section, "department" means the department of lifelong education, advancement, and potential.

(8) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

Sec. 35a - Early Literacy Programs

- (1) Appropriates \$52.0 million SAF in FY 2025-26.
- (3) Allows districts receiving subsection (5) funds to use up to 5% to administer department-approved screening/diagnostic tools and to support evidence-based educator training on using assessment data within an MTSS framework.
- (4) Allocates \$42.0 million to ISDs for early literacy coaches Each ISD would be provided at least 2 coaches, with funding for remaining coaches distributed based on each ISD's K-3 free lunch percentage compared to the total.
- (5) Allocates \$19.9 million in FY 2024-25 only to districts to provide additional instructional time for identified Pre-K–5 students needing reading supports, conditioned on MTSS implementation and other evidence-based requirements, and distributed (or prorated) on an equal per-first-grade-pupil basis.
- (6) Requires districts receiving subsection (5) funds to submit an annual report by September 1 detailing who/what was served and providing proficiency/growth data in aggregate and by multiple student subgroups.
- (8) Allocates \$5.0 million in FY 2024-25 only to an intermediate district/consortium to pass through to Michigan Education Corps for PreK Reading Corps, K3 Reading Corps, and Math Corps statewide services, with required outcomes reporting, misuse repayment provisions, and limits on reserving funds for evaluation absent MEC agreement.
- (10) Allocates \$10.0 million in FY 2024-25 and FY 2025-26 for districts to provide professional learning described in (11) for teachers in grades PreK-3.
- (11) Specifies the requirements for the provider to be approved under subsection (10).

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) Appropriates \$102.5 million SAF (\$52.5 million ongoing/\$50.0 million one-time) in FY 2026-27.</p> <p>(3) A district that receives funds under subsection (5) may use up to 5% of those funds to administer department-approved screening and diagnostic tools to monitor the development of early literacy and early reading skills, and risk factors for word-level reading difficulties of pupils in grades pre-K to 5 and to support evidence-based professional learning described in subsection (11) for educators in administering and using screening, progress monitoring, and diagnostic assessment data to inform instruction through prevention and intervention in</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~a multi-tiered system of supports framework.~~ A department-approved screening and diagnostic tool administered by a district using funding under this section must include all of the following components: phonemic awareness, phonics, fluency, rapid automatized naming (RAN), and comprehension.

(4) Allocates **\$52.5 million** in FY 2026-27.

(b) From the allocation under this subsection, the department shall award grants to intermediate districts for the support of early literacy coaches. The department shall provide this funding in the following manner:

(i) The department shall award each intermediate district grant funding to support the cost of ~~2-4~~ early literacy coaches in an equal amount per early literacy coach, not to exceed \$125,000.00.

(ii) After distribution of the grant funding under subparagraph (i), the department shall distribute ~~the remainder~~ of grant funding for additional early literacy coaches in an amount not to exceed \$125,000.00 per early literacy coach, **ensuring that each intermediate district receives funding for at least 1 additional literacy coach compared to the number of coaches funded under this section in FY 2025-26.**

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~(iii) The number of funded early literacy coaches for each intermediate district is—~~**If funding under this subsection remains available after the distributions in subparagraphs (i) and (ii), the department shall distribute the remaining amount based on the percentage of the total statewide number of pupils in grades K to 3 who meet the income eligibility standards for the federal free and reduced-price lunch programs who are enrolled in districts in the intermediate district, but only after ensuring no intermediate district receives funding for fewer literacy coaches in FY 2026-27 compared to the number of coaches funded by the intermediate district in FY 2025-26.**

(f) The department shall develop a coaching evaluation framework to be implemented in alignment to the literacy coaching model described in section 1280f of the revised school code, MCL 388.1280f.

(g) All literacy coaches funded under this subsection must comply with the requirements described in section 35o.

~~(5) From the allocation under subsection (1), there is allocated an amount not to exceed \$10,900,000.00 in FY 2024-25 to districts that provide additional instructional time to those pupils in grades pre-K to 5 who have been identified by using department-approved screening and diagnostic tools as needing additional supports~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~and interventions to read at grade level by the end of grade 3. Additional instructional time may be provided before, during, and after regular school hours or as part of a year-round balanced school calendar. All of the following apply to funding under this subsection:~~

~~(a) To be eligible to receive funding, a district must demonstrate to the satisfaction of the department that the district has done all of the following:~~

~~(i) Implemented a multi-tiered system of supports instructional delivery model that is an evidence-based model that uses data-driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. The multi-tiered system of supports must provide at least all of the following essential components:~~

~~(A) Team-based leadership.~~

~~(B) A tiered delivery system.~~

~~(C) Selection and implementation of instruction, interventions, and supports.~~

~~(D) A comprehensive screening and assessment system.~~

~~(E) Continuous data-based decision making.~~

~~(ii) Used department-approved research-based diagnostic tools to identify individual pupils in need of additional instructional time.~~

~~(iii) Used a reading instruction method~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~that focuses on the 5 fundamental building blocks of reading: phonics, phonemic awareness, fluency, vocabulary, and comprehension and content knowledge.~~

~~(iv) Provided teachers of pupils in grades pre-K to 5 with research-based professional development in diagnostic data interpretation.~~

~~(v) Complied with the requirements under section 1280f of the revised school code, MCL 380.1280f.~~

~~(b) The department shall distribute funding allocated under this subsection to eligible districts on an equal per first grade pupil basis.~~

~~(c) If the funds allocated under this subsection are insufficient to fully fund the payments under this subsection, payments under this subsection are prorated on an equal per pupil basis based on grade 1 pupils.~~

~~(6) By not later than September 1 of each year, a district that receives funding under subsection (5) in conjunction with the Michigan student data system, if possible, shall provide to the department a report that includes at least both of the following, in a form and manner prescribed by the department:~~

~~(a) For pupils in grades pre-K to 5, the teachers, pupils, schools, and grades served with funds under this section and the categories of services~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

provided.

~~(b) For pupils in grades pre-K to 5, pupil proficiency and growth data that allows analysis both in the aggregate and by each of the following subgroups, as applicable:~~

~~(i) School.~~

~~(ii) Grade level.~~

~~(iii) Gender.~~

~~(iv) Race.~~

~~(v) Ethnicity.~~

~~(vi) Economically disadvantaged status.~~

~~(vii) Disability.~~

~~(viii) Pupils identified as having reading deficiencies.~~

~~(7) From the allocation under subsection (1), there is allocated an amount not to exceed \$6,000,000.00 in FY 2024-25 to an intermediate district in which the combined total number of pupils in membership of all of its constituent districts is the fewest among all intermediate districts. All of the following apply to the funding under this subsection:~~

~~(a) Funding under this subsection must be used by the intermediate district, in partnership with an association that represents~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~intermediate district administrators in this state, to implement all of the following:~~

~~(i) Literacy essentials teacher and principal training modules.~~

~~(ii) Face-to-face and online professional learning of literacy essentials teacher and principal training modules for literacy coaches, principals, and teachers.~~

~~(iii) The placement of regional lead literacy coaches to facilitate professional learning for early literacy coaches. These regional lead literacy coaches shall provide support for new literacy coaches, building teachers, and administrators and shall facilitate regional data collection to evaluate the effectiveness of statewide literacy coaches funded under this section.~~

~~(iv) Provide \$500,000.00 from this subsection for literacy training, modeling, coaching, and feedback for district principals or chief administrators, as applicable. The training described in this subparagraph must use the pre-K and K to 3 essential instructional practices in literacy created by the general education leadership network as the framework for all training provided under this subparagraph.~~

~~(v) Job-embedded professional learning opportunities for mathematics teachers through mathematics instructional coaching. Funding must~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~be used for professional learning for coaches, professional developers, administrators, and teachers; coaching for early mathematics educators; the development of statewide and regional professional learning networks in mathematics instructions; and the development and support of digital professional learning modules.~~

~~(b) By not later than September 1 of each year, the intermediate district described in this subsection, in consultation with grant recipients, shall submit a report to the chairs of the senate and house appropriations subcommittees on school aid, the chairs of the senate and house standing committees responsible for education legislation, the house and senate fiscal agencies, and the state budget director. The report described under this subdivision must include student achievement results in English language arts and mathematics and survey results with feedback from parents and teachers regarding the initiatives implemented under this subsection.~~

~~(c) Up to 2% of funds allocated under this subsection may be used by the association representing intermediate district administrators that is in partnership with the intermediate district specified in this subsection to administer this subsection.~~

~~(8) From the allocation under subsection (1), the department shall~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~allocate the amount of \$5,000,000.00 in FY 2024-25 only to an intermediate district or a consortium of intermediate districts to partner with the Michigan Education Corps for the PreK Reading Corps, the K3 Reading Corps, and the Math Corps. An intermediate district or a consortium of intermediate districts receiving funding under this subsection must forward the amount received under this subsection to the Michigan Education Corps for statewide services. As conditions of receiving funding from an intermediate district or a consortium of intermediate districts, all of the following apply to funding received by the Michigan Education Corps under this subsection:~~

~~(a) By September 1 of the current fiscal year, the Michigan Education Corps shall provide a report concerning its use of the funding to the senate and house appropriations subcommittees on school aid, the senate and house fiscal agencies, and the senate and house caucus policy offices on outcomes and performance measures of the Michigan Education Corps, including, but not limited to, the degree to which the Michigan Education Corps' replication of the PreK Reading Corps, the K3 Reading Corps, and the Math Corps programs is demonstrating sufficient efficacy and impact. The report must include data pertaining to at least all of the following:~~

~~(i) The current impact of the programs~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~on this state in terms of numbers of children and schools receiving support. This portion of the report must specify the number of children tutored, including dosage and completion, and the demographics of those children.~~

~~(ii) Whether the assessments and interventions are implemented with fidelity. This portion of the report must include details on the total number of assessments and interventions completed and the range, mean, and standard deviation.~~

~~(iii) Whether the literacy or math improvement of children participating in the programs is consistent with expectations. This portion of the report must detail at least all of the following:
(A) Growth rate by grade or age level, in comparison to targeted growth rate.
(B) Average linear growth rates.
(C) Exit rates.
(D) Percentage of children who exit who also meet or exceed spring benchmarks.~~

~~(iv) The impact of the programs on organizations and stakeholders, including, but not limited to, school administrators, internal coaches, and AmeriCorps members.~~

~~(b) If the department determines that the Michigan Education Corps has misused the funds allocated under this subsection, the Michigan Education Corps shall reimburse this state for the amount of state funding misused.~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~(c) An intermediate district or a consortium of intermediate districts may not reserve any portion of the allocation provided under this subsection for an evaluation of the Michigan Education Corps, the Michigan Education Corps' funding, or the Michigan Education Corps' programming unless agreed to in writing by the Michigan Education Corps. An intermediate district or a consortium of intermediate districts shall award the entire amount allocated under this subsection to the Michigan Education Corps and shall not condition the forwarding of this funding on the implementation of an independent evaluation.~~

~~(6) (10) From the allocation under subsection (1), there is allocated an amount not to exceed \$10,000,000.00~~ **\$50,000,000.00** ~~in FY 2024-25 and FY 2025-26~~ **FY 2026-27** ~~only to an intermediate district identified by the department for the provision of professional learning by the approved provider described in subsection (11), first to educators in pre-K, kindergarten, and grade 1 next to educators in grade 2 and grade 3, and then to additional elementary school educators and pre-K to grade 12 certificated special education personnel with endorsements in learning disabilities, emotional impairments, or speech and language impairments.~~ **(7) for PreK to 5 educators, special education educators, and administrators overseeing these professionals.**

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Funding allocated under this subsection must be distributed over a 5-year period, beginning in fiscal year FY 2026-27. The funds allocated under this subsection are a work project appropriation, and any unexpended funds in FY 2026-27 are carried forward into FY 2027-28. The purpose of the work project is to continue the provision of professional learning described in this subsection and subsection (7). The estimated completion date of the work project is September 30, 2031. For purposes of this subsection, the approved provider must establish and manage professional learning opportunities that are open to all school personnel described in this subsection. as follows:

~~(a) The approved provider must first open voluntary enrollment for any pre-K through grade 3 teacher on a first-come, first-served basis, with voluntary enrollment prioritized for pre-K, kindergarten, and grade 1 teachers. The approved provider shall then open voluntary enrollment for the remaining school personnel described in this subsection.~~

~~(b) The approved provider must maintain open enrollment until all funds are expended.~~

~~(7) (11)—~~For the provision of professional learning to the school personnel described in subsection ~~(40),~~ **(6)** LETRS is the approved provider of professional learning as

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

long as LETRS continues to meet all of the following:

(a) Be offered through a system of training that provides educators with the knowledge base to effectively implement any class-wide, supplemental, or intervention reading approach and to determine why some students struggle with reading, writing, spelling, and language.

(b) Provide training activities that direct educators to implement effective reading and spelling instruction supported by scientifically based research and foster a direct explicit instructional sequence that uses techniques to support teachers' independence in using their newly-learned skills with students in the classroom.

(c) Include integrated components for educators and administrators in pre-K to grade 3 with embedded evaluation or assessment of knowledge. Evaluation or assessment of knowledge under this subdivision must incorporate evaluations of learning throughout each unit and include a summative assessment that must be completed to demonstrate successful course completion.

(d) Build teacher content knowledge and pedagogical knowledge of the critical components of literacy including how the brain learns to read, phonological and phonemic awareness; letter knowledge; phonics;

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

advanced phonics; vocabulary and oral language; fluency; comprehension; spelling and writing; and the organization of language.

(e) Support educators in understanding how to effectively use screening, progress monitoring, and diagnostic assessment data to improve literacy outcomes through prevention and intervention for reading difficulties in a multi-tiered system of supports. The multi-tiered system of supports must include at least all of the following essential components:

(i) Team-based leadership.

(ii) A tiered delivery system.

(iii) Selection and implementation of instruction, interventions, and supports.

(iv) A comprehensive screening and assessment system.

(v) Continuous data-based decision making.

(f) On a quarterly basis report all of the following information to the department, in a form and manner prescribed by the department:

(i) The total number of individuals who have completed the required professional learning, organized by role group.

(ii) The total number of individuals

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

who are enrolled in the required professional development training, organized by role group.

(iii) The total number of individuals who enrolled but withdrew from the required professional development prior to completion, organized by role group.

(iv) The total number of individuals who enrolled but transferred to a different cohort prior to completion, organized by role group.

(v) The cost per individual to enroll in the required professional learning.

(vi) The total grant funds expended for all individuals who completed or enrolled in the professional learning during the quarter reported.

(vii) The total unused grant funds for the quarter reported.

(viii) The strategies and technical assistance provided to support participant completion.

~~(12) Notwithstanding section 17b, the department shall make payments made under subsections (7) and (8) on a schedule determined by the department.~~

Sec. 35e – School Library Study

Appropriates \$250,000 SAF to Wayne State University for a comprehensive study involving multiple stakeholders to assess and improve library services.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 35m – Literacy Curriculum Supports

- (1) Appropriates \$64,400,000 SAF in FY 2025-26 only for payments to improve educational outcomes in literacy.
- (4) Directs MDE to distribute literacy funding to districts and intermediate districts based on the committee’s rankings, with higher funding for higher-rated literacy materials and possible exclusion of ineffective tools.
- (9) Appropriates \$4 million SAF in FY 2025-26 only for literacy essentials training.
- (10) Appropriates \$1.6 million SAF in FY 2025-26 only to support the MiMTSS Technical Assistance Center.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From the state school aid fund money appropriated in section 11, there is allocated in FY 2025-26 FY 2026-27 only an amount not to exceed \$64,400,000.00 \$100,000,000.00 for the purposes described in this section, including payments to improve educational outcomes in literacy. The department shall award funding under this section in a quantity and magnitude such that the allocation in this subsection is distributed over 2 fiscal years, beginning in FY 2026-27.</p> <p>(4) From the funds allocated in subsection (1), the department shall make payments to districts and intermediate districts in an amount determined by the department. The department shall not make payments under this subsection until it has critically evaluated as many early literacy series and other items from subsection (2) as possible. Payments under this subsection must begin to be made during the current fiscal year</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

to support district implementation in ~~FY 2026-27.~~ **FY 2027-28.**

(8) Funds allocated under subsection (1) in ~~FY 2025-26.~~ **FY 2026-27** are a work project appropriation, and any unexpended funds in ~~FY 2025-26.~~ **FY 2026-27** are carried forward into ~~FY 2026-27.~~ **FY 2027-28.** The purpose of the work project is to improve literacy instructional practices. The estimated completion date of the work project is September 30, 2029.

~~(9) In addition to the allocation under subsection (1), from the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$4,000,000.00 in FY 2025-26 only to an intermediate district in which the combined total number of pupils in membership of all of its constituent districts is the fewest among all intermediate districts in this state. All of the following apply to the funding under this subsection:~~

~~(a) Funding under this subsection must be used by the intermediate district, in partnership with an association that represents intermediate district administrators in this state, to implement all of the following:~~

~~(i) Literacy essentials teacher and principal training modules.~~

~~(ii) Face to face and online professional learning on literacy essentials teacher and principal~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~training modules for literacy coaches, principals, and teachers.~~

~~(iii) The placement of regional lead literacy coaches to facilitate professional learning for early literacy coaches. Regional lead literacy coaches described in this subparagraph shall provide support for new literacy coaches, building teachers, and administrators, and shall facilitate regional data collection to evaluate the effectiveness of statewide literacy coaches funded under this section.~~

~~(iv) A provision of \$500,000.00 under this subsection for literacy training, modeling, coaching, and feedback for district principals or chief administrators, as applicable. The training described in this subparagraph must use the pre-K and K to 3 essential instructional practices in literacy created by the general education leadership network as the framework for all training provided under this subparagraph.~~

~~(b) By not later than September 1 of each year, the intermediate district described in this subsection, in consultation with grant recipients, shall submit a report to the chairs of the senate and house appropriations subcommittees on school aid, the chairs of the senate and house standing committees responsible for education legislation, the house and senate fiscal agencies, and the state budget director. The report described~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~in this subdivision must include student achievement results in English language arts and survey results with feedback from parents and teachers regarding the initiatives implemented under this subsection.~~

~~(c) Up to 2% of funds allocated under this subsection may be used by the association representing intermediate district administrators that is in partnership with the intermediate district specified in this subsection to administer this subsection.~~

~~(10) In addition to the allocation under subsection (1), from the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$1,600,000.00 in FY 2025-26 to expand the implementation of the literacy and social, emotional, and behavioral components of a multi-tiered system of supports, including positive behavioral interventions and supports, using the Michigan Multi-Tiered System of Supports Technical Assistance Center. Both of the following apply to funds allocated under this subsection:~~

~~(a) The department shall use funds allocated under this subsection, through an intermediate district, for the purpose of expanding the statewide expertise, technical assistance, and implementation of the multi-tiered system of supports, dyslexia expertise, and evidence-based instructional practices grounded in the science of reading using the Michigan Multi-~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<p>Tiered System of Supports Technical Assistance Center, a nationally recognized program. In addition, the department shall identify an intermediate district to act as a fiscal agent for these funds.</p> <p>(b) Up to 2% of funds allocated under this subsection may be used by the intermediate district serving as the fiscal agent for these funds to administer this subsection.</p>			
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NEW EXEC Sec. 35o - Literacy Essentials

(1) Appropriates \$6.0 million SAF in FY 2026-27 to the intermediate district with the fewest total pupils statewide to improve literacy instruction aligned with the science of reading and Section 1280f of the Revised School Code.

(2) Requires the intermediate district, in partnership with the statewide association representing intermediate district administrators, to use the funding to support statewide literacy infrastructure.

(3) Requires an annual report by September 1 to legislative, fiscal, and executive leadership that includes literacy coaching data (by ISD and statewide), ELA student achievement outcomes, and educator feedback on implemented initiatives.

(4) Allows up to 2% of the allocation to be used by the partnering association of intermediate district administrators for administration of the program.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$6,000,000.00 in FY 2026-27 to an intermediate district in which the combined total number of pupils in membership of all of its constituent districts is the fewest among all intermediate districts in this state to improve literacy instruction in alignment with the science of reading and section 1280f of the revised school code, MCL 380.1280f.</p> <p>(2) Funding under this subsection</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

must be used by the intermediate district, in partnership with an association that represents intermediate district administrators in this state, to implement all of the following:

(a) Maintaining, and updating as necessary based on research, the state's literacy essentials and disciplinary literacy essentials for grades preK-12, including teacher and principal training modules and materials.

(b) Leading face-to-face and online professional learning on the state's literacy essentials and disciplinary literacy essentials for grades preK-12 for literacy coaches, principals, and teachers.

(c) Leading face-to-face and online professional learning for school and district administrators and leadership teams about leading systems that support effective literacy instruction in all classrooms.

(d) Facilitating a statewide network of literacy coaches that ensures consistent use of evidence-based literacy practices including monthly communities of practice, regular coaching intensives, and an annual institute. In addition to completing LETRS training, all literacy coaches funded under section 35a(4) must participate in the coaching network, at least one coaching intensive,

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

attend the annual institute, and complete the literacy essentials and coaching modules. Coaches new to the network must also attend a new coach kickoff.

(e) Placing regional lead literacy coaches to facilitate professional learning for literacy coaches. Regional lead literacy coaches described in this subparagraph shall provide support for literacy coaches, building teachers, and administrators, and shall facilitate regional data collection to evaluate the effectiveness of statewide literacy coaches funded under this section.

(f) Meeting monthly with the departments of education and lifelong education, advancement, and potential to align efforts and achieve statewide goals to train every educator in the science of reading.

(3) By not later than September 1 of each year, the intermediate district described in this subsection, in consultation with grant recipients, shall submit a report to the chairs of the senate and house appropriations subcommittees on school aid, the chairs of the senate and house standing committees responsible for education legislation, the house and senate fiscal agencies, the state budget director, and the directors of the departments of education and

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

lifelong education, advancement, and potential. The report described in this subdivision must include coaching cycle data by intermediate district and statewide, student achievement results in English language arts, and survey results with feedback from teachers and administrators regarding the initiatives implemented under this subsection.

(4) Up to 2% of funds allocated under this subsection may be used by the association representing intermediate district administrators that is in partnership with the intermediate district specified in this subsection to administer this subsection.

NEW EXEC Sec. 35p - High-Impact Tutoring

- (1) Appropriates \$100.0 million SAF in 2026–2027 to implement high-impact tutoring programs in eligible districts.
- (2) Defines key terms, including “high-impact tutoring” and “eligible tutoring partner,” and specifies the standards and credentials required to qualify.
- (3) Requires eligible tutoring partners to apply for funding through a department-defined process and submit detailed program, budget, partnership, and accountability information.
- (4) Directs MDE to award grants competitively based on cost-effectiveness, likelihood of success, impact criteria, literacy need, and approved innovative or lower-cost models.
- (5) States the intent that grant awards be distributed over two years, split evenly between 2026–2027 and 2027–2028.
- (6) Expresses legislative intent that tutoring partners, rather than districts, handle most grant application, oversight, and administrative responsibilities.
- (7) Establishes responsibilities for districts receiving tutoring services, including student identification, parent communication, integration with improvement plans, and fiscal pass-through requirements.
- (8) Sets timelines for grant awards, payments, fund transfers, and the start of tutoring services.
- (9) Designates the funding as a work project appropriation that may carry forward through 2027–2028, with a project completion date of September 30, 2031.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

(10) Allocates \$600,000 to Clinton County RESA, in partnership with MAISA, to support reporting, technical assistance, data collection, and annual impact reporting on high-impact tutoring.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From the state school aid fund money appropriated in section 11, there is allocated in FY 2026-27 only an amount not to exceed \$100,000,000.00 to implement high-impact tutoring programs in eligible districts.</p> <p>(2) As used in this section:</p> <p>(a) “High-impact tutoring” means, except as otherwise provided in this section, in-person tutoring that occurs during the school day; is individualized with tutor ratios not higher than 1:4; provides intensive support with a minimum of 2 sessions per week; uses a structured, evidence-based curriculum designed for tutoring with formative assessments to track progress; and uses trained tutors.</p> <p>(b) “Eligible tutoring partner” means a tutoring provider, including, but not limited to, those created by for-profit vendors, nonprofit vendors, intermediate districts, districts, and the Michigan Schools for the Deaf and Blind, that provides high-impact tutoring and meets at least one of the following:</p> <p>(i) Is included on the ProvenTutoring list maintained by the Center for Research and Reform</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

in Education at Johns Hopkins University.

(ii) Has a Tutoring Program Design Badge as awarded by the National Student Support Accelerator, a program of the SCALE Initiative at Stanford University.

(iii) Is a vetted high-impact tutoring program included in the MiStrategyBank. If necessary, the Michigan Association of Intermediate School Administrators may convene a committee to review tutoring programs for inclusion in the MiStrategyBank.

(3) Eligible tutoring partners shall apply for funding in a form and manner determined by the department. The application must include at least all of the following:

(a) An identification of a district or intermediate district that will serve as a fiscal agent for awarded funds.

(b) A list of district partners that will be recipients of high-impact tutoring from the applicant including a letter of support from each district that affirms their commitment to ensure alignment with tier 1 instruction, implementation fidelity, including but not limited to student usage and frequency, and participation in data sharing and training necessary to maximize outcomes.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(c) Projections for the number of students who will be served broken down by partner district.

(d) A description of the efficacious nature of their program, including the ability of the eligible tutoring partner to hit certain benchmarks and goals, based on evidence.

(e) A plan for how the eligible tutoring partner will target high-impact tutoring for the highest need student populations based on some or all of the following: statewide assessment data, screeners and/or formative assessment scores, economically disadvantaged status, special education status, or English language learner status.

(f) A planned budget for the high-impact tutoring program provided, including the total dollars necessary to serve the identified student population and an estimate of the percentage of awarded dollars that would be directly deployed for high-impact tutoring.

(g) A commitment to provide periodic reporting to each district served and the department, in a form and manner determined by the department, to ensure funds are being spent in accordance with this section.

(h) A commitment to return any or all funds awarded if the department determines dollars are used in a

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

way that violates this section.

(i) Any additional information required by the department to make informed decisions on awarding competitive grants under this section and to ensure financial stewardship awarded dollars.

(4) The department shall award grants to applicants on a competitive basis, using at least all of the following in making award determinations:

(a) The cost effectiveness of the application based on the number of students projected to be served, the total requested budget, and the demonstrated outcome capacity of the high-impact tutoring program.

(b) The reasonability that the applicant will be able to meet the stated outcome benchmarks.

(c) Other criteria, as determined by the department, to ensure grants are awarded to the most impactful applicants.

(d) If the amount allocated in subsection (1) is not sufficient to fully fund all eligible applicants, the department must prioritize grant awards to districts with the lowest levels of literacy proficiency, as determined by student scores on the Michigan student test of educational progress (M-STEP).

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(e) The department may approve applications from tutoring partners that offer innovative ways to reach students at a lower cost by waiving elements of the high-impact tutoring definition. This must include but is not limited to offering virtual programs. In such cases, the applicant must provide evidence of program impact and implement an outcomes-based contract model.

(5) It is intended that awarded applicants receive funding over a two-year period, with up to 50% of the awarded amount being made available in FY 2026-27 and the remaining amount being made available in FY 2027-28.

(6) It is intended that the work associated with the grant application, oversight, and administration of awards under this section be performed primarily by the eligible tutoring partner and not by districts that have agreed to receive high-impact tutoring.

(7) If a district or intermediate district agrees to receive high-impact tutoring from the eligible tutoring partner, the district must:

(a) Work with the eligible tutoring partner to identify students that would benefit from the program. The district or intermediate district must communicate with parents of identified students to describe the available program, outline possible

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

student outcomes, and encourage student participation.

(b) To the extent possible, integrate the high-impact tutoring program with the district continuous improvement plan.

(c) If the district or intermediate district is the fiscal agent for the eligible tutoring partner, except as otherwise provided in this subdivision, forward the amount awarded to the tutoring partner. The designated fiscal agent may retain up to 0.5% of the funding awarded to the tutoring partner for administrative purposes.

(8) All of the following apply to the funds allocated under this section:

(a) The department shall make award determinations and notifications by no later than January 15, 2027.

(b) The department must make initial payments to identified fiscal agents by no later than March 1, 2027. Identified fiscal agents must forward funding to eligible tutoring partners by no later than March 15, 2027.

(c) Eligible tutoring partners must begin deploying services in recipient districts and intermediate districts before the end of the FY 2026-27 school year.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(9) The funds allocated under this section in FY 2026-27 are a work project appropriation, and any unexpended funds in FY 2026-27 are carried forward into FY 2027-28. The purpose of the work project is to provide high-impact tutoring through eligible tutoring partners. The estimated completion date of the work project is September 30, 2031.

(10) From the allocation in subsection (1), there is allocated \$600,000.00 to the Clinton County Regional Educational Service Agency to work with the Michigan Association of Intermediate School Administrators (MAISA), to do all of the following:

(a) Provide a report on high-impact tutoring programs utilized with the funding allocated under subsection (1).

(b) Develop and provide technical assistance to districts in selecting high-impact tutoring strategies and integrating these strategies into district Michigan Integrated Continuous Improvement Process (MICIP) plans. Developing and providing technical assistance may include the design, review, and integration of eligible tutoring programs within the MiStrategyBank.

(c) Collect, aggregate, and report data in collaboration with the

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<p>MAISA Michigan Collaborative Hub. An amount not to exceed \$300,000.00 of the funds allocated under this subsection may be used for this purpose.</p> <p>(d) Provide an annual report of the impact of high-impact tutoring programs to the office of the governor, senate and house education committees, the senate and house appropriations subcommittees on school aid, and the state budget director.</p>			
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NEW EXEC Sec. 35q - Literacy Achievement and Opportunity Transparency Dashboard

By March 1, 2027, the state must publish and regularly update a public literacy dashboard showing access, instructional capacity, assessment results, demographic breakdowns, and state actions to improve literacy outcomes.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>By no later than March 1, 2027, the department, in collaboration with the department of lifelong education, advancement, and potential, and the center, shall publish to a publicly accessible location on its website and shall update periodically thereafter as new data becomes available, a literacy achievement and opportunity transparency dashboard that includes at least the following:</p> <p>(a) A metric assessing the percentage of:</p> <p>(i) Children with access to free, full-day prekindergarten opportunities.</p> <p>(ii) Prekindergarten to 5th grade</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

educators who are trained in the science of reading.

(iii) Prekindergarten to 5th grade classrooms using curriculum and assessments aligned with the science of reading.

(iv) Parents receiving clear communication from their school about their child's reading action plans and the ability to get extra support as needed.

(b) Literacy related results, including multi-year trend data, from the following state assessments:

(i) 3rd grade Michigan student test of educational progress (M-STEP).

(ii) 7th grade Michigan student test of educational progress (M-STEP).

(iii) SAT

(iv) National Assessment of Educational Progress (NAEP).

(c) Additional metrics that help the public and policymakers track statewide literacy progress.

(d) Data must be disaggregated by district and school demographics where possible.

(e) A summary of activities the state is taking to improve literacy outcomes.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Sec. 39 - GSRP Formula			
Provides the formula by which slot allocations for ISDs are calculated.			
(2) The Great Start Readiness Target Foundation amount is \$10,650 in FY 2025-26.			
(4) School-day programs receive the full Great Start Readiness target foundation amount per child. Part-day or school-day blended with Head Start programs receive half of the target foundation amount per child. Extended-day programs receive 1.2 times the target foundation amount per child. Extended blended with Head Start or part-day extended programs receive 0.6 times the target foundation amount per child.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
The great start readiness target foundation amount in FY 2026-27 is \$11,290.			
Sec. 39a - Federal Grant Funds			
(1) Appropriates \$824,700,000 in FY 2025-26 in Federal No Child Left Behind (NCLB) funds.			
(2) Appropriates \$66,715,000 in other Federal funds in FY 2025-26.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
Sec. 41 - Bilingual Education			
(1) Appropriates \$62,732,600 for bilingual education grants in FY 2025-26.			
(2)(a) Distributes \$2,239 per FTE with composite score between 1.0 and 1.9.—			
(b) Distributes \$1,608 per FTE with composite score between 2.0 and 2.9.			
(c) Distributes \$263 per FTE with composite score between 3.0 and 3.9.			
(3) If funds are insufficient, all payments are reduced by the same percentage.			
(4) Districts must report fund usage by October 15; failure to do so results in withheld and eventually forfeited payments.			
(5) Districts must allow audits and repay any disallowed costs.			
(6) MDE must review and recommend per-pupil funding adjustments every three years starting in 2020.			
(7) MDE must establish English learner program models that establish a minimum number of minutes per week in which districts must provide direct English language development instruction for students according to the student's proficiency levels			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(1) For a district to be eligible to			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

receive funding under this section, the **With funds received by a district under section 22b(3), the** district must administer to English language learners the English language proficiency assessment known as the "WIDA ACCESS for English language learners" or the "WIDA Alternate ACCESS" **to applicable students.** ~~From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$62,732,600.00 in FY 2025-26 for payments to eligible districts for services for English language learners who have been administered the WIDA ACCESS for English language learners. Services for English language learners under this section may include software used to assist learning.~~

~~(2) The department shall distribute funding allocated under subsection (1) to eligible districts based on the number of full-time equivalent English language learners as follows:~~

~~(a) \$2,329.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 1.0 and 1.9, or less, as applicable to each assessment. It is the intent of the legislature to increase this amount until it reaches 75% of the target foundation allowance.~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~(b) \$1,608.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 2.0 and 2.9, or less, as applicable to each assessment. It is the intent of the legislature to increase this amount until it reaches 50% of the target foundation allowance.~~

~~(c) \$263.00 per full-time equivalent English language learner who has been assessed under the WIDA ACCESS for English language learners or the WIDA Alternate ACCESS with a WIDA ACCESS or WIDA Alternate ACCESS composite score between 3.0 and 3.9, or less, as applicable to each assessment. It is the intent of the legislature to increase this amount until it reaches 35% of the target foundation allowance.~~

~~(3) If funds allocated under subsection (1) are insufficient to fully fund the payments as prescribed under subsection (2), the department shall prorate payments on an equal percentage basis, with the same percentage proration applied to all funding categories.~~

~~(4) By October 15 of the fiscal year following the receipt of funding under subsection (1), each district receiving funds under subsection (1) shall submit to the department a report, not to exceed 10 pages, on the usage by~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~the district of funds under subsection (1) in a form and manner determined by the department, including a brief description of each program conducted or services performed by the district using funds under subsection (1) and the amount of funds under subsection (1) allocated to each of those programs or services. If a district does not comply with this subsection, the department shall withhold an amount equal to the December payment due under this section until the district complies with this subsection. If the district does not comply with this subsection by the end of the fiscal year, the withheld funds are forfeited to the state school aid fund.~~

~~(5) To receive funds under subsection (1), a district must allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district shall reimburse this state for all disallowances found in the audit.~~

~~(6) Beginning July 1, 2020, and every 3 years thereafter, the department shall review the per pupil distribution under subsection (2), to ensure that funding levels are appropriate and make recommendations for adjustments to the members of the senate and house subcommittees on K to 12 school aid appropriations.~~

~~(2) (7)-The department shall establish English language learner program~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>models that establish a minimum number of minutes per week that districts must provide direct English language development instruction for students according to the student's proficiency levels. These models must be compliant with federal requirements related to English language learner program services. To be considered an eligible recipient of funding under this section, With funds received under section 22b(3), a district must agree to meet or exceed the minimum number of minutes per week, as determined by the department, that the district provides direct English language development instruction.</p>			
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Sec. 41b - KEYS Grace Academy
 Appropriates \$2,000,000 SAF in FY 2024-25 only for KEYS Grace Academy to partner with Kalasho Education and Youth Services to provide education support services to immigrants, including Afghan refugees.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 51a - Total Special Education Funding (Includes Sections 54 and 56, which are paid out of the appropriation in Section 51a.)
 (1) Appropriation of \$2,028,696,100 from SAF and \$500,000,000 in Federal funding for special education programs in FY 2025-26.
 (2) Special education foundations.
 (5) Special education rules change.
 (10) Special education non-section 52 payments to ISDs

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(1) From the state school aid fund money in section 11, there is allocated an amount not to exceed \$2,028,696,100.00 \$2,126,096,100.00 in FY 2024-25 FY 2025-26 and there is allocated an amount not to exceed \$2,219,596,100.00 \$2,280,137,500.00			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

in ~~FY 2025-26~~ **FY 2026-27** from state sources and all available federal funding under sections 1411 to 1419 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at ~~\$450,000,000.00 in FY 2024-25 and \$500,000,000.00 in FY 2025-26,~~ **and FY 2026-27**, plus any carryover federal funds from previous year appropriations.

(2) From the funds allocated under subsection (1), there is allocated the amount necessary, estimated at ~~\$441,400,000.00~~ **\$457,800,000.00** in ~~FY 2024-25~~ **FY 2025-26** and ~~\$492,400,000.00~~ **\$495,100,000.00** in ~~FY 2025-26,~~ **FY 2026-27**, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation.

(5) From the amount allocated in subsection (1), there is allocated an amount not to exceed \$3,200,000.00 in ~~FY 2024-25 and~~ **FY 2025-26 and FY 2026-27** to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987.

(10) From the funds allocated in subsection (1), there is allocated the

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

amount necessary, estimated at \$1,600,000.00 in FY 2024-25 and estimated at \$1,600,000.00 \$1,900,000.00 in FY 2025-26, and FY 2026-27 , to pay the foundation allowances for pupils described in this subsection.			
Sec. 51c - Special Education Headlee			
Appropriates \$1,107,900,000 from the appropriation in Sec. 51a(1) in FY 2025-26 to provide funding for costs associated with Durant settlement that guarantees districts 28.6138% of total approved costs of special education services and 70.4164% of total approved costs of special education transportation.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$1,055,000,000 in FY 2025-26 and \$1,140,700,000 in FY 2026-27.			
Sec. 51d - Special Education - Other Federal			
Appropriates \$83,000,000 in Federal grants to special education in FY 2025-26.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
Sec. 51e - Special Education Foundations			
Appropriates \$524,800,000 from the appropriation in Sec. 51a(1) in FY 2025-26 to give districts and ISDs 100% of the foundation allowance for special education pupils.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$521,800,000 in FY 2025-26 and \$535,000,000 in FY 2026-27.			
Sec. 51g - Special Education Supports - Learning Library			
Appropriates \$3.0 million to develop content for use by special education students, teachers, and others.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
NEW EXEC Sec. 51i – Special Education Weighted Funding Formula			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

- (1) Expresses Legislative intent to move to a weighted special education funding model starting in FY 2027-28 to better reflect the varying costs of educating students with different disabilities.
- (2) The model would apply different target funding weights by disability category, with lower weights (1.1) for speech/language impairments and specific learning disabilities, moderate weights (1.8) for other health impairments, and higher weights (3.1–3.8) for higher-cost needs such as physical, cognitive, sensory impairments, emotional impairment, autism spectrum disorder, early childhood developmental delays, and traumatic brain injury.
- (3) Payments would be adjusted for other resources, meaning state aid under the weighted formula should take into account available federal funding and local revenue capacity of districts and ISDs.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) It is the intent of the legislature that, beginning in the fiscal year ending September 30, 2028, a weighted special education funding be implemented to recognize the higher costs associated with certain student needs.</p> <p>(2) It is intended that such a weighted special education funding formula is implemented in a way to work toward the following target weights for payments to districts and intermediate districts for identified special education students:</p> <ul style="list-style-type: none"> (a) Speech and language impairment, 1.1. (b) Specific learning disability, 1.1. (c) Other health impairment multiplied, 1.8. (d) Physical impairment multiplied, 3.1. (e) Severe multiple impairments, 3.1. 			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>(f) Cognitive impairment, 3.1</p> <p>(g) Deaf or hard of hearing multiplied, 3.1.</p> <p>(h) Deaf-blindness, 3.1.</p> <p>(i) Emotional impairment multiplied, 3.8.</p> <p>(j) Visual impairment, 3.8.</p> <p>(k) Early childhood developmental delays. 3.8.</p> <p>(l) Autism spectrum disorder, 3.8.</p> <p>(m) Traumatic brain injury, 3.8.</p> <p>(3) It is intended that payments to districts and intermediate districts under this formula be adjusted to take into account available federal revenue and local revenue generating capacity of recipient districts and intermediate districts.</p>			
<p>Sec. 53a - Court Placed Special Education FTE</p> <p>Appropriates \$10,500,000 in FY 2025-26.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
<p>Sec. 54 - MI School for Deaf and Blind</p> <p>Appropriates \$1,688,000 in FY 2025-26 for the MI School for the Deaf and Blind.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$4,529,400 in FY 2026-27.			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

NEW EXEC Sec. 54b – MiMTSS Technical Assistance Center

Appropriates \$1,600,000 SAF in FY 2026-27 to expand literacy and social-emotional/behavioral supports through Michigan’s Multi-Tiered System of Supports (MiMTSS) Technical Assistance Center.

- (a) Funds are used to expand statewide MTSS expertise, technical assistance, dyslexia supports, and evidence-based literacy practices aligned with the science of reading.
- (b) Requires an annual report on district progress implementing MTSS and K–12 reading interventions, plus any additional implementation information deemed useful.
- (c) Allows up to 2% of funds for fiscal agent administration.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$1,600,000.00 in FY 2026-27 to expand the implementation of the literacy and social, emotional, and behavioral components of a multi-tiered system of supports, including positive behavioral interventions and supports, using the Michigan Multi-Tiered System of Supports Technical Assistance Center. All of the following apply to funds allocated under this section:</p> <p>(a) The department shall use funds allocated under this subsection, through an intermediate district, for the purpose of expanding the statewide expertise, technical assistance, and implementation of the multi-tiered system of supports, dyslexia expertise, and evidence-based instructional practices grounded in the science of reading using the Michigan Multi-Tiered System of Supports Technical Assistance Center. In addition, the department shall identify an</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

intermediate district to act as a fiscal agent for these funds.

(b) The department shall produce a report each year to the state budget director, the house and senate appropriations subcommittees on school aid, and the house and senate fiscal agencies that details the following:

(i) The progress being made by districts in implementing multi-tiered systems of supports.

(ii) The progress being made by districts in providing reading intervention services described in section 1280f of the revised school code, 1976 PA 451, MCL 380.1280f, for pupils in grades K to 12.

(iii) Other information the department determines would be useful to understand the status of districts’ implementation of effective multi-tiered systems of supports and reading intervention programs.

(c) Up to 2% of funds allocated under this subsection may be used by the intermediate district serving as the fiscal agent for these funds to administer this subsection.

Sec. 54d - Early On

Appropriates \$23,670,600 in FY 2025-26 for formulaic grants to ISDs to provide State Early On programs for children birth to 3 years of age with development delays or disabilities.

Executive

Senate

House

Conference

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Appropriates \$25,120,700 in FY 2026-27.			
<p>Sec. 55 - Conductive Learning Center</p> <p>Appropriates \$500,000 GF/GP in FY 2024-25 for the Conductive Learning Center, which works with children and adults with neuromotor disabilities.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			
<p>Sec. 56 - Special Education Millage Equalization</p> <p>Ensure that the millage levied by ISDs for special education brings in a minimum amount per mill.</p> <p>(1) Definitions</p> <p>(2) Appropriates \$40,008,100 in FY 2025-26 to ensure that the millage levied by ISDs for special education brings in a minimum amount per mill.</p> <p>(3) Reimbursement for millages levied in FY 2023-24.</p> <p>(4) Reimbursement for millages levied in FY 2024-25.</p> <p>(5) Freezes Wayne RESA at no more than 62.9% of the total appropriation and adjusts taxable value equalization amounts accordingly.</p> <p>(6) Ensures no ISD loses more than 25% funding compared to the prior year.</p> <p>(7) In addition to the allocation under (1), appropriates \$34,200,000 SAF in FY 2025-26 to ISDs levying special education mills at percentages of allowable mills.</p> <p>(8) Requires Treasury to distribute remaining funds in the same proportion as they were allocated under subsections (3) and (4).</p> <p>(9) Additional definitions.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) For the purposes of this section:</p> <p>(a) "Membership" means for a particular fiscal year the total membership of the intermediate district and the districts constituent to the intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1741, membership of the district is not included in the membership of the intermediate district.</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(b) "Capped local special education property tax revenue" means the amount of revenue that would be received if an intermediate district levied the maximum millage rate permitted for that intermediate district under section 1724a of the revised school code, MCL 380.1724a, capped at the statewide average special education millage rate.

(c)~~(b)~~ "Millage levied" means the millage levied in the **immediately preceding fiscal year** for special education under part 30 of the revised school code, MCL 380.1711 to 380.1741. ~~including a levy for debt service obligations.~~

(d) "Special education head count" means, for a particular fiscal year, the total special education head count of an intermediate district and the districts constituent to the intermediate district from the fall pupil membership count day of the immediately preceding year, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1741, special education head count of the district is not included in the special education head count of the intermediate district.

(e) "Statewide average special education millage rate" means the statewide levy amount divided by the statewide taxable value.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(f) "Statewide average taxable value per unreimbursed costs" means the statewide taxable value divided by the statewide unreimbursed costs.

(g) ~~(e)~~"Taxable value" means the total taxable value of the districts constituent to an intermediate district in the immediately preceding fiscal year, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1741, taxable value of the district is not included in the taxable value of the intermediate district. Taxable value also includes both of the following:

(i) The value of personal property exempt under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and reimbursed to the intermediate district under section 17 of the local community stabilization authority act, 2024 PA 86, MCL 123.1357.

(ii) Tax increment property captured by a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, and reimbursed to the intermediate district under section 15b of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665b.

(h) "Unreimbursed costs" means the sum of costs reported on the SE-4094 and SE-4096 reports for all

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

districts in the intermediate district, less the amount of reimbursement received under section 51c, and less the capped local special education property tax revenue.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed ~~\$40,008,100.00 in FY 2024-25~~ and \$40,008,100.00 in FY 2025-26 and **\$89,208,100.00 in FY 2026-27 for payments** to reimburse intermediate districts levying millages for special education under part 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose, use, and expenditure of the reimbursement are limited as if the funds were generated by these millages and governed by the intermediate district plan adopted under article 3 of the revised school code, MCL 380.1701 to 380.1761. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts must submit for departmental approval and implement a distribution plan.

~~(3) Except as otherwise provided in this subsection, reimbursement for those millages levied in FY 2023-24 is made in FY 2024-25 at an amount per FY 2023-24 membership pupil computed by subtracting from \$260,200.00 the FY 2023-24 taxable value behind each membership pupil and multiplying the resulting difference by the FY 2023-24 millage levied, and~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~then subtracting from that amount the FY 2023-24 local community stabilization share revenue for special education purposes and FY 2023-24 tax increment revenues captured by a brownfield redevelopment authority created under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment revenues captured by a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the calculation described in the previous sentence only, for an intermediate district receiving funds under this section and section 62, reimbursements paid under section 26d must be multiplied by the ratio of special education millage levied, as defined in this section, and the sum of special education millage levied and vocational technical education millage levied, as defined in section 62. Reimbursement in FY 2024-25 for an intermediate district whose 2017-2018 allocation was affected by the operation of subsection (5) is an amount equal to 102.5% of the 2017-2018 allocation to that intermediate district.~~

~~(3) (4) Except as otherwise provided in~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>this subsection, reimbursement for those millages levied in FY 2024-25 is made in FY 2025-26 at an amount per FY 2024-25 membership pupil computed by subtracting from \$278,500.00 \$278,700.00 the FY 2024-25 taxable value behind each membership pupil and multiplying the resulting difference by the FY 2024-25 millage levied, and then subtracting from that amount the FY 2024-25 local community stabilization share revenue for special education purposes and FY 2024-25 tax increment revenues captured by a brownfield redevelopment authority created under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment revenues captured by a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the calculation described in the previous sentence only, for an intermediate district receiving funds under this section and section 62, reimbursements paid under section 26d must be multiplied by the ratio of special education millage levied, as defined in this section, and the sum of special education millage levied and vocational-technical education millage</p>			
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SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

levied, as defined in section 62. Reimbursement in FY 2025-26 for an intermediate district whose 2017-2018 allocation was affected by the operation of subsection ~~(5)~~ **(4)** is an amount equal to 102.5% of the 2017-2018 allocation to that intermediate district.

(4) ~~(5)~~ ~~The~~ **In FY 2025-26, the** department shall ensure that the amount paid to a single intermediate district under subsection (2) does not exceed 62.9% of the total amount allocated under subsection (2).

(5) ~~(6)~~ ~~The~~ **In FY 2025-26, the** department shall ensure that the amount paid to a single intermediate district under subsection (2) is not less than 75% of the amount allocated to the intermediate district under subsection (2) for the immediately preceding fiscal year.

(6) ~~(7)~~ ~~From~~ **In FY 2025-26, from** the allocation under section 51a(1), there is allocated an amount not to exceed \$34,200,000.00 in FY ~~2024-25~~ and FY 2025-26 to provide payments to intermediate districts levying millages for special education under part 30 of the revised school code, MCL 380.1711 to 380.1741. The purpose, use, and expenditure of the payments under this subsection are limited as if the funds were generated by these millages and governed by the intermediate district plan adopted under article 3 of the revised school code, MCL 380.1701 to 380.1761. The

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

department shall provide a payment under this subsection to each intermediate district described in this subsection as follows:

(a) In ~~FY 2024-25~~ and FY 2025-26, except as otherwise provided in this subsection, for an intermediate district with a 3-year average special education millage revenue per pupil in the immediately preceding fiscal year that is less than \$251.00 and that is levying at least 46.2% but less than 60.0% of its maximum millage rate allowed under section 1724a of the revised school code, MCL 380.1724a, an amount computed by subtracting from \$251.00 the 3-year average special education millage revenue per pupil in the immediately preceding fiscal year and, only if the millage levied by the intermediate district is less than 1, multiplying that amount by the number of mills levied divided by 1, and then multiplying that amount by the 3-year average membership in the immediately preceding fiscal year, and then subtracting from that amount the amount allocated under subsection (2) for the current fiscal year. If the calculation under this subdivision results in an amount below zero, there is no payment under this subdivision.

(b) In ~~FY 2024-25~~ and FY 2025-26, except as otherwise provided in this subsection, for an intermediate district with a 3-year average special education millage revenue per pupil in the immediately preceding fiscal year that is less than \$296.00 and that is

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

levying at least 60.0% of its maximum millage rate allowed under section 1724a of the revised school code, MCL 380.1724a, an amount computed by subtracting from \$296.00 the 3-year average special education millage revenue per pupil in the immediately preceding fiscal year, and, only if the millage levied by the intermediate district is less than 1, multiplying that amount by the number of mills levied divided by 1, and then multiplying that amount by the 3-year average membership in the immediately preceding fiscal year, and then subtracting from that amount the amount allocated under subsection (2) for the current fiscal year. If the calculation under this subdivision results in an amount below zero, there is no payment under this subdivision.

(7) ~~(8) After~~ **In FY 2025-26, after** making allocations to eligible intermediate districts under subsections (3), ~~(4), and (7),~~ **and (6)**, if funds remain unallocated from the allocations under subsections (2) and ~~(7),~~ **(6)**, the department must allocate remaining funds to intermediate districts proportional to the amounts allocated to intermediate districts under ~~subsections~~ **subsection (3)** ~~and (4)~~.

(8) ~~(9)~~ As used in subsection ~~(7)~~: **(6)**:

(a) "3-year average membership" means the 3-year average pupil membership for each of the 3 most recent fiscal years.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(b) "3-year average special education millage revenue per pupil" means the 3-year average taxable value per mill levied behind each membership pupil for each of the 3 most recent fiscal years multiplied by the millage levied in the most recent fiscal year.

(9) Beginning in FY 2026-27, the department shall provide payments under subsection (2) to each intermediate district described in this subsection as follows:

(a) The department must first calculate a reimbursement for those millages levied in the immediately preceding fiscal year at an amount per special education head count, by subtracting the intermediate district's taxable value per special education head count from the statewide average taxable value per special education head count, and multiplying the resulting difference by the immediately preceding fiscal year millage rate levied, capped at the statewide average special education millage rate.

(b) The department must then calculate a reimbursement for unreimbursed costs by subtracting the quotient of the intermediate district's taxable value and the statewide average taxable value per unreimbursed costs from the intermediate district's unreimbursed costs.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(c) The calculation under subdivision (a) must be greater than \$0.00 for an intermediate district to receive reimbursement under this subsection. For those intermediate districts whose calculation under subdivision (a) is less than or equal to \$0.00, the amount in subdivision (b) is \$0.00 for purposes of the calculation in subdivision (d).

(d) The department must then calculate the average of the amounts calculated under subdivisions (a) and (b) for each intermediate district. For the purpose of this calculation, calculations in subdivision (a) or (b) that result in negative totals are treated as \$0.00.

(e) The amount reimbursed under subsection (2) is the 3-year average of the amount calculated under subdivision (d) for the 3 most recent fiscal years.

(10) If total payments calculated under subsection (9) exceed the amount allocated in subsection (2), the department must prorate the payments on an equal percentage basis.

Sec. 61a - Vocational Education

Appropriates \$41,733,800 in FY 2025-26 to reimburse districts and secondary career and technical education (CTE) centers for the added costs of operating secondary-level CTE programs, with funding capped at 75% of program costs and allocated based on enrollment, program costs, student outcomes, postsecondary articulation, and labor-market demand, including grade 9 participation. Up to \$800,000 may be used for CTE administrative reimbursements, and eligible adult education participants may enroll in CTE programs outside regular school hours.

Executive

Senate

House

Conference

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

Appropriates \$44,233,800 in FY 2026-27.			
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Sec. 61b - CTE Middle College Program

Appropriates \$8,368,000 in FY 2025-26 for Career and Technical Education (CTE) early/middle college programs, CTE dual enrollment, and planning grants to expand programs that increase credential attainment and college- and career-readiness.

- (2) MDE must distribute funds to intermediate districts serving as fiscal agents for approved programs by career education planning district, with administrative costs capped at 5%.
- (3) Eligibility conditions for fiscal agents, including fund distribution, regional planning with workforce councils, career cluster ranking, and required program and student outcome reporting in MSDS.
- (4) Requires a department-approved regional strategic plan that identifies employer demand, participating education providers, parent/student outreach strategies, and other departmental requirements.
- (5) Defines eligible CTE programs as those aligned to top regional career clusters, Michigan Merit Curriculum, postsecondary credit agreements, qualified instruction, integrated supports, and college-level course delivery.
- (6) Directs MDE to calculate statewide average CTE costs by CIP code and distribute funding equal to 50% of per-pupil costs multiplied by prior-year enrollment.
- (7) Conditions funding on programs providing required administrative and federal reporting information, allowing audits, and repaying any disallowed costs.
- (8) Sets aside up to \$500,000 for competitive planning grants (up to \$50,000 each) for new or expanded early middle college programs, requiring a dollar-for-dollar local match.
- (9) Allows funds to cover allowable costs beyond foundation allowances and Section 61a reimbursements, with combined payments capped at total program costs and administrative use limited to 5%.
- (10) Requires equal-percentage proration, based on CTE dual enrollment payments only, if appropriations are insufficient to fully fund calculated awards.
- (11) Guarantees continued reimbursement for enrolled pupils through graduation even if their career cluster later falls out of the top five rankings.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$8,868,000 in FY 2026-27.			

Sec. 61d - CTE Incentive Payment

Appropriates \$13,400,000 in FY 2025-26 only for additional payments to districts for pupils enrolled in CTE programs.

Districts are paid \$88 per pupil in Grades 9 to 12 enrolled in at least 1 CTE program.

Districts are paid another \$88 per pupil in grades 9 to 12 enrolled in at least 1 CTE program that provides instruction in critical skills and high-demand career fields.

If funds are insufficient to support payments of \$88 per pupil, those payments are prorated on an equal per-pupil basis.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 62 - ISD Vocational Education Millage Reimbursement

Appropriates \$9,190,000 to provide funding to intermediate districts that levy vocational education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis.

Freezes Genesee ISD allocation at no more than 38.4% of the total appropriation and adjusts taxable value equalization amounts accordingly.

Further includes a guarantee that no ISD shall lose more than 25% of funding from one year to the next.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Update fiscal years.</p> <p>(3) Reimbursement for those millages levied in FY 2023-24 FY 2024-25 is made in FY 2024-25 FY 2025-26 at an amount per FY 2023-24 FY 2024-25 membership pupil computed by subtracting from \$269,800.00 \$288,300.00 the FY 2023-24 FY 2024-25 taxable value behind each membership pupil and multiplying the resulting difference by the FY 2023-24 FY 2024-25 millage levied, and then subtracting from that amount the FY 2023-24 FY 2024-25 local community stabilization share revenue for area vocational technical education and FY 2023-24 FY 2024-25 tax increment revenues captured by a brownfield redevelopment authority created under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal property exemption loss under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and reimbursements paid under section</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

26d for tax increment revenues captured by a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670. For the purposes of the calculation described in the previous sentence only, for an intermediate district receiving funds under this section and section 56, reimbursements paid under section 26d must be multiplied by the ratio of vocational-technical education millage levied, as defined in this section, and the sum of vocational-technical education millage levied and special education.

(4) Reimbursement for those millages levied in ~~FY 2024-25~~ **FY 2025-26** is made in ~~FY 2025-26~~ **FY 2026-27** at an amount per ~~FY 2024-25~~ **FY 2025-26** membership pupil computed by subtracting from ~~\$287,400.00~~ **\$303,400.00** the ~~FY 2024-25~~ **FY 2025-26** taxable value behind each membership pupil and multiplying the resulting difference by the ~~FY 2024-25~~ **FY 2025-26** millage levied, and then subtracting from that amount the ~~FY 2024-25~~ **FY 2025-26** local community stabilization share revenue for area vocational technical education and ~~FY 2024-25~~ **FY 2025-26** tax increment revenues captured by a brownfield redevelopment authority created under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670, behind each membership pupil for reimbursement of personal property exemption loss

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, and reimbursements paid under section 26d for tax increment revenues captured by a brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.</p>			
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Sec. 65 - Detroit Pre-College K-12 Engineering Program (DAPCEP)
 Appropriates \$900,000 from the State School Aid Pupil Support Reserve Fund in FY 2025-26 only for the Detroit Area Pre-College Engineering Program (DAPCEP).

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$900,000 from the State School Aid Pupil Support Reserve Fund in FY 2026-27 only.			

Sec. 67 - Michigan College Access Network (MCAN)
 Appropriates a total of \$3,000,000 GF/GP in FY 2025-26 for Michigan College Access Network operations, local college access networks, the Michigan college advising program, subgrants to districts with comprehensive high schools that establish a college access team, the Michigan college access portal, public awareness and outreach campaigns, and subgrants to postsecondary institutions for mentors and college advisors.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			

Sec. 67f - FAFSA Completion Grants
 Appropriates \$10,000,000 from the State School Aid Pupil Support Reserve Fund in FY 2025-26 only to incentivize high school seniors to complete their Free Application for Federal Student Aid (FAFSA).
 (2) Districts must apply by December 1, 2025, and certify FAFSA graduation requirements and use funds for approved FAFSA-completion activities.
 (5) Funds must be paid by January 31, 2026, in an equal amount per-12th-grade-pupil.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$10,000,000 from the State School Aid Pupil Support Reserve Fund in FY 2026-27 only.			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(2) To be eligible to receive funding under this section, each district must apply in a form and manner determined by the department of lifelong education, advancement, and potential. ~~The department of lifelong education, advancement, and potential shall make the application available by not later than November 1, 2025. A district shall apply for funding to the department of lifelong education, advancement, and potential by not later than December 1, 2025.~~

(4) The department of lifelong education, advancement, and potential may use past participation in the FAFSA Completion Challenge under this section as a factor in determining district eligibility.

~~(5) (4) By not later than January 31, 2026, the~~ **The** department of lifelong education, advancement, and potential shall pay each eligible district an equal amount per pupil multiplied by the number of pupils enrolled and attending grade 12 in the district. **Initial payments must be made no later than January 31, 2027.**

(8) Notwithstanding section 18a, funds allocated under this section may be available for expenditure until September 30, 2029. A recipient of funding under this section must return any unexpended funds to the department in the manner prescribed by the department by

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

not later than October 30, 2030.

Sec. 74 - Bus Driver Safety/School Bus Inspection Program

Appropriates \$3,949,900 in FY 2025-26.

(2) Of the total appropriation, \$2,025,000 is to reimburse intermediate districts and universities for providing bus driver safety instruction.

(4) The remaining \$1,924,900 is to reimburse districts and ISDs for the cost of the Michigan State Police to inspect school buses.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$4,003,100 in FY 2026-27. (4) \$1,978,100 to reimburse districts and ISDs for the cost of the Michigan State Police to inspect school buses.			

Sec. 81 - Intermediate School Districts (ISD) General Operations

Appropriates \$83,157,700 in FY 2025-26 for basic operational funding.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$85,257,700 in FY 2026-27.			

Sec. 94 - Advanced Placement (AP), International Baccalaureate (IB), College-Level Examination Program (CLEP) Assessments

\$2,600,000 GF/GP (\$1,200,000 ongoing / \$1,400,000 one-time) is appropriated in FY 2025-26 for efforts to increase the number of pupils who participate and succeed in Advanced Placement (AP) and International Baccalaureate (IB) programs, and to support the college-level examination program (CLEP). Funds are used to cover part or all of the costs of tests for low-income pupils, with payments estimated at \$20 per test completed, or \$150 per IB registration. Students pay at least \$5 toward each test or registration paid for under this section. If funds remain after initial awards, remaining funds may be used to reimburse costs for students whose family income exceeds low-income status.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$1,200,000 GF/GP (ongoing) in FY 2026-27.			

Sec. 94a - Center for Educational Performance and Information (CEPI)

Appropriates \$19,364,700 GF/GP and \$2,193,500 in Federal funds to support the operations of the CEPI and the development and implementation of a comprehensive P-20 data management and student tracking system.

A portion of the funding is to support collaborative efforts on the P-20 longitudinal data system.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Grants will be awarded to eligible ISDs or a consortium of ISDs, and activities funded under the grant may include portal hosting, hardware and software acquisition, maintenance, enhancements, and other items.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(5) Appropriates \$19,548,500 GF/GP and \$193,500 Federal in FY 2026-27.			

Sec. 94e - MERI Partnership
 Appropriates \$1,000,000 SAF in FY 2025-26 only for support of the Michigan Education Research Institute.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$1,000,000 SAF (ongoing) in FY 2026-27.			

Sec. 97k - Student Advocacy Center of Michigan
 Appropriates \$250,000 SAF in FY 2024-25 only for the Student Advocacy Center of Michigan to support its statewide helpline for families in educational crisis.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 98 - Michigan Virtual University (MVU)
 Appropriates \$9,800,000 GF/GP in FY 2025-26 to MVU for operations of the Virtual High School and the Michigan Virtual Learning Research Institute.

(2) Requires MVU to operate the Michigan Virtual Learning Research Institute (MVLRI) to research, evaluate, lead, and report on virtual learning quality, effectiveness, professional development, policy, course catalogs, and statewide coordination.

(3) Directs MVU to continue operating the Michigan Virtual School as an accredited statewide instructional model, with limits on course subsidies and required criminal background checks for instructional staff.

(4) Authorizes MVU to use allocated funds to expand new online and blended professional development programs for educators.

(5) Requires MVU to operate a statewide laboratory focused on advanced research, best practices, experimentation, policy development, and responsible use of artificial intelligence in schools.

(6) Allows the Michigan Virtual School to offer a broad range of virtual courses and programs, including IT, college-equivalent, dual enrollment, at-risk, and professional development offerings, if listed in the statewide catalog.

(7) Permits home-schooled and nonpublic students in subscribing districts to access Michigan Virtual School services at no additional cost beyond what districts pay for resident pupils.

(8) Requires MVU to submit an annual report detailing districts served, available courses, enrollments, completions, and overall completion rates for the Michigan Virtual School.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

- (9) Requires the annual report to also include a plan to serve at least 600 schools through Michigan Virtual School courses or the statewide content platform.
- (10) Advisory group for the Michigan Virtual Learning Research Institute.
- (11) Requires MVU to submit both projected and audited annual budgets detailing costs and district fees for delivering virtual educational services.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			

NEW EXEC Sec. 98d – Michigan Learning Channel

- (1) Appropriates \$3,000,000 million SAF for 2026–2027 to support the Michigan Learning Channel (MLC) as a 24/7, standards-aligned instructional broadcast and online service managed by Detroit Public Television in partnership with multiple Michigan public TV stations.
- (2) Requires the Michigan Learning Channel to submit a compliance report by February 1, 2028, to legislative and fiscal entities documenting that all conditions in subsection (1) were met.
- (3) Directs MDE to make payments under this section by December 1, 2026.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From the state school aid fund money appropriated under section 11, there is allocated in FY 2026-27 only an amount not to exceed \$3,000,000.00 to Northern Michigan University to support the Michigan Learning Channel (MLC) as described in this section. Northern Michigan University shall not retain any portion of the funding received under this section for administrative purposes and shall provide funding to support the MLC. All of the following apply to the MLC:</p> <p>(a) The MLC must expand literacy programming aligned with this state’s pre-K to 12 educational standards over the air, online, and in communities.</p> <p>(b) The MLC shall provide over the air broadcasts 24 hours each day</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

for 7 days each week of quality instructional content that is aligned with this state's pre-K to 12 educational standards. Over-the-air broadcasts as described in this subdivision must be streamed live and must be archived for on-demand viewing on a companion website, along with additional learning materials relevant to lessons.

(c) The MLC must be managed and operated by DPTV, and DPTV shall assume all risk, liability, and responsibility for the MLC in accordance with regulations by the United States Federal Communications Commission, PBS broadcast standards, and standard nonprofit business standards. DPTV shall serve as the fiduciary agent and service manager for the MLC. The MLC shall originate from a central operations center that is responsible for providing the infrastructure, content, and engagement of the MLC in partnership with this state's educational leadership organizations.

(d) The MLC shall require that DPTV provide technology, funding, staff training, and central management of the MLC to station partners to insert additional channels into each station's broadcast streams and to support staffing and engagement as outlined in a memorandum of understanding among the stations.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(e) The MLC shall require that DPTV partner with at least 5 other Michigan public television stations, including, but not limited to, WKAR, WGVU, WDCQ, WCMU, and WNMU, to deliver the over-the-air MLC broadcasts described in this section and to support engagement with local educators. Stations described in this subdivision must be able to use the infrastructure provided by the MLC to develop their own local content that best serves their communities.

(2) By not later than February 1, 2028, the MLC shall provide a report to the house and senate appropriations subcommittees responsible for school aid, the house and senate fiscal agencies, and the state budget director detailing the MLC's compliance with ensuring that conditions listed under subsection (1) were met.

(3) Notwithstanding section 17b, the department shall make payments under this section by not later than December 1, 2026.

(4) As used in this section:

(a) "DPTV" means Detroit Public Television.

(b) "MLC" means the Michigan Learning Channel.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

Sec. 99 - District and ISD grants

Appropriates \$53,095,000 in FY 2024-25 only for district-specific projects and one-time grants.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 99h - Robotics

Appropriates \$5,000,000 from the State School Aid Pupil Support Reserve Fund for public schools and \$600,000 from the General Pupil Support Reserve Fund for nonpublic schools in FY 2025-26 only for competitive grants to districts, ISDs, and nonpublic schools that provide pupils in grades pre-K to 12 with expanded opportunities to improve mathematics, science, computer science, and technology skills by participating in competitions robotics, cybersecurity, and coding competition programs.

Districts are required to pay at least 25% of the cost of the program.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Appropriates \$5,000,000 from the State School Aid Pupil Support Reserve Fund and \$600,000 from the General Pupil Support Reserve Fund in FY 2026-27 only.			

NEW EXEC Sec. 99s – MiSTEM Grants

Appropriates \$8,000,000 SAF million for 2026–2027 for MiSTEM programs.

- (2) Requires the MiSTEM Council to annually review and recommend updates to the statewide STEM strategy and to ensure council members are trained in a third-party STEM program evaluation system.
- (3) Directs the MiSTEM Council to make specific annual funding recommendations by December 15 for approved programs and demonstration grants that meet alignment, certification, experiential learning, and regional representation requirements, with a competitive grant fallback if recommendations are not made.
- (4) Allocates \$3,800,000 million for 2026–2027 to support MiSTEM-approved programs or demonstration grants.
- (5) Allocates \$4,200,000 million for 2026–2027 to support MiSTEM network regions, including a base allocation per region and additional per-pupil funding distributed by enrollment.
- (6) Requires each MiSTEM network region to implement a comprehensive regional STEM strategy, collaborate with workforce and education partners, support STEM programming and professional learning, facilitate events, manage grants, and conduct outreach and coordination activities.
- (7) Requires grant recipients to allow audits of program records and to reimburse the state for any disallowed costs identified.
- (8) Requires grant recipients to provide at least a 10% local match from public or private sources.
- (9) Requires annual public reporting by grant recipients.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(10) Fiscal agents may retain no more than 5% of funds.

(11) Definitions.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From state school aid fund money appropriated under section 11, there is allocated in FY 2026-27 an amount not to exceed \$8,000,000.00 for Michigan science, technology, engineering, and mathematics (MiSTEM) programs. The MiSTEM network may receive funds from private sources. If the MiSTEM network receives funds from private sources, the MiSTEM network shall expend those funds in alignment with the statewide STEM strategy. Programs funded under this section are intended to increase the number of pupils demonstrating proficiency in science and mathematics on the state assessments, to increase the number of pupils who are college- and career-ready upon high school graduation, and to promote certificate and degree attainment in STEM fields. Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.</p> <p>(2) The MiSTEM council annually shall review and make recommendations to the governor, the legislature, and the department concerning changes to the statewide strategy adopted by the council for delivering STEM education-related opportunities to</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

pupils. The MiSTEM council shall use funds received under this subsection to ensure that its members or their designees are trained in a third-party evaluation system such as the Change the Equation STEMworks program for the purpose of rating STEM programs.

(3) The MiSTEM council shall make specific funding recommendations for the funds allocated under subsection (4) by December 15 of each fiscal year. Each specific funding recommendation must be for a program or demonstration grant approved by the MiSTEM council. All of the following apply:

(a) To be eligible for MiSTEM council approval as described in this subsection, a program must satisfy all of the following:

(i) Align with this state's academic standards.

(ii) Have STEMworks or other third-party certification.

(iii) Provide project-based experiential learning, student programming, or educator professional learning experiences.

(iv) Focus predominantly on classroom-based STEM experiences or professional learning experiences.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(b) The MiSTEM council shall approve programs that represent all network regions and include a diverse array of options for students and educators.

(c) To be eligible for MiSTEM council approval as described in this subsection, a demonstration grant must satisfy all of the following:

(i) Align with this state's academic standards.

(ii) In collaboration with the department, scale project, problem or place-based learning in a building or district in support of the statewide STEM strategy as recommended by the MiSTEM council.

(d) The MiSTEM council is encouraged to work with the MiSTEM network to develop locally and regionally developed programs, demonstration grants and professional learning experiences for the programs on the list of approved programs. At the direction of the MiSTEM council, funds can be used to evaluate and market regions, programs and demonstration grants.

(e) If the MiSTEM council is unable to make specific funding recommendations by December 15 of a fiscal year, the department shall award and distribute the funds

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

allocated under subsection (4) on a competitive grant basis that at least follows the statewide STEM strategy plan and rating system recommended by the MiSTEM council. Each grant must provide STEM education-related opportunities for pupils.

(4) From the state school aid fund money allocated under subsection (1), there is allocated in FY 2026-27 an amount not to exceed \$3,800,000.00 for the purpose of funding programs or demonstration grants under this section in FY 2026-27 as recommended by the MiSTEM council.

(5) From the state school aid fund money allocated under subsection (1), there is allocated an amount not to exceed \$4,200,000.00 in FY 2026-27 to support the activities and programs of the MiSTEM network regions. From the money allocated under this subsection, the department shall award the fiscal agent for each MiSTEM network region \$220,000.00 for the base operations of each region. The department shall distribute the remaining funds to each fiscal agent in an equal amount per pupil, based on the number of K to 12 pupils enrolled in districts within each region in the immediately preceding fiscal year.

(6) A MiSTEM network region shall do all of the following:

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(a) Collaborate with the career and educational advisory council that is located in the MiSTEM region and the department to develop a regional strategic plan for STEM education that creates a robust regional STEM culture, that empowers STEM teachers, that integrates business and education into the STEM network, and that ensures high-quality STEM experiences for pupils. At a minimum, a regional STEM strategic plan should do all of the following in collaboration with the department:

(i) Identify regional employer need for STEM.

(ii) Identify processes for regional employers and educators to create guided pathways for STEM careers that include internships or externships, apprenticeships, and other experiential engagements for pupils.

(iii) Identify educator professional learning opportunities, including internships or externships and apprenticeships, that integrate this state's science standards into high-quality STEM experiences that engage pupils.

(b) Facilitate regional STEM events such as educator and employer networking and STEM career fairs to raise STEM awareness.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(c) Contribute to the MiSTEM website and engage in other MiSTEM network functions to further the mission of STEM in this state in coordination with the MiSTEM council and the department of labor and economic opportunity.

(d) Facilitate application and implementation of state and federal funds under this subsection and any other grants or funds for the MiSTEM network region.

(e) Work with districts to provide STEM programming and professional learning.

(f) Coordinate recurring discussions and work with the career and educational advisory council to ensure that feedback and best practices are being shared, including funding, program, professional learning opportunities, and regional strategic plans.

(g) In collaboration with the department, deploy marketing and outreach efforts to publish the availability of STEM learning opportunities.

(7) To funds under this section, a grant recipient must allow access for the department or the department's designee to audit all records related to the program for

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

which it receives those funds. The grant recipient shall reimburse the state for all disallowances found in the audit.

(8) To receive funds under this section, a grant recipient must provide at least a 10% local match from local public or private resources for the funds received under this subsection.

(9) By not later than July 1 of each fiscal year for which funding is allocated under this section, grant recipients shall report to the executive director of the MiSTEM network in a form and manner prescribed by the executive director on performance measures developed by the MiSTEM network regions and approved by the executive director. The performance measures must be designed to ensure that the activities of the MiSTEM network are improving student academic outcomes. The report described in this subsection must be published on a publicly accessible website.

(10) Not more than 5% of funds awarded under this section may be retained by a fiscal agent.

(11) As used in this section:

(a) "Career and educational advisory council" means an advisory council to the local workforce development boards

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

located in a prosperity region consisting of educational, employer, labor, and parent representatives.

(b) “Department” means the department of labor and economic opportunity.

(c) “MiSTEM Council” means the Michigan Science, Technology, Engineering, and Mathematics Education Advisory Council created as an advisory body within the department of labor and economic opportunity by Executive Reorganization Order No. 2019-3, MCL 125.1998.

(d) “STEM” means science, technology, engineering, and mathematics delivered in an integrated fashion using cross-disciplinary learning experiences that can include language arts, performing and fine arts, and career and technical education.

Sec. 99aa - Project SEARCH

Appropriates \$1,000,000 SAF in FY 2024-25 only for an ISD that has partnered with Project SEARCH to provide opportunities for high school students with disabilities to train for, gain, and maintain competitive employment. Provides that funds in FY 2024-25 are a work project and may be carried forward into FY 2025-26.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 99ee - Hispanic Collaborative

Appropriates \$3,000,000 SAF in FY 2024-25 only for programming provided by the Hispanic Collaborative.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
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SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Repeal.			
Sec. 99mm - Menominee Schools Asbestos Cleanup			
Appropriates \$4,500,000 SAF in FY 2024-25 only to Menominee Area Public Schools to cover the cost of an emergency water and asbestos event, cost inflation for unfinished bond work delayed due to asbestos cleanup, and for costs related to consolidation activities.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			
Sec. 101 - Minimum Hours and Days of Instruction			
Provides guidelines for the minimum number of hours and days pupils must receive instruction for the district to receive State aid.			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(3) Except as otherwise provided in subsections (11) and (12) all of the following apply to the provision of pupil instruction:</p> <p>(d) Except as otherwise provided in subdivisions (e), (f), this subsection, if a district does not have at least 75% of the district's membership in attendance on any day of pupil instruction, the department shall pay the district state aid in that proportion of 1/180 that the actual percent of attendance bears to 75%.</p> <p>(h) For the FY 2024-25 school year only, a district does not need to meet the minimum number of hours and days of pupil instruction requirement under subdivision (a) if that district meets all of the following requirements:</p> <p>(i) The district is located wholly or partially in a county that is covered by a state of emergency declared by the governor.</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~(ii) A majority of the district board votes to exempt the district from the minimum number of hours and days of pupil instruction required under subdivision (a).~~

~~(iii) The vote by the district board under subparagraph (ii) exempts the district from providing only the hours and days of pupil instruction actually missed due to the state of emergency.~~

~~(iv) The vote by the district board under subparagraph (ii) exempts the district from not more than 15 days of pupil instruction required under subdivision (a). The amount that may be exempted under this subdivision is in addition to any days counted as pupil instruction under subsection (4).~~

(h) Subdivision (d) does not apply to a district-operated special education program approved by the department if the program's instructional calendar exceeds 180 days of pupil instruction. For any day of instruction provided as part of a qualifying program under this subdivision, the district-operated special education program is exempt from the attendance threshold established under subdivision (d), provided that the district-operated special education program offers the minimum hours of pupil instruction required under this section and maintains documentation of the program's approved instructional calendar.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(i) At the request of a district with fewer than 100 pupils in membership as reported in the most recent fall pupil count, the superintendent shall grant a waiver from the requirements of subdivision (d) if the district demonstrates that the absence of a single household may materially reduce the district's daily attendance percentage below the threshold established in subdivision (d). A waiver granted under this subdivision must provide that the district is subject to the proration provisions of subdivision (d) only if the district does not have at least 60% of the district's membership in attendance on any day of pupil instruction. The district shall maintain records necessary to substantiate its eligibility for the waiver granted under this subdivision

Sec. 104 - Student Assessments

Appropriates \$37,509,400 from the SAF for reimbursement of costs associated with State student assessment requirements. Also appropriates \$8,000,000 in Federal assessment funding for the purposes of complying with Federal NCLB Act.

Executive

Senate

House

Conference

Appropriates **\$40,000,000** in FY 2025-26 and **\$44,500,000** in FY 2026-27.

Sec. 104h - Benchmark Assessments

Appropriates \$11,500,000 SAF in FY 2025-26 for districts for implementation of a benchmark assessment system for the 2025-26 school year.

(1) Requirements for assessment consistency, parent reporting, and data submission to MDE.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

- (2) Requires districts to apply for funding, use approved benchmark assessments, administer the same assessments in fall and spring, and meet all reporting requirements to be eligible for funds.
- (4) Requires MDE to provide at no cost one state-approved, standards-aligned, nationally normed, internet-delivered benchmark assessment that complements the state summative system and measures student achievement and growth.
- (5) Requires MDE to submit an annual legislative report by November 15 summarizing benchmark assessment results by district, grade level, and demographic subgroup, including growth data if available.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Update fiscal years.</p> <p>(1) ...All of the following apply to the benchmark assessment system described in this subsection:</p> <p>(a) The system must provide for all of the following:</p> <p>(ii) ...To support fall to spring growth calculations, the same benchmark assessment that is administered in the fall must be administered in the spring- last marking period of the school year.</p> <p>(f) The system must provide that, by not later than 30 days after a benchmark assessment or benchmark assessments are administered under subdivision (a)(ii), or within a time frame specified by the department, the district shall send benchmark assessment data, including grade level, student demographics, and mode of instruction, to the department in a form and manner prescribed by the department, from all benchmark assessments administered in the FY 2025-26 school year, excluding data from a local benchmark assessment, as applicable. If available, the data</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~described in this subdivision must include information concerning pupil growth from fall 2025 to spring 2026.~~

(2) To receive funding under this section, a district must do all of the following:

(d) Meet all reporting requirements pertaining to ~~assessment and mode-of-instruction data outlined~~ **the pupil's parent or legal guardian as described** in this section.

(4) The department shall make 1 of the benchmark assessments provided by a provider approved under subsection ~~(6)~~ **(5)** available to districts at no cost to the districts for purposes of meeting the requirements under this section. The benchmark assessment described in this subsection must meet all of the following:

(h) Include a digital library of teaching resources that are tied directly to the benchmark assessment and aligned to Michigan standards.

~~(5) By not later than November 15 of each year subsequent to a year in which funding is appropriated under this section, the department shall submit a report to the house and senate appropriations committees, the house and senate appropriations subcommittees on school aid, and the house and senate fiscal agencies regarding the benchmark assessment data received under this section,~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~disaggregated by grade level and demographic subgroup for each district. If information concerning pupil growth is included in the data described in this subsection, it must be incorporated in the report described in this subsection.~~

Sec. 107 - Adult Education

Appropriates \$28,913,600 for standard Adult Education programs and \$4,000,000 for grants to CTE programs that connect adult education participants with employers under (15).

(4) The distribution to each ISD serving as a fiscal agent is as follows:

(a) 60% distributed based on the ISD's proportion of the state population of individuals 18-24 who are not high school graduates

(b) 35% distributed based on the ISD's proportion of the state population of individuals 25 or older who are not high school graduates.

(c) 5% based on the ISD's proportion of the state population of individuals age 18 or older who lack basic English language proficiency.

(14) \$500,000 to reimburse funding recipients for administrative and instructional expenses associated with commingling adult education and CTE programs.

(15) \$4,000,000 for grants to CTE programs that connect adult education participants with employers.

(17) Requires participants be concurrently enrolled and actively working toward obtaining a high school diploma or a high school equivalency certificate. However, concurrent enrollment is not required for a participant that was enrolled in adult education during the same program year and obtained a diploma or certificate prior to enrollment in an eligible program under subsection (15). Allows for up to 10% of adult education participants served under subsection (15) to already have a diploma or certificate at time of enrollment and receive remediation services. Provides for an intent that the cap be lowered on an annual basis until reaching 0%.

ISDs are not allowed to spend more than 5% on administration and MDE is required to ensure that the same number of participants are served under the new provider system as under the previous year.

Adult Education program providers are required to pay to CTE programs any billing that occurs for basic education programming provided by the CTE program under Sec. 61a.

(18) MDE shall approve at least 3 high school equivalency tests and determine whether a high school equivalency certificate meets the requisite standards for high school equivalency in this state.

Executive

Senate

House

Conference

Appropriates **\$40,500,000** in FY 2026-27.

Sec. 107a - Adult Education Pilots

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

Appropriates \$15,000,000 SAF in FY 2023-24 only to pilot programs that will better connect adult learners with existing postsecondary and employment opportunities, including Michigan Reconnect and Michigan Works.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 147 - Retirement Contribution Rate

In FY 2025-26, the employer rates vary between 15.21% and 29.91% of payroll paid by the employer and the remainder of the total retirement contribution rate by the State under Section 147c.

The total uncapped rate varies between 30.23% and 44.93%.

The amount under Section 147c represents State support of 49.69% of the unfunded accrued liability costs in FY 2025-26.

Years left in the amortization schedule are 13.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>In FY 2026-27, the employer rates vary between 15.21% and 27.51% of payroll paid by the employer and the remainder of the total retirement contribution rate by the State under Section 147c.</p> <p>The total uncapped rate varies between 28.72% and 41.02%.</p> <p>Years left in the amortization schedule are 12.</p>			

Sec. 147a - MPSERS Payment to Districts

(1) Appropriates \$100,000,000 SAF in FY 2024-25 to districts to offset a portion of the UAAL cost for MPSERS.

(2) Appropriates a further \$336,200,000 SAF and \$100,000 GF/GP in FY 2025-26 to hold districts, intermediate districts, and libraries harmless from the increased normal cost due to reducing the assumed rate of return (AROR) due to State policy and dedicated gains policy (new AROR of 6.8%). In addition, corrects the basis on which to distribute this funding from all payroll to only that payroll affected by changes in the AROR (i.e., payroll in the basic, MIP, and first pension plus hybrid plans).

(3) Appropriates \$11,939,000 SAF in FY 2024-25 only to ISDs and district libraries to offset a portion of the UAAL cost for MPSERS.

(4) Appropriates \$598,000,000 SAF in FY 2024-25 to districts, ISDs, district libraries, and community colleges to offset a portion of the UAAL cost for MPSERS.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(1) From the state school aid fund			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~money appropriated in section 11, there is allocated in FY 2024-25 an amount not to exceed \$100,000,000.00 for payments to participating districts. A participating district that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the district for the fiscal year in which it is received. The amount allocated to each participating district under this subsection is based on each participating district's percentage of the total statewide payroll for all participating districts for the immediately preceding fiscal year. As used in this subsection, "participating district" means a district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.~~

(2) In addition to the allocation under subsection (1), from ~~From~~ the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed \$414,900,000.00 in FY 2024-25 and an amount not to exceed \$336,200,000.00 in FY 2025-26 **\$307,400,000.00 in FY 2026-27** for payments to participating districts and intermediate districts and from the general fund money appropriated under section 11, there is allocated an

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

amount not to exceed \$100,000.00 in ~~FY 2024-25 and FY 2025-26~~ **FY 2026-27** for payments to participating district libraries. The amount allocated to each participating entity under this ~~subsection~~ **section** is based on each participating entity's reported quarterly payroll for members that became tier 1 before February 1, 2018 for the current fiscal year. A participating entity that receives money under this ~~subsection~~ **section** shall use that money solely for the purpose of offsetting a portion of the normal cost contribution rate.

(2) As used in this ~~subsection:~~ **section:**

(a) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

(b) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

~~(3) In addition to the allocations under subsections (1) and (2), from the state school aid fund money appropriated in section 11, there is allocated in FY 2024-25 only an amount not to exceed \$11,939,000.00 for payments to~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~participating intermediate districts and participating district libraries. A participating intermediate district or participating district library shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the participating intermediate district or participating district library for the fiscal year in which it is received. The amount allocated to each participating intermediate district or participating district library under this subsection is calculated as follows:~~

~~(a) For each participating intermediate district, \$11,912,000.00 multiplied by each participating intermediate district's percentage of the total statewide payroll for all participating intermediate districts for the immediately preceding fiscal year.~~

~~(b) For each participating district library, \$27,000.00 multiplied by each participating district library's percentage of the total statewide payroll for all participating district libraries for the immediately preceding fiscal year.~~

~~(c) As used in this subsection:~~

~~(i) "Participating district library" means a district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~public school employees' retirement system for the applicable fiscal year.~~

~~(ii) "Participating intermediate district" means an intermediate district that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.~~

~~(4) In addition to the allocations under subsections (1), (2), and (3), from the state school aid fund money appropriated in section 11, there is allocated in FY 2024-25 an amount not to exceed \$598,000,000.00 for payments to participating entities. The amount allocated to each participating entity under this subsection is based on each participating entity's percentage of the total statewide payroll for all participating entities for the immediately preceding fiscal year. The amount allocated in this subsection represents an amount to effectively reduce each participating entity's unfunded actuarial accrued liability from 20.96% to an estimated 15.21% of covered payroll. It is the intent of the legislature that the allocation under this subsection be used to support student mental health, school safety, the educator workforce, and academic interventions.~~

~~(a) As used in this subsection:~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>(i) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.</p> <p>(ii) "Participating entity" means a district, intermediate district, district library, or community college that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.</p>			
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Sec. 147b – MPSERS Obligation Reform Reserve Fund
 Creates the fund as a separate account within the School Aid Fund. Money in the fund must not be expended without a specific appropriation.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(4) Money in the MPSERS retirement obligation reform reserve fund at the close of the fiscal year remains in the MPSERS retirement obligation reform reserve fund and does not shall lapse to the state school aid fund. or to the general fund. The department of treasury is the administrator of the MPSERS retirement obligation reform reserve fund for auditing purposes.</p> <p>(5) In FY 2022-23, \$825,000,000.00 from the state school aid fund is deposited into the MPSERS retirement obligation reform reserve fund. It is the intent of the legislature that \$425,000,000.00 of the funds deposited under this subsection in FY 2022-23 are used to offset costs associated with accelerating the</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~reduction of the payroll growth assumption for reporting units that are not university reporting units until that rate is zero by October 1, 2026.~~

Sec. 147c - MPSERS UAAL Rate Stabilization Payment

Appropriates \$1,536,500,000 SAF and \$300,000 GF/GP in FY 2025-26 to districts, intermediate districts, and libraries to pay for the costs of unfunded accrued liabilities above the statutory rate cap of 15.21%, pursuant to Section 41 of the MPSERS Act.

Executive

Senate

House

Conference

Appropriates **\$1,454,400,000** SAF and \$300,000 GF/GP in FY 2026-27.

(1) ...All of the following apply to funding under this subsection:

(a) ~~Except as otherwise provided in this subdivision, in FY 2025-26,~~ **In FY 2026-27**, the amounts allocated under this subsection are estimated to provide an average MPSERS rate cap per pupil amount for districts of \$1,100.00. ~~, which represents an average increase of \$362.00 per pupil compared to the immediately preceding state fiscal year.~~

(b) Payments made under this subsection are equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of ~~20.96%~~ **15.21%** included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of ~~20.96%~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>15.21% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.</p>			
<p>Sec. 147e - MPSERS Transition Costs Appropriates \$118,400,000 SAF in FY 2025-26 to pay for increased school employer costs associated with PA 92 of 2017.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>Appropriates \$116,500,000 in FY 2025-26 and \$136,200,000 in FY 2026-27.</p>			
<p>Sec. 147g - MPSERS Employee Healthcare Reimbursement Appropriates \$181,519,700 SAF in FY 2024-25 only to reimburse employees for costs associated with the health care premium subsidy benefit.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			
<p>Sec. 152a - Data Collection and Reporting Costs Appropriation of \$41,000,500 to pay the necessary costs related to the State-mandated collection, maintenance, and reporting of data. From this allocation, \$3,000,000 is allocated for costs associated with collecting data necessary to provide reporting to tribal governments on the status of students affiliated with their particular tribe and data necessary to determine student participation in federal programs.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Update fiscal years.			
<p>Sec. 152b - Nonpublic School Reimbursements Includes \$1,000,000 GF/GP in FY 2025-26 to reimburse nonpublic schools for mandated costs. Provides that funds in FY 2024-25 are a work project and available funds may be expended in future fiscal years. Requires reimbursements to be made for expenses in previous fiscal years using funds remaining in work projects or, if those funds are insufficient, using funds appropriated in FY 2025-26.</p>			
<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			
<p>NEW EXEC Sec. 152c – Tribal Consultation Appropriates \$5,000,000 SAF in FY 2026-27 only to create statewide supports for ESSA federal tribal consultation requirements.</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

- (2) Funded RESA must convene a statewide collaboration including tribal leaders, tribal education organizations, school leaders, and relevant state and program staff.
- (3) Collaboration must deliver professional learning on tribal consultation and produce annual outcome-based progress reports starting January 1, 2028.
- (4) Minimum content and statewide availability timelines for professional learning on Native student identification, data sharing, and ESSA tribal consultation.
- (5) Funding is a work project through September 30, 2031.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) From the state school aid fund money appropriated in section 11, there is allocated in FY 2026-27 only an amount not to exceed \$5,000,000.00 to Marquette-Alger Regional Educational Agency to develop statewide supports for the federal tribal consultation requirements under the every student succeeds act, Public Law 114-95.</p> <p>(2) The intermediate district receiving funds under this section shall utilize the funds to support a collaboration that includes, but is not limited to:</p> <p>(a) Elected tribal leadership from federally recognized tribes in Michigan.</p> <p>(b) The Confederation of Michigan Tribal Education Departments.</p> <p>(c) School, district, and intermediate school district leadership, including elected board members.</p> <p>(d) Directors of programs impacted by the federal tribal consultation requirements.</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

(e) The department's indigenous education initiative.

(3) The collaboration shall be responsible for the following:

(a) Creating, disseminating, and evaluating professional learning to support the implementation of the federal tribal consultation requirements.

(b) Not later than January 1, 2028, and each subsequent fiscal year, preparing a summary report that includes measurable outcomes to evaluate the progress made in the development of effective government-to-government relations. The report must be submitted to the house and senate appropriations subcommittees on school aid, the house and senate fiscal agencies, and the state budget director.

(4) All of the following apply to professional learning under this section:

(a) The learning must include, at a minimum:

(i) Identification of native students, including:

(A) Federal identification guidelines from the federal office of management and budget under statistical policy directive number

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

15 for American Indian and Alaska Native students.

(B) Tribal affiliation data collection guidelines under MCL 388.1694a.

(C) Program participation data collection guidelines under MCL 388.1694a for federal programs funded under 20 USC 7401 to 7546 and the Johnson-O'Malley Supplemental Indian Education Program Modernization Act, Public Law 115-404.

(i) Data sharing from school districts to federally recognized tribes as governed by the federal education rights and privacy act, 20 USC 1232, 34 CFR Part 99; the federal protection of pupil rights amendment, 20 USC 1232h, 34 CFR Part 98; and the Michigan protection of pupil privacy act, MCL 380.1136.

(iii) The federal Tribal consultation requirements under the every student succeeds act, Public Law 114-95.

(iv) Key elements of effective tribal consultation.

(b) The initial professional learning must be made available to all administrators, staff, and board members in each local educational agency, public school academy, and intermediate school district by September 30, 2027, with additional

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

<p>resources released at least annually during the course of the work project.</p> <p>(5) The funds allocated under this section in FY 2026-27 are a work project appropriation, and any unexpended funds in FY 2026-27 are carried forward into FY 2027-28. The purpose of the work project is to create, disseminate, and evaluate statewide supports for local education agencies, public school academies, and intermediate school districts in meeting federal requirements for tribal consultation. The estimated completion date of the work project is September 30, 2031.</p> <p>(6) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.</p>			
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Sec. 164j – State Fiscal Recovery Funds

Requires the state budget director to ensure all American Rescue Plan Act state fiscal recovery funds are fully spent by December 31, 2026, authorizes reallocating at-risk funds to specified public safety payroll purposes in corrections and state police, mandates compliance with federal guidance, and requires timely legislative notification and accounting adjustments.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 164k – Requirement to Receive State Aid

If a district or intermediate district is confirmed to be violating any listed requirements, MDE must withhold 5% of the state payment they would otherwise receive until they return to compliance.

(a) Districts must ensure all breakfast and lunch foods comply with federal school meal rules.

(b) Districts must, when practicable, require households to complete the child nutrition and education benefits application even if universal meals are offered.

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

- (c) Districts may not offer financial incentives for student attendance on pupil membership count days after Fall 2025.
- (d) Districts must make student survey questions and results public, post them online, and notify parents or guardians; “survey” includes any survey from the district or any level of government.
- (e) Districts using non–evidence-based K–5 curricula must inform parents that the curriculum is not evidence-based or aligned to state standards and may harm academic outcomes, must explain why they are not using an evidence-based, standards-aligned curriculum, and must provide a plan and timeline for adopting an evidence-based, standards-aligned curriculum.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
Repeal.			

Sec. 164I – Grant Transparency

- (1) Requires the legislature to provide a timely, publicly documented list of legislatively directed spending items to the responsible entity and state budget director.
- (2) Requires the responsible entity to administer direct appropriation grants through documented agreements, eligibility verification, reimbursement-based payments, and conflict-of-interest safeguards.
- (3) Requires executed grant agreements to include project details, spending limits, reporting, clawback provisions, and publicly disclosed documentation.
- (4) Allows the responsible entity to enter into memoranda of understanding with other state departments to improve grant administration or oversight.
- (5) Requires grant recipients to retain records for at least seven years, respond to information requests, and submit to monitoring, site visits, and audits.
- (6) Requires all grant funds to be spent and projects completed by September 30, 2030, with unspent or unexecuted funds returned to the state treasury.
- (7) Appropriates grant funds to the responsible entity solely for the purpose of administering the intended grants.
- (8) Requires the responsible entity to publicly post and regularly update detailed reports on grant recipients, purposes, funding status, and sponsors.
- (9) Allows SBO to centrally compile and publish grant reporting information in place of individual entity reports.
- (10) Requires the responsible entity to halt funding and refer grants for audit or investigation if misuse or misrepresentation is identified.
- (11) Defines “responsible entity” as any department, district, intermediate district, or other entity administering a grant under this article.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
(1) Not later than Within 30 days after of the enactment of the—an amendatory act that added to this section, article, the legislature—house and senate fiscal agencies shall provide to the responsible entity and the—state budget director—office jointly agreed upon list of legislatively directed spending items, as defined in			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~Public Acts 32 and 33 of 2025, funded by the amendatory act., which may be referred to in this section as grants or direct appropriation grants, funded under the amendatory act that added this section consistent with house or senate rules and this section.—The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with house or senate rules and this section.—Public Acts 32 and 33 of 2025.~~

~~(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the responsible entity shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):~~

~~(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The responsible entity shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.~~

~~(b) Verify to the extent possible that a grant recipient is a not for profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.~~

~~(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The responsible entity may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.~~

~~(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the responsible entity, to verify that expenditures were made in accordance with the project purpose.~~

~~(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the responsible entity shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

item:

~~(3) An executed grant agreement under this section between the responsible entity and a grant recipient must include at least all of the following:~~

~~(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the responsible entity to administer grant money under this section.~~

~~(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The responsible entity shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations under the amendatory act that added this section. The grantee shall return to the state treasury any interest in excess of \$1,000.00 earned on the grant money while unexpended and in possession of the grantee.~~

~~(c) Unless otherwise specified in the responsible entity's policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~of the amendatory act that added this section.~~

~~(d) A requirement for reporting by the grant recipient to the responsible entity and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the responsible entity.~~

~~(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.~~

~~(f) The documents publicly disclosed under subsection (1).~~

~~(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the responsible entity may adopt a memorandum of understanding with another state department to perform the required duties under this section.~~

~~(5) A grant recipient shall respond to all reasonable information requests from the responsible entity related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the responsible entity. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~that the requirements of this subsection will be met.~~

~~(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If, at that time, any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the responsible entity shall return money associated with the grant to the state treasury.~~

~~(7) Any grant money that is awarded to a responsible entity is appropriated in that responsible entity for the purpose of the intended grant.~~

~~(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the responsible entity shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The responsible entity shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The responsible entity shall include in the report the most~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

~~comprehensive information the responsible entity has available at the time of posting for grants awarded.~~

~~(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected responsible entities' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual responsible entities, the state budget office may compile that information across all affected responsible entities and other state departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).~~

~~(10) If the responsible entity reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the responsible entity shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.~~

~~(11) As used in this section, "responsible entity" means the department, the department of lifelong education, advancement, and potential, a district, an intermediate district, or other person that administers a grant under this article.~~

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor’s Recommendation (FY 2025-26 and FY 2026-27)

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.364(4), the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

NEW EXEC Sec. 164m – Requirements to Receive Weighted Foundation Allowance

Requires districts receiving section 22b(3) funds to use them for evidence-based academic supports (including literacy, math, English learners, and MTSS), limit administrative costs, report data to MDE, allow audits, and annually communicate results and funding use to parents.

(2) Allows MDE to withhold and ultimately forfeit section 22b(3) funds if a district fails to comply with the requirements.

(3) Requires MDE to monitor district compliance and collect any information necessary to do so.

<i>Executive</i>	<i>Senate</i>	<i>House</i>	<i>Conference</i>
<p>(1) With funds received by a district under section 22b(3), districts must do all of the following:</p> <p>(a) Comply with the requirements under section 1280f of the revised school code, MCL 380.1280f, use resources received under section 22b(3) to address student achievement and success including but not limited to, literacy,</p>			

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

mathematics, and providing direct English language development instruction through the English language learner program models established in Section 41(2).

(b) Implement a multi-tiered system of supports that is an evidence-based framework that uses data driven problem solving to integrate academic and behavioral instruction and that uses intervention delivered to all pupils in varying intensities based on pupil needs. The multi-tiered system of supports must be implemented in grades K to 12, or, if the district or public school academy does not operate all of grades K to 12, for all of the grades it operates. The multi-tiered system of supports described in this subdivision must provide at least all of the following essential components:

(i) Team-based leadership.

(ii) A tiered delivery system.

(iii) Selection and implementation of instruction, interventions, and supports.

(iv) A comprehensive screening and assessment system.

(v) Continuous data-based decision making.

(c) Utilize all funding received under

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

section 22b(3) to support student needs for pupils counted toward the weighted pupil membership calculated in section 6 including, but not limited to, items identified in a district's Michigan Integrated Continuous Improvement Process (MICIP) plan. An amount not to exceed 2% of the amount received under section 22b(3), may be utilized to support administrative costs related to complying with this section. Administrative costs include but are not limited to central office salaries and benefits, business and fiscal services, school administrative staff and expenses, and do not include costs associated with direct instructional staff working with pupils counted toward the weighted pupil membership calculated in section 6.

(d) Provide information to the department, in a form and manner determined by the department, necessary for the department to monitor programs and services funded with dollars received under section 22b(3) for compliance with the requirements in this section, and to ensure the multi-tiered system of supports and English language learner programs are implemented with fidelity.

(e) Allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district shall reimburse

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

this state for all disallowances found in any audit.

(f) Communicate the following information to parents or legal guardians at least annually:

(i) Literacy related results for the district, including multi-year trend data, from the following state assessments, as applicable to grades offered by the district: 3rd grade Michigan student test of educational progress (M-STEP), 7th grade M-STEP, and SAT for students that are economically disadvantaged and English language learners. The district must ensure that information is reported in a manner to safeguard study privacy.

(ii) Information detailing the amount of funding received under section 22b(3), how the district distributed that funding, and what evidence-based interventions were implemented with those dollars. The information must include a method, including contact information, for parents or legal guardians to provide feedback on the use of these dollars as well as to seek more information about services and interventions available for their children.

(2) If the department determines that a district does not comply with this section, the department may withhold an amount equal to the

SCHOOL AID SECTION-BY-SECTION HIGHLIGHTS

Current Law (FY 2025-26) and Governor's Recommendation (FY 2025-26 and FY 2026-27)

<p>monthly payment due to the district from the funds allocated under section 22b(3) until the district complies with this section. If the district does not comply with this section by the end of a fiscal year, the withheld funds are forfeited to the state school aid fund.</p>			
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(3) The department shall monitor districts for compliance with this section and may require districts to provide any information to the department, in a form and manner determined by the department, necessary to fulfil this requirement.