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At-Risk Funding

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Funding for Michigan school districts comes from several sources, the largest being the foundation allowance, which is general operational funding that can be used for any purpose. In addition, some funding is given as competitive grants for specific purposes such as school consolidation or grow-your-own teaching programs. Finally, funding is directed through categorical line items that distribute funding through formulas to be used for specific purposes. The two largest funded categorical items are special education and at-risk pupils.

Funding for at-risk pupils is additional funding for districts to use for extra educational supports to aid students who are statistically more "at risk" of not completing high school. Since the current funding model was introduced in the 1994-1995 school year, the definition of an at-risk pupil and the eligible uses for funding have changed. Currently, an at-risk pupil is defined as a pupil in grades pre-K to 12 who:

- is economically disadvantaged (a pupil who is eligible for free or reduced-price meals, lives in a household eligible for SNAP or TANF benefits, or who is homeless, migrant, or in foster care).
- is an English language learner.
- is chronically absent (defined as missing more than 10 days in a school year).
- is a victim of child abuse or neglect.
- is a pregnant teenager or teenage parent.
- has a family history of school failure, incarceration, or substance abuse.
- is an immigrant who has immigrated within the last three years.
- did not complete high school in four years and is still in school.
- did not achieve proficiency in the most recent English language arts, mathematics, science, or social studies content area in the State summative assessment.
- is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics, as demonstrated on local assessments.

Standard at-risk funds may be spent to ensure that pupils are proficient in English language arts by the end of grade 3, that pupils are proficient in mathematics by the end of grade 8, that pupils are attending school regularly, and that high school graduates are career and college ready. The funds must be used to provide instructional programs and direct noninstructional services for at-risk pupils. Funds also may be used to provide research-based professional development to teachers and to implement a coaching model that supports the multi-tiered system of supports framework, as well as anti-bullying or crisis intervention programs. Districts that operate a school breakfast program may use up to \$10 per pupil to pay for costs associated with that program. In districts where at least 40% of pupils are identified as at-risk, funds may be used for schoolwide reforms, including parent and community supports, activities, and services. The Detroit Public Schools Community District and other districts in which at least 50% of pupils in membership are economically disadvantaged may use funds for school security or school parent liaison personnel. In addition to the standard funding, there also is funding earmarked for school-based health centers and hearing, vision, and dental screenings. [Table 1](#) shows the recent funding history of these programs.

Table 1

At-Risk Funding History				
Fiscal Year	Standard Programming	Earmarked	Total	Percent Change
2005-06	\$310,457,000	\$3,743,000	\$314,200,000	0.0
2006-07	\$310,457,000	\$8,893,000	\$319,350,000	1.6
2007-08	\$310,457,000	\$8,893,000	\$319,350,000	0.0
2008-09	\$310,457,000	\$9,893,000	\$320,350,000	0.3
2009-10	\$308,988,200	\$8,707,300	\$317,695,500	(0.8%)
2010-11	\$308,988,200	\$8,707,300	\$317,695,500	0.0%
2011-12	\$308,988,200	\$8,707,300	\$317,695,500	0.0%
2012-13	\$308,988,200	\$8,707,300	\$317,695,500	0.0%
2013-14	\$308,988,200	\$8,707,300	\$317,695,500	0.0%
2014-15	\$308,988,200	\$8,707,300	\$317,695,500	0.0%
2015-16	\$378,988,200	\$10,707,300	\$389,695,500	22.7%
2016-17	\$378,988,200	\$10,707,300	\$389,695,500	0.0%
2017-18	\$499,000,000	\$11,207,300	\$510,207,300	30.9%
2018-19	\$517,000,000	\$11,207,300	\$528,207,300	3.5%
2019-20	\$522,000,000	\$13,150,000	\$535,150,000	1.3%
2020-21	\$522,000,000	\$13,150,000	\$535,150,000	0.0%
2021-22	\$524,500,000	\$14,650,000	\$539,150,000	0.7%
2022-23	\$747,500,000	\$39,650,000	\$787,150,000	46.0%
2023-24	\$952,000,000	\$39,650,000	\$991,650,000	26.0%

Districts receive funding as a percentage of the target foundation allowance for each economically disadvantaged pupil in the previous school year. If appropriated funding is insufficient to fund the allocation, funding is prorated equally. The percentage paid and eligibility criteria have changed through the years. Until fiscal year (FY) 2023-24, the calculation for most districts was 11.5% of the target foundation allowance for each eligible pupil. Beginning in FY 2023-24, a new formula called the opportunity index was adopted. It increased the percentage of the foundation allowance paid (the weight) to districts with higher percentages of economically disadvantaged pupils. Each district is assigned to an opportunity index band based on its percentage of economically disadvantaged pupils. Within each band, districts are paid within a range of weights, with districts at the higher end of the band receiving a higher weight than districts at the lower end of the band. This smoothing is meant to reduce the size of "cliffs" for districts that move from one band to another. The ranges for the bands along with the associated weights are presented in [Table 2](#).

Table 2

Opportunity Index Bands		
Band	Economically Disadvantaged Percent	Opportunity Index Weight
1	0% - 19.99%	35.0% - 36.0%
2	20% - 43.99%	36.0% - 37.5%
3	44% - 58.99%	37.5% - 39.0%
4	59% - 72.99%	39.0% - 42.0%
5	73% - 84.99%	42.0% - 47.0%
6	85% - 100%	47.0%

*Based on the 2023-2024 appropriation of \$952.0 million, all weights will be prorated to approximately 32.6% of the stated value.