



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

MICHAEL F. RICE, Ph.D.  
STATE SUPERINTENDENT

**MEMORANDUM**

**DATE:** January 27, 2022

**TO:** Local and Intermediate School District Superintendents  
Public School Academy Directors

**FROM:** Delsa D. Chapman, Ed.D., Deputy Superintendent   
Division of Educator, Student, and School Supports

**SUBJECT:** Ensuring Timely Access to Federal Formula Funds for New and  
Significantly Expanding Public School Academies

The Michigan Department of Education (MDE) must ensure that public school academies (PSAs) that open for the first time, or those that significantly expand their enrollment, receive the proportionate amount of federal formula funds to help all local education agencies (LEAs), including both traditional public schools and public school academies, meet the diverse needs of Michigan students.

To receive funds at the beginning of the school year, the PSA or its authorized public chartering agency must notify MDE in writing at least 120 days in advance of the date that the school is scheduled to open or significantly expand. To make a timely notification for a new or significantly expanding PSA that is planning to open or reopen in the fall (after Labor Day), an authorizer must notify, in writing, on or before May 1 of that calendar year.

That notification must include a cover letter that identifies the new or expanding PSA(s), along with the first two pages of the fully completed charter contract checklist for each new or significantly expanding PSA. If the authorizing agency has already provided a copy of the charter contract checklist to MDE, along with a new charter agreement or charter amendment before May 1, additional notifications are not necessary. The charter contract checklist is available at [www.michigan.gov/charters](http://www.michigan.gov/charters).

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It is appropriate for this notification to come from the authorized public chartering agency responsible for approving new or amended PSA contracts. Even if the board of the authorizing agency has not taken formal action to authorize the PSA or to approve an amendment to an existing charter contract, MDE must receive this notification within the 120-day timeline so that an appropriate amount of federal formula grant funds can be budgeted and allocated.

The notification requirement is contained within the federal Education Department General Administration Regulation (EDGAR) [EDGAR 34 CFR Part 76](#). Attached to this communication are excerpts from the federal regulation that identify the necessity to inform MDE relative to school expansions.

As a reminder, MDE has established criteria for defining the "significant expansion" term. To increase allocations for the federal formula grant programs, PSAs must show that there has been a substantial increase in the number of students eligible for free lunch from the previous October to the current October, **and** that they have increased the grade span served by the addition of grade level(s), new programming, or a new building/campus. A substantial increase has been determined to be 50 or more new students eligible for free lunch for these purposes.

All notifications for new and significantly expanding PSAs should submit the need for changes to their authorizer. The authorizer will compile and submit it to MDE's public school academies unit at [MDEPSAGrant@michigan.gov](mailto:MDEPSAGrant@michigan.gov). If you have any questions, please contact Tammy Hatfield at [hatfieldt@michigan.gov](mailto:hatfieldt@michigan.gov) or 517-488-8191.

Attachment

cc: Michigan Education Alliance  
Confederation of Michigan Tribal Education Directors

## ATTACHMENT

**Data requirements for new or significantly expanding charter schools to the state educational agency (SEA) can be found in [EDGAR guidance](#) for subparts referenced below (Note that page numbers are listed for ease of access.):**

- **The requirement to provide available data or information to the SEA to assist in estimating projected enrollment:** A charter school that has not yet opened or expanded must provide the SEA with any available data or information that the SEA reasonably requests to assist it in estimating the charter school's projected enrollment. While the charter school is not required to create any new data, it must provide the SEA with actual enrollment and eligibility data once the charter school opens or expands. Under the final regulations, the SEA may elect not to provide any funds to a new or expanding charter school until the charter school has provided the SEA with actual enrollment and eligibility data. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 10, 11 and 12 pages 9 and 10)**

**120-day written notification requirement for new or significantly expanding charter schools to the state educational agency (SEA):**

- **The requirement to provide notice in writing at least 120 days in advance:** To receive funds per the final regulations, a new or significantly expanding charter school must notify the state educational agency (SEA), in writing, at least 120 days in advance of the date the charter school is scheduled to open or expand. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 10 pages 9 and 10)**
- **Receive written notice less than 120 days in advance of opening or expanding:** If the SEA receives written information of the date a charter school is scheduled to open for the first time or significantly expand its enrollment, albeit less than 120 days in advance of an academic year, it is still bound by the requirements to provide a proportionate amount of funds. However, in such a case, the SEA is relieved of any obligation it may have had to provide funds to the charter school within 150 days. Instead, the SEA may treat the charter school as if it opened or expanded between November 1 and February 1 and wait until the succeeding academic year, when it makes allocations to other local educational agencies (LEAs), to provide the new or expanded charter school with its share of funds for the preceding academic year. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 13 page 10 and 11)**

**Funding options for new or significantly expanding charter schools after the start of the academic year:**

- **Receive a proportionate amount of funds:** Each charter school opening for the first time or significantly expanding its enrollment on or before November 1 of an academic year would receive the proportionate amount of funds for which it is eligible within 150 days of the date the charter school opens or significantly

expands its enrollment. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 15a pages 11 and 12)**

- **Receive pro rata funding of proportionate amount of funds if opening or expanding after November 1 but before February 1:** For each charter school opening or significantly expanding its enrollment after November 1 but before February 1 of an academic year, the charter school receives at least a pro rata portion of the proportionate amount of funds for which the charter school is eligible on or before the date the SEA allocates funds to the other LEAs for the succeeding year. **(Non-regulatory Guidance 34 CFR Part 76, Subpart H, Q & A 15b pages 11 and 12)**

**Permitted but not required to provide pro rata funding of proportionate amount of funds if opening or expanding on or after February 1:** For each charter school opening or significantly expanding its enrollment on or after February 1, an SEA is permitted but not required to provide the charter school with a pro-rata portion of the proportionate amount of funds for which the charter school is eligible under a covered program. **(EDGAR 34 CFR Part 76, Subpart H, Q & A 15 pages 11 and 12)**