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The fiscal year 2027 Executive Budget Recommendation builds on historic investments to expand access to postsecondary education at Michigan’s community colleges, universities, and tribal colleges, while lowering costs for students and families. Michigan’s postsecondary institutions are essential to meeting critical workforce demands, strengthening regional economies, and driving statewide economic growth. By pairing sustained institutional funding with record investments in student financial aid, the Governor’s proposed budget lowers costs, expands access, boosts completion rates, and strengthens pathways to upward social and economic mobility for Michigan residents and families. Together, these strategic investments advance the state’s Sixty by 30 goal of ensuring 60% of working-age adults hold a degree or skill certificate by 2030.

### **Community Colleges Overview**

The Governor’s proposed budget includes \$525.4 million for Michigan’s 28 community colleges, including \$476.1 million ongoing and \$49.2 million one-time, all funded through the state school aid fund.

#### ***Operations and One-time Payments***

The Governor’s recommended budget maintains historic operations funding levels for community colleges, by preserving \$362.2 million of ongoing operations funding and providing \$11 million of additional one-time payments. Operations payments, both ongoing and one-time, are distributed proportionally to the colleges’ base operations amounts.

The recommended budget maintains the FY27 tuition restraint levels established in the previous budget. To receive the one-time payment, community colleges must limit tuition and fee increases to 4%, or \$199 per student, whichever is greater. Looking ahead to the next budget cycle, the recommended budget sets the FY28 tuition restraint to 5% or \$255, whichever is greater. The intention is to keep this tuition restraint in place for the following academic year, with any potential adjustments to the rate considered only for the academic year beyond that.

#### ***Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS)***

The Governor’s recommended budget invests \$33.3 million in ITEMS funding to assist colleges with critical deferred maintenance and safety costs across campuses. ITEMS funding ensures a minimum \$1 million allocation to each community college to support critical infrastructure, safety, and technology upgrades, with remaining funds distributed based on enrollment levels.

The Governor’s recommended budget preserves stable, ongoing operations funding for community colleges while strategically deploying one-time resources to address infrastructure needs. Together with the operations payments, one-time support payments, and ITEMS funding, total funding represents a 9% increase from fiscal year 2026 operations levels.

#### ***Michigan Maritime Manufacturing Initiative (M3)***

The Governor’s recommended budget invests \$5 million for the M3 Initiative which is a state and federal partnership with Macomb Community College, focused on building a skilled workforce for the future of defense manufacturing by training students in critical maritime construction skills, including welding and machining. This investment in M3 is expected to support four cohorts of students achieving advanced skills for in-demand jobs in the defense industry.

***North American Indian Tuition Waiver***

The Governor’s budget continues to fully fund the Indian Tuition Waiver with \$1.4 million for community colleges, lowering the cost of college for over 600 eligible Native American students at community colleges.

***Michigan Public School Employees Retirement System (MPERS) Payments***

The Governor’s recommended budget continues to provide state support for retirement contributions to the MPERS providing fiscal stability to community colleges. This \$110.3 million in funding includes the continuation of the MPERS stabilization payments, which cover the state's share of the unfunded actuarial accrued liability (UAAL) payments exceeding the statutory payroll rate cap of 15.21%. Along with, the MPERS normal cost offset payments cover costs associated with other state policy changes that enhance the long-term financial health of the retirement system.

***Renaissance Zone Tax Reimbursements***

The Governor’s proposed budget continues to provide \$2.2 million for Renaissance Zone tax reimbursements. These reimbursements hold community college districts harmless from the impact of property tax exemptions in designated state Renaissance Zones.

**Public Universities Overview**

The Governor’s proposed budget includes meaningful investments in Michigan’s 15 public universities, totaling \$2.6 billion, of which \$2.5 billion is ongoing and \$79.1 million is one-time. The budget for universities and financial aid is funded with \$1.2 billion general fund, and \$1.2 billion state school aid fund.

***Operations and One-time Payments***

The Governor’s recommended budget maintains historic operations funding levels for public universities, by preserving \$1.7 billion of ongoing operations funding and provides \$52.3 million of additional one-time payments. Operations payments, both ongoing and one-time, are distributed proportionally to the universities’ base operations amounts and include MSU AgBioResearch and MSU Extension.

The recommended budget maintains the FY27 tuition restraint levels established in the previous budget. To receive the one-time payment, public universities must limit tuition and fee increases to 4%, or \$651 per student, whichever is greater. Looking ahead to the next budget cycle, the recommended budget sets the FY28 tuition restraint to 5% or \$855, whichever is greater. The intention is to keep this tuition restraint in place for the following academic year, with any potential adjustments to the rate considered only for the academic year beyond that.

***ITEMS***

The Governor’s recommended budget invests \$26.7 million in ITEMS funding to assist universities with critical deferred maintenance and safety costs across campuses. ITEMS funding ensures a minimum \$1 million allocation to each public university to support critical infrastructure, safety, and technology upgrades, with remaining funds distributed based on enrollment levels.

The Governor’s recommended budget preserves stable, ongoing operations funding for public universities while leveraging one-time support for campus needs. Together with the operations payments, one-time support payments, and ITEMS funding, total funding represents a 2% increase from fiscal year 2026 operations funding levels.

***North American Indian Tuition Waiver***

The Governor’s budget continues to fully fund the Indian Tuition Waiver with \$15.4 million state school aid funds for universities, including pass-throughs to tribal colleges. This funding lowers the costs for over 1,000 Native American students pursuing postsecondary degrees.



**FY 2027 K-12 School Aid Executive Budget**

<i>(In Thousands)</i>	FY2026 School Aid			FY2027 School Aid		
	Current Law	Exec. Rec. Revised	Difference from Current Law	Executive Budget	Difference from FY26 Current Law	% Change
<i>School Aid Fund</i>	\$18,366,334.7	\$18,189,425.3	(\$176,909.4)	\$18,546,739.3	\$180,404.6	2.0%
<i>General Fund</i>	\$73,151.1	\$73,151.1	\$0.0	\$45,334.9	(\$27,816.2)	-38.0%
<i>Other State Restricted</i>	\$441,637.4	\$441,637.4	\$0.0	\$405,637.4	(\$36,000.0)	-8.2%
<b>Total State Funds</b>	<b>\$18,881,123.2</b>	<b>\$18,704,213.8</b>	<b>(\$176,909.4)</b>	<b>\$18,997,711.6</b>	<b>\$116,588.4</b>	<b>1.6%</b>
<i>Federal Funds</i>	\$2,407,708.5	\$2,407,708.5	\$0.0	\$2,405,708.5	(\$2,000.0)	-0.1%
<b>Gross Appropriations</b>	<b>\$21,288,831.7</b>	<b>\$21,111,922.3</b>	<b>(\$176,909.4)</b>	<b>\$21,403,420.1</b>	<b>\$114,588.4</b>	<b>1.4%</b>
<i>Est. Local Revenue</i>	\$5,298,895.6	\$5,298,895.6	\$0.0	\$5,494,954.8	\$196,059.2	3.7%
<b>Total Funding</b>	<b>\$26,587,727.3</b>	<b>\$26,410,817.9</b>	<b>(\$176,909.4)</b>	<b>\$26,898,374.9</b>	<b>\$310,647.5</b>	<b>1.8%</b>

**Consensus Pupil Estimates**

- FY 2026 – 1,371,800
- FY 2027 – 1,361,700, a decrease of 10,100 pupils from FY 2026 (decline of 0.7%)
- FY 2028 – 1,351,200, a decrease of 10,500 from FY 2027 (decline of 0.8%)

**Weighted Funding Model**

- The Executive Budget Recommendation includes \$400 million to increase operational funding for schools to continue implementation of a **weighted school funding model**. This model includes a base per-pupil payment that builds off the existing foundation allowance plus additional funding for students with more costly educational needs.

Per-Pupil Foundation Allowance	
Current Law Foundation	\$10,050
<b>Recommended Increase</b>	<b>\$250</b>
<b>FY2027 Foundation</b>	<b>\$10,300</b>

- The investment includes the following components:
  - \$325 million to increase the **per-pupil foundation allowance by \$250 per pupil, a 2.5% increase**. This will raise the foundation allowance **to \$10,300 per pupil, an increase of 31% since the Governor’s first budget**. Funding for 100% online cyber schools is set at 20% of this amount, \$8,240 (a \$53 million reduction), in recognition of lower operating costs. Total state funding for the foundation allowance is \$10.4 billion.
  - \$128 million to **increase weighted foundation payments** by an additional 6%. This includes funding for academically at-risk students (\$78.8 million), preschoolers (\$38.1 million), English language learners (\$3.8 million), career and technical education students (\$3 million), students enrolled in rural and isolated districts (\$783,000), students with developmental delays in the Early On program (\$1.45 million) and funding for intermediate districts (\$2.1 million, a 2.5% increase in line with the foundation allowance increase).

- The Executive Budget codifies the weighted funding elements for academically at-risk students and English language learners by creating a new **weighted pupil count**. Payments for these students will be made as part of the foundation allowance instead of as separate categorical.

### Special Education Supports

- Districts will continue to receive a **full foundation allowance payment** (\$13 million increase, 2.5%) in addition to required cost reimbursements for special education students. The Governor’s budget includes \$535 million in foundation allowance payments and \$1.1 billion to reimburse districts for special education costs, with an additional \$495.1 million for payments to intermediate school districts.
- The recommendation includes a revised formula to **better equalize disproportionate access to local revenue** that supports special education. The budget includes \$89.2 million for this purpose, a \$15 million increase over current law levels.
- Total state and federal funding for special education is nearly \$2.9 billion.

### Student Literacy

- The Governor’s budget recommends additional supports for early literacy interventions and the science of reading:
  - Some students need extra learning support through individualized, structured, evidence-based interventions. The budget recognizes this by recommending funding a new \$100 million **high-impact tutoring program over two years**. Funding will be awarded on a competitive basis to high-quality tutoring partners to deploy proven methods in schools across the state.
  - Students and teachers deserve **top-tier literacy curriculum** which will ensure the best possible results in the classroom. The budget continues to support this by providing \$100 million for grants over two years to school districts to purchase and implement high-quality curricula.
  - \$50 million to continue the implementation of **LETRS training** across the state over a five-year period. This educator professional learning will improve literacy achievement by deploying the “science of reading” as an instructional method in classrooms across the state.
  - \$10.5 million increase for **additional literacy coaches** at intermediate districts to assist teachers in developing and implementing instructional strategies for pupils in grades pre-K to 5. With this increase, total funding for literacy coaches is \$52.5 million which supports 420 coaches across the state, an increase of 327 coaches since the Governor took office.
  - \$6 million to continue **literacy essentials programs** to improve effective literacy instruction and facilitate a statewide network of literacy coaches.
  - \$3 million for the **Michigan Learning Channel** to provide literacy curriculum and learning opportunities to children across the state.

### Student Health and Wellness

- The Governor continues to recommend historic investments in child nutrition. The budget includes \$200 million for the Michigan School Meals Program, **which provides breakfast and lunch to all students at no cost**. In total, the budget includes almost \$1.2 billion in state and federal authorization for school meals.
- The budget continues supports for student mental health, physical health, and safety.
  - The Governor recommends a continuation of discretionary **per-pupil funding for mental health and student safety** at \$300 million.
  - Funding is maintained at \$33 million to support **teen health centers** and \$11.7 million for **hearing, vision, and dental screenings**.
  - Funding provided for **behavioral health providers and other mental health services** is maintained at \$107.9 million.

### Providing Early Learning Opportunities

- The Governor’s budget continues investments to provide universal pre-K through the Great Start Readiness Program (GSRP), with a total recommendation of \$819.7 million, serving as estimated 68,000 children. This includes:
  - Availability of services to **all families with 4-year-old children**.
  - An increase to the **per-child allocation**, from \$10,650 to \$11,290 – a \$640 per child, 6% increase.
  - Continued support for GSRP student **transportation** (total of \$28 million).
  - \$25 million to continue **startup grants** for the launch of new providers and classrooms.
- The budget increases funding for state **Early On** services by \$1.4 million as part of the weighted foundation allowance increase, to a total of \$25.1 million. This program provides early identification and interventions for developmental delays in children.
- The budget includes new funding of \$30 million for **Early Learning Partnerships** which will provide central access points to early childhood services, early identification of developmental delays, and tools to assist in early literacy through intermediate school districts. These programs restore the purpose and goals of previously funded Great Start Collaboratives but with greater efficiency and effectiveness.

### Career and College Readiness

- For **career and technical education and vocational education** programs, the budget includes:
  - \$44.3 million for **vocational education cost reimbursements**, \$9.2 million to partially equalize local revenue generated from vocational education millages, \$8.9 million for **early/middle college programs**, and \$900,000 to support precollege engineering programs.
- The budget includes new funding to encourage more students in areas with high concentrations of poverty to work toward receiving college credit through **dual enrollment** opportunities. The budget includes \$20 million to reimburse eligible districts for these costs.
- The budget maintains \$3 million for the **Michigan College Access Network**, which works to improve college access for low-income and first-generation students.
- The budget continues programs to encourage high school seniors to complete their **Free Application for Federal Student Aid (FAFSA) and access funding for higher education** at \$10 million.

### Supporting the Educator Workforce

- The Governor’s budget continues historic investments to improve the educator talent pipeline by providing a tuition-free route to becoming a teacher through the **MI Future Educator Fellowship** (\$25 million) and **student teacher stipends** (\$50 million).
- **Grow-Your-Own educator programs** are included at \$60 million over a 3-year period. These programs provide resources to school districts to help non-credentialed staff working in buildings get the education and training they need to become certified teachers.

### Other Academic Supports

- The Executive Budget includes \$12 million to create and implement a comprehensive pre-K–5 system that supports **mathematics education**. This program will be designed to equip school leaders and teachers with the tools and resources needed to provide every child a world-class mathematics learning experience.
- The budget includes funding for **adult education programs** at \$40.5 million, a \$7.6 million increase over current law.
- The budget maintains funding of \$9.8 million for **Michigan Virtual** to research and support best practices in virtual coursework and to provide professional development.
- A total of \$8 million in the budget supports the state’s **MiSTEM Network to expand STEM opportunities for students**.
- Funding for **partnership districts** is maintained at \$6.1 million. This funding will be used to support academic and structural interventions in the state’s highest need schools.
- \$5.6 million is included for **First Robotics** programs, as well as \$1.2 million to pay for costs associated with Advanced Placement, International Baccalaureate, or College-Level Examination Program tests for low-income pupils.
- The budget includes \$5 million to develop and implement statewide supports for **federal tribal consultation** requirements which will improve relationships with tribes and ensure all students have access to high-quality education.

### Assessments and Accountability

- \$52.5 million (\$44.5 million in state funding and \$8 million in federal funding) is included for costs associated with **student assessments** required under state and federal law.
- The budget includes a total of \$44.5 million for **state data collection and reporting** costs. This amount includes \$41 million in **payments to districts for data collection** and \$3.5 million to continue the work of the **Michigan Data Hub Network**.
- State funding for the **Center for Educational Performance and Information (CEPI)** totals \$19.7 million.
- Funding is continued for **benchmark assessments** at \$11.5 million. These assessments give districts a better understanding of student learning needs.
- The budget includes \$1 million to continue a research partnership through the **Michigan Education Research Institute** to foster collaboration with MDE, CEPI, and education researchers to study matters of importance to statewide education policy.

### Other School Operating Funding

- State funding for **MPSERS retirement contributions** is funded at \$1.9 billion. This includes:
  - \$1.5 billion for state contributions above the **statutory cap on unfunded liability costs** for local districts of 15.21% of payroll.
  - \$307 million to **pay for increases in normal costs**.
  - \$136 million to continue **other existing cost offsets**.
- Funding to help stabilize operating budgets for districts experiencing **declining enrollment** is included at \$125 million, paid from the Enrollment Stabilization Fund.

- Funding to offset **student transportation** costs is maintained at \$125 million, paid from the School Transportation Fund.

#### **Other Student Support Services**

- The budget restores funding of \$1.6 million for the **Michigan MTSS Technical Assistance Center**. The center supports educators in building their knowledge and skills to serve all students equitably using a multi-tiered system of supports framework, to improve student behavior and learning outcomes.
- **School transportation safety programs** are funded at \$4 million: \$2 million for school bus inspections provided by the Michigan State Police and \$2 million for school bus driver safety training.
- Educational programs in **juvenile justice facilities** are included at \$1.4 million.
- Educational programs that serve **wards of the court** are supported with \$7.7 million.
- Funding for **strict discipline academies** is maintained at \$1.6 million.
- Funding for students in eligible **dropout recovery** programs is recommended to be paid as a membership pupil as part of the foundation allowance, which shifts the existing funding of \$750,000 to foundation allowance payments for that purpose.

#### **Debt Service and Other Required Payments**

- **School Bond Loan Fund Debt Service** is funded at \$23 million.
- **Renaissance Zone** reimbursements are recommended at \$14 million.
- **School Aid Fund Borrowing Costs** are included at \$5 million.
- **Payments in Lieu of Taxes** are included at \$5.5 million.
- **Brownfield Redevelopment Reimbursements** are included at \$21.8 million.
- **Promise Zone** funding is included at \$48.3 million.

**MPSERS Contribution Rates**

The estimated FY2027 MPSERS retirement contribution rates are detailed below:

<b>MPSERS Retirement Rates for FY2027</b>								
	<b>Basic MIP w/Prem Subsidy</b>	<b>Pension Plus w/Prem Subsidy</b>	<b>Pension Plus PHF</b>	<b>Pension Plus to DC w/PHF</b>	<b>Basic/MIP To DC w/ Prem Subsidy</b>	<b>Basic/MIP To DC w/PHF</b>	<b>Basic/ MIP w/PHF</b>	<b>Pension Plus 2 with PHF</b>
<b>Total Rate</b>	<b>41.02%</b>	<b>36.28%</b>	<b>34.85%</b>	<b>28.72%</b>	<b>30.15%</b>	<b>28.72%</b>	<b>39.59%</b>	<b>34.92%</b>
<b>Employer Rate:</b>								
<i>Pension Normal Cost</i>	10.87%	6.13%	6.13%	0.00%	0.00%	0.00%	10.87%	6.20%
<i>Pension UAAL</i>	15.21%	15.21%	15.21%	15.21%	15.21%	15.21%	15.21%	15.21%
<b>Pension Total Rate</b>	<b>26.08%</b>	<b>21.34%</b>	<b>21.34%</b>	<b>15.21%</b>	<b>15.21%</b>	<b>15.21%</b>	<b>26.08%</b>	<b>21.41%</b>
<b>Health Normal Cost</b>								
<i>Health Normal Cost</i>	1.43%	1.43%	0.00%	0.00%	1.43%	0.00%	0.00%	0.00%
<i>Health UAAL</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Retiree Health Total Rate</b>	<b>1.43%</b>	<b>1.43%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1.43%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Employer Capped Rate</b>								
<b>Employer Capped Rate</b>	<b>27.51%</b>	<b>22.77%</b>	<b>21.34%</b>	<b>15.21%</b>	<b>16.64%</b>	<b>15.21%</b>	<b>26.08%</b>	<b>21.41%</b>
<b>Stabilization Rate (State Funded)</b>								
<b>Stabilization Rate (State Funded)</b>	<b>13.51%</b>	<b>13.51%</b>	<b>13.51%</b>	<b>13.51%</b>	<b>13.51%</b>	<b>13.51%</b>	<b>13.51%</b>	<b>13.51%</b>
<b>FY2026 Employer Capped Rate</b>								
<b>FY2026 Employer Capped Rate</b>	<b>29.91%</b>	<b>25.17%</b>	<b>21.34%</b>	<b>15.21%</b>	<b>19.04%</b>	<b>15.21%</b>	<b>26.08%</b>	<b>21.41%</b>

**Acronyms Used Above:**

- *MPSERS – Michigan Public School Employees Retirement System*
- *MIP – Member Investment Plan*
- *PHF – Personal Healthcare Fund*
- *DC – Defined Contribution*
- *UAAL – Unfunded accrued liability*

**Fiscal Year 2027 Executive Budget Recommendation  
February 11, 2026**

Sec.	APPROPRIATIONS (In thousands):	Fiscal Year 2026			Fiscal Year 2027		
		FY26 Current Law	FY26 January CREC Cost Adjustments	FY26 Executive Rec. Revised	FY27 Executive Budget	Difference From FY26 Current Law	Difference From Exec. Rec. FY26
11j	School Bond Loan Redemption Fund	23,000.0		23,000.0	23,000.0	-	-
11m	School Aid Fund Borrowing Costs	5,000.0		5,000.0	5,000.0	-	-
11s	Flint Declaration of Emergency	8,000.0		8,000.0	-	(8,000.0)	(8,000.0)
12e	Infrastructure Grants	100,000.0		100,000.0	-	(100,000.0)	(100,000.0)
21b	<b>Dual Enrollment Incentives</b>	-		-	20,000.0	-	-
21h	Partnership Model Districts	6,137.4		6,137.4	-	-	-
22a	Proposal A Obligation Payment	3,785,000.0	(74,000.0)	3,711,000.0	3,564,000.0	(221,000.0)	(147,000.0)
22b	Discretionary Payment	6,820,500.0	(39,500.0)	6,781,000.0	6,869,750.0	49,250.0	88,750.0
31a / 22b	At-Risk Programs	1,293,655.0		1,293,655.0	1,372,405.0	78,750.0	78,750.0
41 / 22b	Bilingual Education	62,732.6		62,732.6	66,532.6	3,800.0	3,800.0
22d	Isolated Districts	12,873.1		12,873.1	13,656.1	783.0	783.0
22l	Transportation Costs	125,000.0		125,000.0	125,000.0	-	-
22m	Data Hub Network	5,000.0		5,000.0	3,500.0	(1,500.0)	(1,500.0)
23h	<b>Mathematics Pathways</b>	-		-	12,000.0	12,000.0	12,000.0
24	Court-Placed Children	7,650.0		7,650.0	-	-	-
24a	Juvenile Detention Facility Programs	1,355.7		1,355.7	1,355.7	-	-
25f	Strict Discipline Academies Pupil Transfers	1,600.0		1,600.0	1,600.0	-	-
25g	Dropout Recovery Program Pupil Transfers	1,250.0		1,250.0	-	(1,250.0)	(1,250.0)
26a	Renaissance Zone Reimbursement	14,000.0		14,000.0	14,000.0	-	-
26b	PILT Reimbursement	5,549.0		5,549.0	5,549.0	-	-
26c	Promise Zone Payments	43,300.0		43,300.0	48,300.0	5,000.0	5,000.0
26d	Brownfield Redevelopment Reimbursements	14,400.0	4,600.0	19,000.0	21,800.0	7,400.0	2,800.0
27a	MI Future Educator Fellowship	25,000.0		25,000.0	25,000.0	-	-
27b	Grow your own and educator grants	70,000.0		70,000.0	60,000.0	(10,000.0)	(10,000.0)
27c	MI Future Educator Student Teacher Stipends	50,000.0		50,000.0	50,000.0	-	-
29	Enrollment Stability Supports	71,000.0		71,000.0	125,000.0	54,000.0	54,000.0
30d	Expanded Breakfast/Lunch Programs	201,600.0		201,600.0	200,000.0	(1,600.0)	(1,600.0)
31a	Adolescent Teen Health Centers	33,000.0		33,000.0	33,000.0	-	-
31a	Vision/Hearing Screening + Dental	11,650.0		11,650.0	-	-	-
31c	Small Class Sizes Program	65,000.0		65,000.0	-	(65,000.0)	(65,000.0)
31d	School Lunch - State	29,553.4		29,553.4	29,553.4	-	-
31d	School Lunch - Federal	923,400.0		923,400.0	923,400.0	-	-
31f	School Breakfast	16,900.0		16,900.0	16,900.0	-	-
31n	Mental Health Grants and Admin	107,845.0		107,845.0	107,845.0	-	-
31aa	Mental Health and School Safety Per Pupil Payments	267,500.0		267,500.0	300,000.0	32,500.0	32,500.0
31aa	School Resource Officers	53,500.0		53,500.0	-	(53,500.0)	(53,500.0)
32d	GSRP Slot Allocations	626,567.6		626,567.6	764,667.6	138,100.0	138,100.0
32d	GSRP Transportation	28,000.0		28,000.0	28,000.0	-	-
32d	GSRP Start Up Grants	10,000.0		10,000.0	25,000.0	15,000.0	15,000.0
32d	GSRP Curriculum	2,000.0		2,000.0	2,000.0	-	-
32n	Out of School Time Learning	75,000.0		75,000.0	135,000.0	60,000.0	60,000.0
32p	<b>Early Learning Partnerships</b>	-		-	30,000.0	30,000.0	30,000.0
32t	Strong Beginnings Preschool Pilot	25,000.0		25,000.0	-	(25,000.0)	(25,000.0)
35a	Early Literacy Teacher Coaches	42,000.0		42,000.0	52,500.0	10,500.0	10,500.0
35a	Professional Learning Early Literacy	10,000.0		10,000.0	50,000.0	40,000.0	40,000.0
35e	School Library Study	250.0		250.0	-	(250.0)	(250.0)
35m	Literacy Curriculum Supports	70,000.0		70,000.0	100,000.0	30,000.0	30,000.0
35o	Literacy Essentials	-		-	6,000.0	6,000.0	6,000.0
35p	<b>High-Impact Tutoring</b>	-		-	100,000.0	100,000.0	100,000.0
39a1	Federal Grant Funds	824,700.0		824,700.0	824,700.0	-	-
39a2	Other Federal Funding	66,415.0		66,415.0	66,415.0	-	-
51a	Special Education - Federal IDEA	500,000.0		500,000.0	500,000.0	-	-
51a2	Special Education Foundations & Sped	492,400.0	(34,600.0)	457,800.0	495,100.0	2,700.0	37,300.0
51a5	Special Ed Rule Change	3,200.0		3,200.0	3,200.0	-	-
51a10	Special Ed Non Sec 52 to ISDs	1,600.0	300.0	1,900.0	1,900.0	300.0	-
51c	Special Education Headlee	1,107,900.0	(52,900.0)	1,055,000.0	1,140,700.0	32,800.0	85,700.0
51d	Special Education - Other Federal	83,000.0		83,000.0	83,000.0	-	-
51e	Special Education Foundations	528,100.0	(6,300.0)	521,800.0	535,000.0	6,900.0	13,200.0
51g	Special Education Supports - Learning Library	3,000.0		3,000.0	3,000.0	-	-
53a	Court Placed Special Ed FTE	10,500.0		10,500.0	10,500.0	-	-
54	MI School for Deaf and Blind	1,688.0		1,688.0	4,529.4	2,841.4	2,841.4
54b	<b>MiMTSS Center</b>	-		-	1,600.0	1,600.0	1,600.0
54d	Early On	23,670.7		23,670.7	25,120.7	1,450.0	1,450.0
56	Special Ed Millage Equalization	74,208.1		74,208.1	89,208.1	15,000.0	15,000.0
61a	Vocational Education	41,733.8		41,733.8	44,233.8	2,500.0	2,500.0
61b	CTE Middle College Program	8,368.0		8,368.0	8,868.0	500.0	500.0
61d	CTE Incentive Payment	13,400.0		13,400.0	-	(13,400.0)	(13,400.0)
61v	CTE - Pathways to Success	70,000.0		70,000.0	-	(70,000.0)	(70,000.0)
62	ISD Vocational Ed Millage Reimbursement	9,190.0		9,190.0	9,190.0	-	-
65	Detroit Pre-College K-12 Engineering Program	900.0		900.0	900.0	-	-
67	Michigan College Access Network (MCAN)	3,000.0		3,000.0	3,000.0	-	-
67f	FAFSA Completion Grants	10,000.0		10,000.0	10,000.0	-	-
74	Bus Driver Safety	2,025.0		2,025.0	-	-	-
74	School Bus Inspection Program	1,924.9		1,924.9	1,978.1	53.2	53.2
81	ISD General Operations	83,157.7		83,157.7	85,257.7	2,100.0	2,100.0
94	AP, IB, CLEP Assessments	2,600.0		2,600.0	1,200.0	(1,400.0)	(1,400.0)

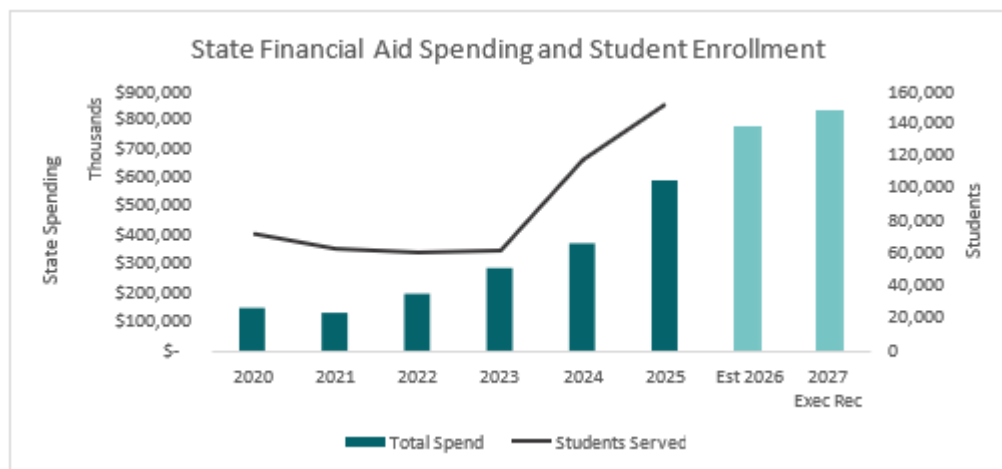
Sec.	APPROPRIATIONS (In thousands):	FY26 Current Law	FY26 January CREC Cost Adjustments	FY26 Executive Rec. Revised	FY27 Executive Budget	Difference From FY26 Current Law	Difference From Exec. Rec. FY26
94a	CEPI - State	19,364.7		19,364.7	19,548.5	183.8	183.8
94a	CEPI - Federal	2,193.5		2,193.5	193.5	(2,000.0)	(2,000.0)
94e	MERI Partnership	1,000.0		1,000.0	1,000.0	-	-
97n	Community Violence Intervention Grants	10,000.0		10,000.0	-	(10,000.0)	(10,000.0)
98	Michigan Virtual	9,800.0		9,800.0	9,800.0	-	-
98d	Michigan Learning Channel	-		-	3,000.0	3,000.0	3,000.0
99h	Robotics Grants	5,600.0		5,600.0	5,600.0	-	-
99s	MiSTEM Network Regions	-		-	8,000.0	8,000.0	8,000.0
104	Student Assessments - State	37,509.4	2,490.6	40,000.0	44,500.0	6,990.6	4,500.0
104	Student Assessments - Federal	8,000.0		8,000.0	8,000.0	-	-
104h	Benchmark Assessments	11,500.0		11,500.0	11,500.0	-	-
107	Adult Education	32,913.6		32,913.6	40,500.0	7,586.4	7,586.4
147a(2)	MPSERS Normal Cost Offset	336,300.0	24,900.0	361,200.0	307,500.0	(28,800.0)	(53,700.0)
147c	MPSERS UAAL Rate Stabilization Payment	1,536,800.0		1,536,800.0	1,454,700.0	(82,100.0)	(82,100.0)
147e	MPSERS Transition Costs	118,400.0	(1,900.0)	116,500.0	136,200.0	17,800.0	19,700.0
152a	Data Collection and Reporting Costs	41,000.5		41,000.5	41,000.5	-	-
152b	Nonpublic School Reimbursements	1,000.0		1,000.0	-	(1,000.0)	(1,000.0)
152c	Tribal Consultation	-		-	5,000.0	5,000.0	5,000.0
	<b>TOTAL SCHOOL AID APPROPRIATIONS</b>	<b>21,288,831.7</b>	<b>(176,909.4)</b>	<b>21,111,922.3</b>	<b>21,403,420.1</b>	<b>114,588.4</b>	<b>291,497.8</b>

REVENUES:	FY26 Current Law	FY26 January CREC Cost Adjustments	FY26 Executive Rec. Revised	FY27 Executive Budget	Difference From FY26 Current Law	Difference From Exec. Rec. FY26
School Aid Fund	18,366,334.7	(176,909.4)	18,189,425.3	18,546,739.3	180,404.6	357,314.0
General Fund	73,151.1	-	73,151.1	45,334.9	(27,816.2)	(27,816.2)
Enrollment stabilization fund	71,000.0	-	71,000.0	125,000.0	54,000.0	54,000.0
School Consolidation and Infrastructure Fund	100,000.0	-	100,000.0	-	(100,000.0)	(100,000.0)
School transportation fund	125,000.0	-	125,000.0	125,000.0	-	-
Great start readiness reserve fund	18,000.0	-	18,000.0	18,000.0	-	-
Educator fellowship public provider fund	30,000.0	-	30,000.0	30,000.0	-	-
State School Aid Pupil Support Reserve Fund	97,037.4	-	97,037.4	107,037.4	10,000.0	10,000.0
General Pupil Support Reserve Fund	600.0	-	600.0	600.0	-	-
Federal Funds	2,407,708.5	-	2,407,708.5	2,405,708.5	(2,000.0)	(2,000.0)
<b>TOTAL APPROPRIATED REVENUES</b>	<b>21,288,831.7</b>	<b>(176,909.4)</b>	<b>21,111,922.3</b>	<b>21,403,420.1</b>	<b>114,588.4</b>	<b>291,497.8</b>



The fiscal year 2027 Executive Budget Recommendation builds on historic investments to expand access to postsecondary education at Michigan’s community colleges, public and private universities, and tribal colleges, while lowering costs for students and families. The Governor’s recommended budget prioritizes long-term and strategic investments in Michigan’s student financial aid system to lower costs, expand access, boost completion rates, and strengthen the state’s talent pipeline.

The Governor’s recommended budget invests \$753 million to support students attending public and private colleges across the state, reinforcing Governor Whitmer’s commitment to lower costs and increase accessibility for Michigan students. Since the start of the Whitmer administration, state financial aid appropriations have increased by more than \$688.7 million, and the number of students receiving state scholarships has increased over 111%, driven by the creation of transformative scholarships such as Michigan Reconnect, the Michigan Achievement Scholarship including the Community College Guarantee, the Michigan Future Educator Stipend, and more.



**Student Financial Aid and Success**

The Whitmer administration has made strategic investments in financial aid to expand access to postsecondary education and increase the number of adults earning a degree or credential, advancing the state’s Sixty by 30 goal. To support students with the greatest needs, Michigan has developed targeted pathways across all postsecondary sectors to improve access, boost completion rates, and promote student success. The Governor’s recommended budget targets support to the three largest state scholarship pathways that serve our highest need learners through \$283.5 million of increased funding for the Michigan Achievement Scholarship, Michigan Reconnect expansion, and the Tuition Incentive Program (TIP).

**Michigan Achievement Scholarship**

The Governor’s recommendation includes a \$232 million increase to the Michigan Achievement Scholarship, funding the state’s flagship scholarship program at the estimated cost in FY27. The total Michigan Achievement Scholarship appropriation is \$532 million, of which \$100 million is ongoing general fund and \$300 million is ongoing school aid fund, along with an additional \$132 million from the Postsecondary Scholarship Fund.

The Michigan Achievement Scholarship is the state's flagship scholarship program and offers crucial levels of funding for students at community colleges, 4-year public and private colleges, and students pursuing skills scholarships for trade certificates. The Michigan Achievement Scholarship promotes full-time college enrollment within one year of high school graduation and is expected to serve an estimated 128,000 students annually.

**Community College:** Within the Michigan Achievement Scholarship, a full-time community college student can get the Community College Guarantee, which awards last dollar in-district tuition and fee coverage while working toward an associate or skills degree at a Michigan community college. Additionally, income-eligible students with higher financial needs receive a \$1,000 stipend to offset living expenses, such as food, housing, transportation, and child care. Once fully implemented, the Community College Guarantee is projected to save over 37,000 students the cost of tuition annually.

**4-Year University:** For a full-time college student attending a public or private 4-year institution and who has a Student Aid Index of 30,000 or below, the Michigan Achievement Scholarship offers up to \$5,500 per year toward cost of attendance needs. Approximately two out of three incoming 4-year college students qualify for the Michigan Achievement Scholarship. Once fully implemented, it will save over 90,000 students a combined \$500 million per year on college costs.

**Career Training:** Additionally, under the Michigan Achievement Skills Scholarship, qualified students can receive up to \$2,000 per year for two years toward an industry recognized skills certificate at a qualified training institution in Michigan. The Skills Scholarship will save students a combined \$10 million annually, supporting Michigan's evolving workforce needs.

#### ***Codifying the Michigan Achievement Scholarship***

The Governor's recommended budget also moves to codify the Michigan Achievement Scholarship, by creating the Michigan Achievement Scholarship Act and the Michigan Achievement Skills Scholarship Act along with the budget. These acts solidify the scholarship's intent, definitions, reporting requirements, and eligibility, subject to appropriation in the State School Aid Act. Codifying the Michigan Achievement Scholarship secures a long-term commitment to its core mission and ensures the sustainability of its goals and benefits for future students.

#### ***Michigan Reconnect Expansion to Age 21+***

The Governor's recommendation includes \$67 million ongoing in school aid funds for Michigan Reconnect, an increase of \$25 million. The Governor also renews her call to expand Michigan Reconnect to ages 21+. Michigan Reconnect provides a tuition-free pathway to an associate degree or credential for adult learners at Michigan community colleges, supporting students who are balancing work, family, and education.

Since the start of Michigan Reconnect in academic year 2021, over 200,000 students have applied for Michigan Reconnect and over 14,000 students have already earned a degree or certificate. On average, Reconnect participants maintain higher retention and completion rates than their peers. The expansion to ages 21-24 would broaden access to associate degrees and workforce credentials to over 35,000 students at Michigan's community colleges.

#### ***TIP***

The Governor's recommended budget includes a total of \$148.8 million in ongoing support for TIP, an increase of \$26.5 million, to support the costs of higher participation rates of low-income and disadvantaged students in postsecondary education. TIP supports more than 40,000 students pursuing degrees and credentials at Michigan's community colleges, public universities, and private institutions, with flexible enrollment options helping them balance education with other needs and reach degree completion.

The Governor's recommended budget provides increased funding to support higher student participation rates, as more students gain access to postsecondary education and workforce credentials. Since 2019, TIP participation costs have grown by more than 140%. To ensure long-term sustainability, the Governor's recommendation includes two policy changes that generate \$17 million in ongoing savings to combat rising costs:

- TIP Phase I Cap: Beginning in academic year 2028, Phase I awards at public universities will be capped at 2.5 times the average per-credit tuition rate at a Michigan community college.
- TIP Phase II Sunset: Beginning in academic year 2027, TIP Phase II awards will no longer be available to new students. Students who have already received Phase II will continue to receive the award. The majority of these students are also eligible for and likely will receive the Michigan Achievement Scholarship; therefore, this is a move to further streamline and simplify Michigan's scholarship landscape.

**School Aid**

**Weighted Funding Model**

February 11, 2026



**Summary**

In 2019, with Governor Whitmer’s first budget recommendation for K-12, she proposed taking the first steps toward the implementation of a new, restructured weighted school funding model. This model builds off the existing base per-pupil foundation allowance by providing added funding for students with more costly educational needs. With her final budget, she is proposing to further advance this model by restructuring the K-12 budget to codify the weighted funding model approach to funding Michigan’s schools. This measure moves to ensure a more predictable, stable, and adequate funding stream for schools in the future, with the goal of improved literacy and student achievement outcomes.

**Background**

The Michigan School Finance Research Collaborative (SFRC) issued recommendations in 2018, with updates in 2021, using an evidence-based approach based on academic research on student success. The report recommended that the state should set a goal of eventually providing a base per-pupil foundation amount of \$9,590 (inflation adjusted to \$12,289 in 2026) for all pupils, with additional percentage weights for students who require higher-cost services. Recent state budgets have worked toward implementing these recommendations by increasing funding for students in need of special education services, economically disadvantaged (ED) pupils, English language learners (ELL), career and technical education pupils, and for districts in rural and isolated areas.

**Proposal**

Under this proposal, state education funding moves closer to a weighted funding model by rolling two long-standing categorical programs into the foundation allowance, to be paid at a “weighted pupil count” rate.

- At-Risk Funding – ED pupils tend to have lower academic success rates and higher dropout rates. Additional interventions and resources are often needed to ensure these students reach their academic potential. The SFRC report recommends providing an additional weight of 35% for these students.

**This recommendation rolls up the At-Risk categorical (\$1.37 billion) into the foundation allowance and pays at an average weight of 1.1967 of the foundation allowance level.**

- English Language Learners – Students learning English as a second language require more costly and intense interventions. The SFRC report recommends providing an additional weight of between 35% and 70%, based on the individual student’s English language proficiency levels.

**This recommendation rolls up the ELL categorical (\$66.5 million) into the foundation allowance and pays at an average weight of 1.0620 of the foundation allowance level.**

		Proposed FY 2027	SFRC Rec
English language Learners (ELL)	WIDA 1-2	0.1687	0.7
	WIDA 3-4	0.1165	0.5
	WIDA 5-6/FELS	0.0190	0.35
Economically Disadvantaged (ED)	Avg	0.1986	0.35

Under this restructuring, many of the restrictions surrounding allowable uses of funds have been removed, but the overall goals of improving student achievement and outcomes still remain, with requirements that districts report on such achievement measures.

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