



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

MICHAEL F. RICE, Ph.D.  
STATE SUPERINTENDENT

September 13, 2023

**Nita M. Lowey 21st Century Community Learning Centers Grants  
PROGRAM INCOME**

Dear Project Director,

This letter is to inform you that the United States Department of Education (USED) has updated its guidance on program income. As a result of the update, the existing prior program income approvals, in accordance with Uniform Guidance §200.307, expired on June 30, 2023. The Michigan Department of Education (MDE) must submit a request to USED seeking prior approval for **each subgrantee** (MDE 21<sup>st</sup> CCLC program grantee) that intends to generate program income.

In Title IV, Part B of the Elementary and Secondary Education Act of 1965 DRAFT Non-Regulatory Guidance (May 17, 2023) program income is defined as the gross income earned by a non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the performance period. (2 C.F.R. § 200.1). Program income typically occurs in local 21st CCLC programs in connection with selling student products as part of a training or entrepreneurial project.

21st CCLC subgrantees may earn program income in accordance with 2 C.F.R. § 200.307, any program income that is earned by a 21st CCLC subgrantee must be deducted from the 21st CCLC grant unless the subgrantee receives prior written approval from the State Education Agency (MDE) to earn program income. (See 2 C.F.R. § 200.407(c)). Any program income generated by a 21st CCLC subgrantee must be used within the grant period (e.g., the 5 years granted by MDE) for the purposes and under the conditions of the grant.

A subgrantee may charge families a fee to participate in 21<sup>st</sup> CCLC programs as program income however, in light of the requirement in section 4204(b)(2)(F) of the ESEA that a 21st CCLC program target students who primarily attend schools eligible to operate a schoolwide program—i.e., schools with a poverty rate of at least 40 percent—it is generally unreasonable for a 21st CCLC subgrantee to charge a fee for students to participate in a 21st CCLC program in order to generate program income. Families of such students are likely not able to pay a fee, however nominal, to participate in a 21st CCLC program.

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If a Michigan 21<sup>st</sup> CCLC program grantee (subgrantee) wishes to charge fees, the subgrantee must request prior written approval from MDE. To request prior written approval from MDE, subgrantees must complete the [Program Income Request Form](#). Send completed forms to [21stcclc@michigan.gov](mailto:21stcclc@michigan.gov). Allow at least 60 days for response from USED.

Sincerely,

*Lorraine Thoreson*

Lorraine Thoreson, Manager  
21<sup>st</sup> Century Community Learning Centers  
Preschool and Out-of-School Time Learning  
Office of Great Start