

FY2026-27 State Aid – Pupil Membership Calculation

NEW THREE-YEAR AVERAGE FOR FOUNDATION FUNDING



WHAT CHANGED?

For FY2026-27, Michigan has modified the pupil membership calculation used to determine foundation allowance funding. Districts will receive funding based on the greater of:

1

The district's **current-year pupil membership** (FY2026-27), or

2

The **average pupil membership** over the three-year period ending with FY2026-27.



PURPOSE

This change is intended to provide additional funding stability for districts experiencing declining enrollment by reducing the immediate financial impact of year-to-year enrollment losses.

HOW THE CALCULATION WORKS

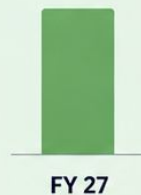
Districts receive funding based on the greater of the two amounts.

Three-Year Average Pupil Membership



Average of the district's pupil membership for FY25, FY26, and FY 27.

Current-Year Pupil Membership



District's actual pupil membership for FY2026-27.

OR

**The Greater Amount
is Used for State Aid Funding**



TIMEFRAME

The three-year average provision is currently authorized for **FY2026-27 only**.



IMPORTANT CONSIDERATIONS

- **Blended Counts or Fall Counts?**
It is currently unclear whether the Michigan Department of Education (MDE) will use blended counts (as calculated under Section 6) or fall counts to determine the pupil membership for this provision. We are awaiting additional guidance from MDE.
- **Three-Year Average Years**
The three-year average will include FY25, FY26, and FY27 pupil membership.



AAPS NEXT STEPS

AAPS continues to review guidance from the Michigan Department of Education and monitor the impact of the new calculation on the District's projected State Aid revenue.

Potential Changes in State Aid for FY2027

Budget Proposal Comparisons After State Budget Adoption

9.28.26



Foundation/Categorical

	Variance from Original Budget	Notes
Foundation Allowance	\$ 2,559,729	229.12 FTE @ \$11,172
29(6) Enrollment Stabilization	(549,429)	Eliminated
31a At-Risk – Will be combined into 22b	1,119,936	20% increase
32d GSRP	239,659	
41 Bilingual – Will be combined into 22b	143,732	20% increase
61a(1) Voc Ed	50,665	
147a(2) MPSERS Normal Cost Offset	656,105	All 3 budget proposals had a decrease
147e MPSERS DC	86,538	
Increase from Original Budget	\$ 4,306,934	

Student Count

	Blended Count	
Blended State Aid 8/25	16,754.40	
Blended State Aid 8/26	16,592.83	
Fall 2026 Blended est	16,329.94	
3 Year Average	16,559.06	B
Blended Student Count for Original 26/27 Budget	16,329.94	C
Variance B-C	229.12	One year only

Impact on Projected State Sources

Original Amount Projected in State Sources	\$ 143,104,865
Additional State Aid (from above)	\$ 4,306,934
Revised Projected State Sources	\$ 147,411,799

Other Items



Per MSBO communication with MDE as of 9/21/26 – No official guidance on Weighted Funding Formula for 22b; estimated at 20% increase.



27L Educator Compensation – Increase expected/paid to the District over 11 State Aid Payments.



New 31aa Mental Health component – could be up to \$73.53/pupil.

Alternative Approach to Student Count for FY2027

Budget Proposal Comparisons After State Budget Adoption

9.28.26



Foundation/Categorical

	Variance from Original Budget	Notes
Foundation Allowance	\$ 1,939,012	173.56 FTE @ \$11,172
29(6) Enrollment Stabilization	(549,429)	Eliminated
31a At-Risk – Will be combined into 22b	559,968	10% increase
32d GSRP	239,659	
41 Bilingual – Will be combined into 22b	71,866	10% increase
61a(1) Voc Ed	50,665	
147a(2) MPSERS Normal Cost Offset	328,052	All 3 budget proposals had a decrease
147e MPSERS DC	86,538	
Increase from Original Budget	\$ 2,726,331	

Student Count – 3 Year Average Approach

	Blended Count	
Fall 2024	16,702.48	
Fall 2025	16,533.75	
Fall 2026 est	16,274.27	
3 Year Average	16,503.50	C
Blended Student Count for Original 26/27 Budget	16,329.94	D
Variance C-D	173.56	One year only

Impact on Projected State Sources

Original Amount Projected in State Sources	\$ 143,104,865
Additional State Aid (from above)	\$ 2,726,331
Revised Projected State Sources	\$ 145,831,196

Key Assumptions and Notes



Per MSBO communication with MDE as of 9/21/26 – No official guidance on Weighted Funding Formula for 22b; estimated at 10% increase.



27L Educator Compensation – Increase expected/paid to the District over 11 State Aid Payments.



New 31aa Mental Health component – could be up to \$73.53/pupil.