



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

GLENN M. MALEYKO, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: July 30, 2026

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Delsa D. Chapman, Ed.D., Deputy Superintendent
Division of Assessment, School Improvement, and Systems Support *DDC*

Diane Golzynski, Ph.D., Deputy Superintendent
Division of Business, Health, and Library Services *DG*

SUBJECT: Changes to At Risk and English Learner Funding for Fiscal Year
(FY) 2027

On July 21, 2026, Governor Whitmer signed into law two bills that change how funds under sections [31a \(At Risk\)](#) and [41 \(English Learners\)](#) are distributed: the FY 2027 State School Aid Act ([Public Act 25 of 2026](#)) and Senate Bill 903 ([Public Act 22 of 2026](#)). Under the FY 2027 State School Aid budget, funding is increased and moved from categorical grants to weighted foundation payments based on the number of students who qualify as economically disadvantaged and/or English learners. In addition, program and fiscal requirements are now located in a new section 1280h of the Revised School Code ([Public Act 22 of 2026](#)).

Shift from Categorical Funding to Weighted Foundation Payments

Starting October 1, 2026:

- Section 31a and Section 41 funds are now part of the district's regular state aid payments as weighted foundation payments in Section 22b.
- No application is required for FY 2027 At Risk and English Learners funding.
- Payments are based on weighted pupil counts for:
 - **Economically Disadvantaged (ED)** students, consistent with the previous Section 31a legislated formula
 - **English Learners (EL)**, using WIDA-based counts consistent with Section 41
- In the [State Aid Status Reports](#), districts will see two separate lines for the Section 22b payments: one for economically disadvantaged and one for English Learners. This structure is provided to support districts in their planning efforts.
- Districts that were previously "out of formula" will now receive these weighted payments.

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Proration of Funding

- The Michigan Department of Education expects both weighted payments to be prorated under section 296 of the State School Aid Act ([MCL 388.1896](#)). While the law sets target funding amounts, the FY 2027 legislative appropriations do not fully cover those targets. Districts will therefore receive a percentage of the amount written in statute.

Administrative costs

- Districts may use up to 2% of weighted funding for administrative costs related to section 1280h ([MCL 380.1280h](#)).
- This 2% limit does **not** apply to any remaining Section 31a, or Section 41 categorical funds carried over from FY 2026.
- Administrative costs (defined in [MCL 380.1280h](#)) include, but are not limited to, central office salaries and benefits, business and fiscal services, and school administrative staff and expenses, and do not include costs associated with direct instructional staff working with pupils counted toward the weighted pupil membership.

FY 2026 Section 31a and Section 41 Carryover

- Districts must use remaining carryover balances consistent with the requirements in FY 2026 State School Aid for these categorical funds.
- Carryover balances must be spent by September 30, 2027. Remaining balances will be returned to the Michigan Department of Treasury.
- Reporting to the Michigan Department of Education (MDE) will be required for FY 2026.

Program accountability

- Accountability requirements have moved to section 1280h of the Revised School Code ([MCL 380.1280h](#)).
- Although funding distribution has changed, districts must continue to provide high-quality, evidence-based services for eligible students.

Requirements under Section 1280h (Revised School Code)

Beginning in FY 2027, any district that receives a weighted foundation payment under Section 22b of the State School Aid Act must meet the requirements of Section 1280h. This means districts must:

- Support student achievement and success.
- Prioritize services for eligible student groups identified in the district's Michigan Integrated Continuous Improvement Process (MICIP) plan.
- Provide instruction for at risk students consistent with [MCL 380.1280f](#) (K-12 Literacy and Dyslexia Law).
- Implement a K-12 (or district-wide) multi-tiered system of supports (MTSS) consistent with previous section 31a requirements and the [Michigan Practice Profile](#).
- *Parent/Guardian communication annually required content*
 - Literacy results and trends for eligible student groups identified as ED and/or ELs, while protecting student privacy.
 - Information on weighted foundation payments - amounts received, how funds were used, and what evidence-based interventions were supported.

- Contact information for questions or feedback on how the district uses the funding.
- *Requirements Specific to English Learners*
Districts must:
 - Provide English language development (ELD) instruction.
 - Administer the WIDA Access assessments.
 - Meet or exceed the [required ELD instructional minutes](#) as determined by MDE.

Reporting

- Districts must report information to MDE for monitoring and audits required under Section 1280h ([MCL 380.1280h](#)).

Questions may be directed to OESSpecialPopulations@Michigan.gov.

cc: Michigan Education Alliance
Confederation of Michigan Tribal Education Departments