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September 28, 2026

**Re: Section 31aa Updates: Responses to Common Questions and Resolution Availability**

Dear Retainer Client:

As we approach the beginning of State fiscal year 2026/27, school officials have questions regarding the amended State School Aid Act Section 31aa, MCL 388.1631aa ("Section 31aa"). While our July 2026 edition of *School Law Notes* provided a litigation update and outlined the changes to Section 31aa for fiscal year 2026/27, this E-Blast addresses some common questions.

1. ***Does my school need to accept the statutory conditions (e.g., participation in and cooperation with an investigation and waiver of privileges) to receive the 2026/27 Section 31aa funding?***

For 2026/27, the Legislature revised Section 31aa into two separate components:

(1) a mental health portion, through which eligible schools may receive up to $73.53 per pupil for student mental health activities, and

(2) a student safety portion, through which eligible schools may receive up to $147.06 per pupil for student safety activities.

The investigation and privilege-waiver requirements apply ***only*** to the student safety funding, not the mental health funding. Schools may opt in to receive the mental health funding without accepting the statutory conditions. Schools who opt in to receive the student safety funding will, however, be subject to the statutory privilege waiver.

2. ***Can a school accept the mental health funding but decline the student safety funding?***

Yes. Because the amended Section 31aa divides the mental health and student safety funding components and requires separate applications for each, schools may choose to accept one funding stream without accepting the other.

3. ***If acceptance of the conditions is not required for the mental health portion, why do I see applications requiring acceptance of the conditions for a mental health grant?***

Earlier this month, the Michigan Department of Education ("MDE") reopened applications in NexSys for Section 31aa(4) school resource officer and safety dog grants and Section 31aa(5) mental health support staff grants to distribute remaining 2025/26 funding. According to MDE guidance, the reopened grant applications close at 5:00 p.m. on October 5, 2026, and are available

only to eligible entities that did not previously receive funding under the applicable grant during the 2025/26 fiscal year.

Importantly, these are competitive grant opportunities arising under the **2025/26** authorization. Thus, they remain subject to the 2025/26 statutory requirements, including the investigation and waiver of attorney-client privilege conditions, applicable to both the student safety and mental health competitive grants. Schools must be careful not to confuse these reopened 2025/26 Sections 31aa competitive grant opportunities with the new 2026/27 Section 31aa grant funding.

4. ***How do I opt in to receive the student safety funds?***

Although MDE has not yet released the 2026/27 applications, it has provided preliminary guidance regarding the anticipated process during a webinar. According to MDE:

- Applications are expected to become available in NexSys in mid-October.
- Districts must submit separate applications for the mental health funding and student safety funding.
- ***Only*** acceptance of student safety funding will require agreement to the statutory investigation and privilege-waiver provisions.
- Multiple opt-in windows will be available to schools. Current application deadlines are expected to occur at 5:00 p.m. on the following dates: November 9, 2026, December 7, 2026, January 4, 2027, and April 12, 2027 (final application window).
- Approved funds will be distributed through the following month's state aid payment.
- Districts need to apply only once and will receive a single funding allocation upon approval.
- Expense reports are due July 1, 2027.

Unlike last year's rollout, the multiple opt-in windows give schools additional time to consult with their boards and legal counsel before making any funding decisions.

5. ***Will Thrun provide board resolutions again this year?***

As we did last year, Thrun Law Firm has prepared the attached sample resolutions for schools choosing either to accept or decline the 2026/27 student safety funding. Each resolution provides for acceptance of the mental health funding.

***Resolution A*** authorizes acceptance of the student safety funding while preserving and limiting the scope of any waiver to the fullest extent permitted by law. Although the Legislature narrowed certain aspects of Section 31aa, the attorney-client privilege waiver language remains broad, and schools will benefit from creating a clear record of the board's intent and understanding regarding the waiver.

Schools that do not accept student safety funding generally do not need a formal resolution declining the funds, although ***Resolution B*** has been prepared if a board wishes to formally memorialize its decision and reasoning.

Schools should not reuse last year's resolutions. The resolutions prepared for the 2025/26 funding cycle were drafted to address the statutory framework and grant opportunities that existed for that cycle. The 2026/27 funding structure differs in several important respects, including the separation of mental health and student safety funding and changes to the conditions attached to each funding stream. Our updated resolutions have been revised to reflect the current version of Section 31aa and should be used rather than last year's templates.

6. ***Are there any other Section 31aa updates?***

As reported in our July 2026 edition of *School Law Notes*, the Michigan Court of Appeals' April 10, 2026 decision is final on the state issues but the separate federal constitutional challenge in the United States District Court for the Eastern District of Michigan remained pending. Since publication of that article, the federal court has issued a final ruling. On August 27, 2026, the court dismissed the case with prejudice, bringing the federal litigation to a close, unless the decision is appealed to the Sixth Circuit Court of Appeals.

There do not appear to be any pending legal challenges affecting implementation of the 2026/27 Section 31aa funding provisions. We will continue to monitor developments related to Section 31aa, including any additional guidance issued by MDE, and will keep clients apprised of significant developments.

For questions regarding Section 31aa funding or assistance evaluating funding options, please contact Mackenzie Flynn at (517) 374-4529 or mflynn@thrunlaw.com.

**Thrun Law Firm, P.C.**

*This client communication is intended to provide helpful information on school law topics and is not intended as legal advice or opinion for specific facts, matters, situations, or issues. Legal counsel should be consulted about the application of this information to a specific circumstance or situation.*