



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING


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**MEMORANDUM**

**DATE:** March 9, 2017

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

**FROM:** Venessa A. Keesler, Ph.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

Pursuant to federal statute and regulation, the Michigan Department of Education (MDE) is responsible for ensuring that public school academies (PSAs) that open for the first time or significantly expand their enrollment receive the proportionate amount of federal formula funds to which they are entitled.

In order to receive funds at the beginning of the school year, the PSA or its authorized public chartering agency must notify the MDE in writing at least 120 days in advance of the date the school is scheduled to open or significantly expand. The source of this requirement is contained within the Education Department General Administration Regulation (EDGAR) **EDGAR 34 CFR Part 76** and additional information can be accessed through [www.ed.gov/policy/elsec/guid/cschools/cguidedec2000.doc](http://www.ed.gov/policy/elsec/guid/cschools/cguidedec2000.doc).

The attachment contains some useful excerpts. Through timely notifications that contain all of the necessary information, the MDE and Intermediate School Districts can accurately plan for the allocation of federal formula grant funds and minimize any potential unnecessary delays in the delivery of funds.

In order 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 provide notification in writing on or before May 1<sup>st</sup> of that calendar year.

This notification will 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 the MDE along with a new

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charter agreement or charter amendment before May 1<sup>st</sup>, additional notifications are not necessary. The charter contract checklist is available at [www.michigan.gov/charters](http://www.michigan.gov/charters).

It is most appropriate for this notification to come from the authorized public chartering agency that is 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, it is still necessary for the MDE to receive this notification so that an appropriate amount of federal formula grant funds can be budgeted and allocated.

As a reminder, the 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), or a new building or campus. For these purposes, a substantial increase has been determined to be 50 or more students eligible for free lunch.

All notifications for new and significantly expanding PSAs should be submitted to:

Michigan Department of Education  
Office of Education Improvement & Innovation  
Public School Academies Unit  
608 West Allegan Street  
P.O. Box 30008  
Lansing, MI 48909

or submitted as an email attachment to [MDEPSAGrant@michigan.gov](mailto:MDEPSAGrant@michigan.gov). Questions may be directed to Tammy Hatfield at [hatfieldt@michigan.gov](mailto:hatfieldt@michigan.gov).

cc: Michigan Education Alliance

Attachment

**Data requirements for new or significantly expanding charter schools to the state educational agency (SEA):**

- **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, once the charter school actually opens or expands, it is required to provide the SEA with actual enrollment and eligibility data. 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)**

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

- **Requirement to provide notice in writing at least 120 days in advance:** To receive funds in accordance with 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)**
- **Receive written notice less than 120 days in advance of opening or expanding:** If the SEA receives written notice 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. In such a case, however, 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<sup>st</sup> and February 1<sup>st</sup> 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)**

**Funding options for new or significantly expanding charter schools after start of 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)**

- **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)**

**Permitted but not required to provide pro rate 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)**