

# School Aid/K-12



## General Overview

The School Aid/K-12 budget provides funds to school districts, intermediate school districts (ISDs), and various other education-related entities. Per-pupil "foundation allowance" funding accounts for roughly 49.8% of the State funding appropriated in the budget, and is the largest source of unrestricted operational aid for schools. Other large funding categories include Special Education, At-Risk, ISD Operations, Great Start Readiness (preschool for four-year-olds), and dollars to assist schools with mandated retirement costs. In 2025-26, roughly 1.37 million full-time equated K-12 students are being educated in Michigan's public education system by 538 local school districts, 288 charter schools, and 56 ISDs.

The Office of State Aid and School Finance, within the Michigan Department of Education, is responsible for activities related to: the distribution of approximately \$18.9 billion in State aid to local and intermediate public school districts in the State; the interpretation of statute and administrative rules governing school finance, pupil accounting, and state and local tax policy affecting public schools; determination of the financial status of school districts based upon their annual reports of revenues and expenditures; and the development of indirect cost rates used by school districts to recoup costs. Additional programs funded through the School Aid budget, but not directly related to K-12 education, are administered by the Department of Lifelong Education, Advancement, and Potential.

Staff spends a significant amount of time training school district personnel on basic financial and pupil accounting since public school academy legislation was enacted. High priority has been placed on assuring that proper controls are set in place to enable schools to report pupil counts and account for public funds in accordance with current legislation.

