

## Instructions for Completing Application for State School Aid Act Section 54d Funds

The Fiscal Year (FY) 2026 State School Aid Act (Public Act 15 of 2025) includes Section 54d, providing \$23,670,700 in state funding for *Early On*. These funds help to strengthen supports and services for eligible infants and toddlers and their families and provide an opportunity to analyze specific parts of local systems and focus on system level improvements.

Use of these funds must meet the requirements of the [Early On Michigan Part C of the Individuals with Disabilities Education Act \(IDEA\) State Plan](#). Funds must be used to increase *Early On* services and resources; ensuring that appropriate levels and types of services are delivered by qualified personnel, based on the individual needs of the children and their families. An increase in services may be demonstrated by:

- increasing the frequency and/or intensity of services to eligible children;
- broadening the array of services provided to eligible children; and/or
- conducting additional child find activities to identify, evaluate, and serve additional children.

In addition to increasing *Early On* services, the funds may be used to ensure provision of services by qualified personnel or appropriateness of services. This may be demonstrated by, but is not limited to:

- additional funds used for salaries and benefits to hire personnel with higher levels of education;
- training of personnel; or
- providing services in natural environments.

*Early On* State School Aid Act (SSAA) Section 54d funding is allocated to intermediate school districts (ISDs) by applying the same formula the Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP) uses to distribute the federal IDEA Part C funds. A list of allocations by ISD is posted on MiLEAP's *Early On* website ([www.michigan.gov/earlyon](http://www.michigan.gov/earlyon)). These funds are in addition to the federal IDEA Part C allocations.

### Review Local Data to Inform Decision-making

1. Review data from multiple sources and other relevant information. Use the Guiding Questions to Inform Focus Area Selection document to assist with this data review.
2. Based on the data review, select a focus area for systemic enhancement. Multiple focus areas may be selected if the data reflect the need for enhancements in more than one area and funding will support each focus area. Enhancing the qualifications of personnel may be selected as a secondary focus area if paired with at least one of the other focus areas.
3. Consider possible strategies to address the selected focus area.
4. Talk about possible ways to monitor progress in the focus area.

### Complete Focus Area Selection tab on Focus Area Selection Spreadsheet

1. Download a copy of the Focus Area Selection spreadsheet. A copy was attached to the application announcement email and is also available at [www.michigan.gov/earlyon](http://www.michigan.gov/earlyon).

2. On the Focus Area Selection tab of the Focus Area Selection spreadsheet, mark the focus area of the systemic enhancement for which SSAA Section 54d funds will be expended. If you have selected more than one focus area, indicate each.
3. Indicate the population being targeted by selecting *Early On* only or *Early On* children also eligible for Michigan Mandatory Special Education (MMSE). If the focus is on both populations, check both boxes.

#### Complete Addendum tab(s) on Focus Area Selection Spreadsheet

1. Select the appropriate Addendum tab(s) of the Focus Area Selection spreadsheet based on the focus area(s) selected. On each applicable Addendum tab, respond to the three questions.
2. For question 1, briefly describe the data or other information that led to the decision on focus area selected.
3. For question 2, indicate all strategies that will be used to address the focus area by marking the checkbox(es). It is likely that at least two strategies will need to be selected. For example, if selecting a strategy of increasing frequency of services, you would need to pair it with a strategy to increase FTE/hours for providers or to hire additional providers.
  - a. For each strategy selected, indicate the population(s) being targeted.
  - b. For each strategy selected, briefly provide the additional detail requested.
4. For question 3, briefly describe how progress toward implementing the selected systemic enhancement will be checked periodically.

#### Collect Personnel Data

1. Collect personnel data from the **2024-2025 Early On program year**. (See separate instructions for completing Personnel Data spreadsheet.)
2. Use the spreadsheet provided to record data.
3. MiLEAP will also use data collected in Michigan Student Data System (MSDS) to establish some data points. For example, fall 2023 snapshot counts will be considered a data point.
4. MiLEAP may require submission of additional data by an ISD on an individualized basis based on focus area and strategies selected. For example, data regarding provision of services in natural environments, intensity of services (individual vs group), or gaps in service delivery.

#### Create Budget

1. Initiate the FY 2026 *Early On* – State School Aid Section 54d application in NexSys.
2. Develop a budget to support the selected focus area and related strategies. Refer to the Allowable Cost Guide when selecting function and object codes. Indirect costs are not allowed. Be sure to budget for the full allocation. A copy of the Allowable Cost Guide was attached to the application announcement email and is also available at [www.michigan.gov/earlyon](http://www.michigan.gov/earlyon).
3. Amendments are allowed as often as needed throughout the year to reflect any changes in plans that would result in greater than a 10 percent variance for any function code grouping.

#### Attach Focus Area Selection and Personnel Data Spreadsheets to NexSys

Follow the directions on the attachment pages in NexSys to upload the completed Focus Area Selection spreadsheet (including completed focus area selection tab and applicable addendum tab(s)) and Personnel Data spreadsheet. Both the Focus Area

spreadsheet and the Personnel Data spreadsheet must be uploaded in Excel format. Be sure to use the Add button after each upload, before uploading the next document. When two or more documents have been uploaded, a slide-out menu will appear in the left navigation menu listing all uploaded documents.

#### [Submit NexSys Application](#)

Submit the application in NexSys by 11:59 p.m., **Monday, November 17, 2025**.

#### [Points to Keep in Mind Regarding Section 54d Funds](#)

- These funds are paid through the State School Aid payment system.
- **FY 2026 Section 54d payments will begin when FY 2025 Section 54d funds are reported as fully expended** in the Final Expenditure Report (FER) or if there were carryover funds, the Carryover FER.
- Expenditures are allowed beginning October 1, 2025.
- There is an expectation that funds will be expended between October 1, 2025, and September 30, 2026, with carryover allowed to June 30, 2027, if necessary.
- The legislation includes a statement that the funds must not be used to supplant existing services or resources that are currently being provided. See the [State School Aid Act \(SSAA\) Section 54d Non-Supplanting Requirement Q&A](#) for details.
- The legislation also includes a statement that ISDs receiving these funds must maximize the capture of Medicaid funds to support *Early On* early intervention services to the extent possible. Guidance on meeting this requirement is being developed.