



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

Date: May 3, 2021  
To: Local note counsel and potential PSA SAN borrowers  
From: John Barton, Director, Authority Finance Division  
RE: Michigan Finance Authority's September 2021 PSA SAN Program

The Michigan Finance Authority's (MFA) Public School Academy State Aid Note Program (PSA SAN) provides economic benefits through reduced borrowing costs to participating PSA's.

It is important for applicants to notify their note counsel and Authorizing Body of their intent to participate in the PSA SAN.

Below is a summary of the 2021 PSA SAN parameters.

- 1) A PSA cannot borrow more than 40% of available state school aid. *(The 40% threshold includes all other current long-term debt).*
  - a. Available state school aid is measured as the lesser amount shown on the May 2021 State Aid Financial Status Report or the PSA's fiscal year 2022 budget.
- 2) A PSA must meet the following requirements:
  - a. Three years of operating history *(two years of audits)*;
  - b. Charter expiration date must be on or after June 30, 2022;
  - c. Lease agreement(s), if applicable, expire(s) on or after June 30, 2022;
  - d. Management agreement, if applicable, expires on or after June 30, 2022;
  - e. A Treasury Qualified Status Approval Letter, Prior Approval Letter or a copy of the Prior Approval application to borrow on file with the Community Engagement and Finance Division. *(MFA will obtain the applicant's Qualified Status Letter from the Community Engagement and Finance Division website. Please make sure to complete the process to obtain Qualified Status or Prior Approval by July 6, 2021); and*

- f. For those not participating last year, enrollment must be at least 200 students; this is the lesser of 2020-21 actual enrollment or 2021-22 projected enrollment.
- 3) Minor exceptions to the above may be considered on a case-by-case basis.
- 4) The PSA SAN requires 11 equal set-aside payments, October through August.

Application materials for the 2021 PSA SAN are expected to be available in early May on the MFA's website (<http://www.michigan.gov/mfa>). As a reminder, application packets must be submitted to the MFA by the PSA's note counsel. For questions related to the MFA's 2021 PSA SAN, please contact Patrick Price at [PriceP1@michigan.gov](mailto:PriceP1@michigan.gov) or (517) 335-8349 or David Boyne at [BoyneD@michigan.gov](mailto:BoyneD@michigan.gov) or (517) 241-2028.

cc: Deborah M. Roberts, Director of Bureau of State and Authority Finance  
John Barton, Bureau of State and Authority Finance