

# FISCAL BRIEF



## AT-RISK PUPIL FUNDING—FY 2022-23 UPDATE

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### FAST FACTS

- The At-Risk program provides funding to districts for academic and additional supports to pupils at risk of not succeeding in school.
- The FY 2022-23 budget includes \$747.5 million for At-Risk pupils.
- A district's At-Risk payment is equal to 11.5% times the Target foundation allowance times the number of the district's economically disadvantaged pupils.
- For the first time, the FY 2022-23 budget fully funds the At-Risk program, so proration is no longer necessary.

### INTRODUCTION

Under Sec. 31a of the School Aid Act, eligible districts—including public school academies (PSAs), or charter schools—may receive funding to support their “At-Risk” pupils. The funding is intended to address early literacy and numeracy and ensure students are:

- Proficient in English language arts (ELA) by the end of grade 3;
- Proficient in mathematics by the end of grade 8;
- Attending school regularly;
- Career and college ready by high school graduation.

At-Risk funding may be used for a variety of programs and services (see Eligible Expenses [below](#)), which may be held outside of regular school hours.

To be eligible, a district must:

- Comply with K-3 reading requirements under Sec. 1280f of the Revised School Code (MCL 380.1280f);
- Use resources to address early literacy and numeracy;
- Implement a Multi-Tiered System of Supports (MTSS) for all grades operated from K-12.

In addition to the At-Risk program, Sec. 31a also provides for primary health care services and hearing, vision, and dental screenings. For Fiscal Year (FY) 2022-23, the total appropriation under Sec. 31a is \$787.2 million, of which \$747.5 million is allocated for At-Risk program funding. This memo will focus only on the At-Risk program.

### HISTORY

Under Proposal A of 1994 and related legislation, significant portions of state and local funding for general school operations were consolidated into the foundation allowance,<sup>1</sup> a general per-pupil allocation. However, the legislature maintained separate funding for certain “categorical” programs for students who need additional supports; the At-Risk program was one and was initially funded at \$230.0 million.

After surpassing the \$300.0 million mark in FY 2000-01, At-Risk appropriations were fairly flat for 15 years before increasing by 67% between FYs 2014-15 and 2018-19, from \$309.0 million to \$517.0 million. The funding increases coincided with the following programmatic changes:

<sup>1</sup> See House Fiscal Agency Fiscal Brief: [Basics of the Foundation Allowance – FY 2022-23 Update](#)

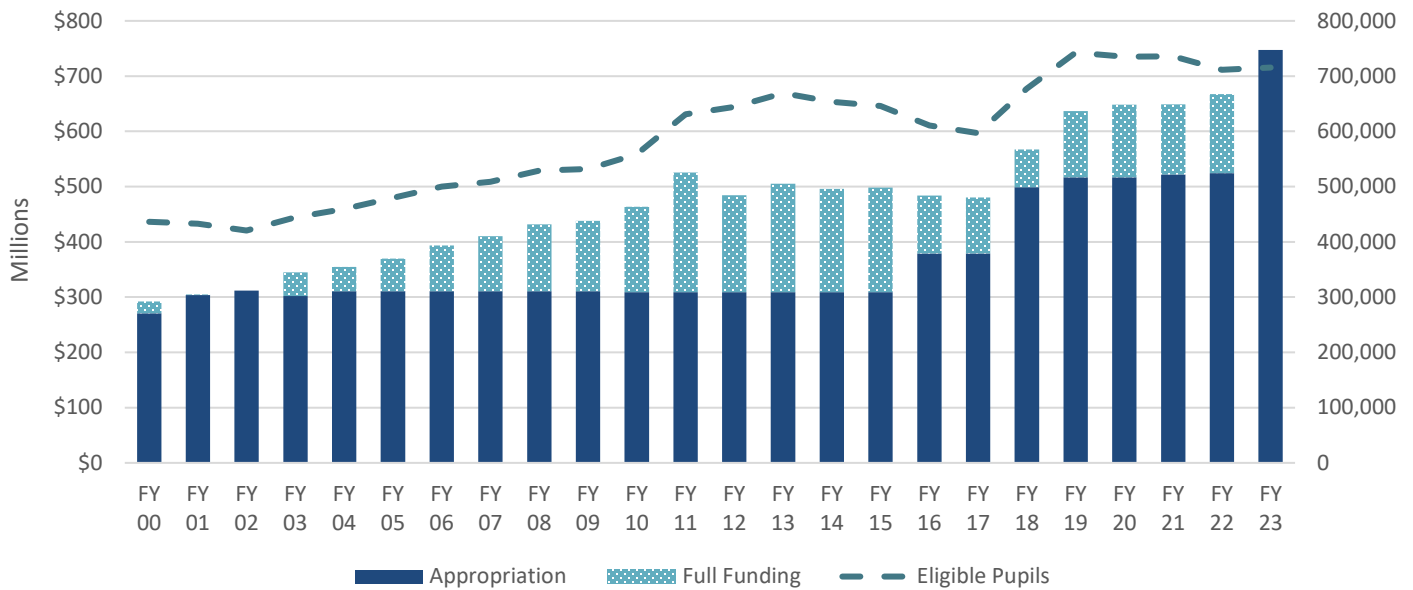
- The program was revised to emphasize improving ELA and math proficiency, reducing chronic absenteeism, and improving career and college readiness.
- In FY 2017-18, the number of funding-eligible pupils was expanded from just those who qualify for free school meals to those who are **economically disadvantaged**, described in more detail [below](#).

In FY 2018-19, the number of funding-eligible students was increased again when Medicaid-eligible pupils became automatically eligible for free/reduced school meals (known as Direct Certification). From FY 2002-03 to FY 2021-22, the At-Risk appropriation was insufficient to fully fund districts' allocations; therefore, payments were prorated by an equal percentage per district. In FY 2021-22, districts received 77% of their calculated payments. Beginning in FY 2022-23, with a 43% increase in the appropriation for a total of \$747.5 million, payments are fully funded.

The increase in FY 2022-23 also enabled the removal of a 35% payment cap on certain high-revenue districts and the removal of a \$12.0 million appropriation that ensured districts did not receive less funding than the prior year (after accounting for declining enrollment).

Figure 1 below shows the history of At-Risk funding and the number of eligible pupils on which funding is based.<sup>2</sup>

**Figure 1: At-Risk Appropriations and Funding-Eligible Pupils**



<sup>2</sup> The full funding amount accounts for the statutory cap for certain out-of-formula districts when applicable. FY 2022-23 is the first year in Figure 1 where there is no cap on certain districts.

## FUNDING MECHANISM

Eligible districts receive At-Risk funding based on the number of students determined in the prior school year to be **economically disadvantaged**—defined as meeting at least one of the following criteria:<sup>3</sup>

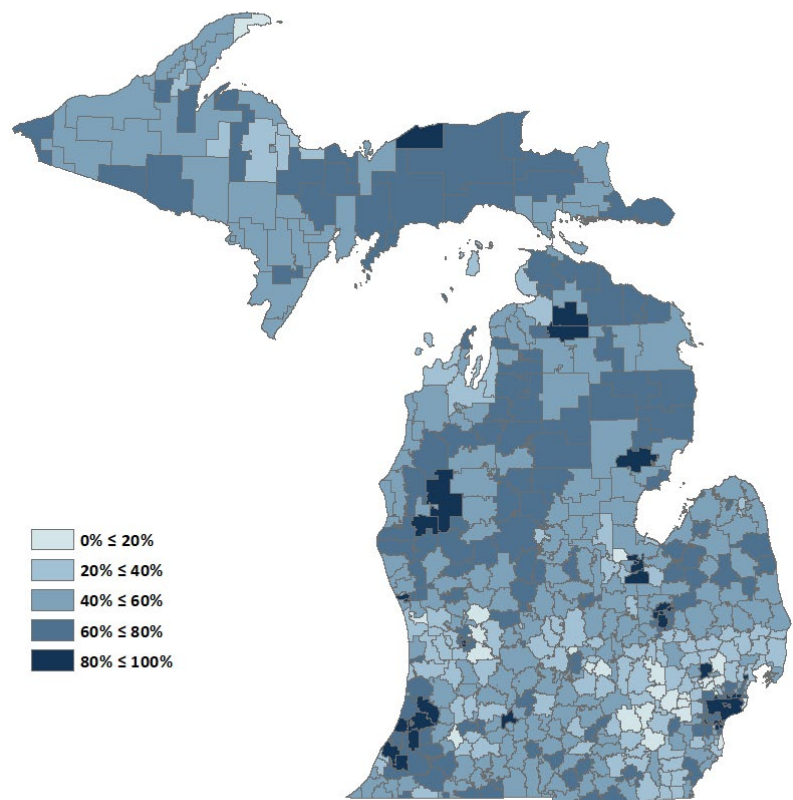
- Eligible for free or reduced-price school meals;
- Lives in a household receiving Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF) assistance;
- Homeless;
- Migrant;
- In foster care.

Sec. 31a allocates to districts an amount equal to 11.5% of the statewide Target foundation allowance multiplied by the number of economically disadvantaged pupils. For FY 2022-23, the Target foundation allowance is \$9,150; therefore, the allocation per eligible pupil is equal to \$1,052.25.

Figure 2: FY 2018-19 Economically Disadvantaged Pupil Concentration

## ECONOMICALLY DISADVANTAGED PUPIL CONCENTRATION

Figure 2 shows the ratio of economically disadvantaged pupils in each traditional, locally governed school district in Michigan. The map does not include PSAs because they do not have a geographic boundary. Statewide, 51.5% of pupils are economically disadvantaged, with the median district having 60.1%. The concentration among individual districts ranges from 7.3% to 100%. Locally governed school districts have 48.3% economically disadvantaged pupils overall with a median of 53.2%. PSAs have 78.0% overall and a median of 85.5%.



<sup>3</sup> For a district in the second year of the federal Community Eligibility Program (CEP), the number of eligible students may be determined using the district's identified student percentage multiplied by the district's total number of pupils. The CEP allows high-poverty districts to serve free school meals to all students and reimburses districts based on the percentage of economically disadvantaged students in the year before the district participates in the CEP.

## **AT-RISK PUPILS**

While the amount of funding is determined by the number of economically disadvantaged pupils, districts are given a wider definition of “**At-Risk pupils**” who are eligible for support. At-Risk pupils include any PreK-12 student who meets any of the following criteria:

- Economically disadvantaged (see full definition above);
- English language learner;
- Chronically absent;
- Victim of child abuse or neglect;
- Pregnant teenager or teenage parent;
- In a family with history of school failure, incarceration, or substance abuse;
- Immigrant who has immigrated within the past three years;
- Continuing in school after not completing high school within four years;
- Not proficient in the English language arts, mathematics, science, or social studies content areas of the state summative assessment;
- At risk of not meeting core academic curricular objectives in English language arts or mathematics as demonstrated on local assessments.

## **ELIGIBLE EXPENSES**

With the pupils above in mind, districts may spend At-Risk funding on the following allowable expenses:

- Instructional programs;
- Direct noninstructional services, including medical, mental health, or counseling services;
- School health clinics;
- Instructional or behavioral coaches;
- Anti-bullying or crisis intervention programs;
- Support staff providing services to At-Risk pupils;
- Implementation of a coaching model supporting MTSS or provision of professional development related to implementation of MTSS and/or Sec. 1280f of the Revised School Code.

In some cases, certain districts are permitted to use At-Risk funds for additional purposes not listed above. For districts where at least 50% of pupils are economically disadvantaged, funds received may go toward school security or school parent liaison personnel. For schools in which more than 40% of students are At-Risk, a district or PSA may use At-Risk funds to implement schoolwide reforms guided by a comprehensive needs assessment and district improvement plan, including parent and community supports.

Districts are permitted to use up to 10% of At-Risk funds for Pre-K instructional and noninstructional services.

Districts that operate a school breakfast program under Sec. 1272a of the Revised School Code (MCL 380.1272a) must spend an amount up to \$10 per economically disadvantaged pupil to support that program.

At-Risk funds may not be used for administrative costs.