



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

June 12, 2023

The Honorable Jacob Oliva  
Commissioner of Education  
Arkansas Department of Education  
Four Capitol Mall, Room 304-A  
Little Rock, AR 72201-1071

Dear Commissioner Oliva:

The U.S. Department of Education (Department) received your written plan for a reasonable level of tolerance when calculating whether the Arkansas Department of Education (ADE) has met State maintenance of equity requirements under the American Rescue Plan Act of 2021 (ARP Act). This written plan applies only to a subset of Arkansas' local educational agencies (LEAs).

The ARP Act State maintenance of equity requirements help ensure that State funding supports LEAs with high concentrations of poverty and the students who have been subject to longstanding opportunity gaps in our education system and experienced the greatest impact from the COVID-19 pandemic. These requirements are vital for ensuring that States maintain funding to address the impact of the pandemic on students' education, and for protecting students in high-need and highest-poverty LEAs from disproportionate cuts if reductions in State effort do occur.

The Department determined that it is consistent with the State maintenance of equity requirements to allow a State educational agency (SEA) to calculate whether it has maintained funding equity with respect to its very small high-need and highest-poverty LEAs within a reasonable "tolerance level." The Department's determination is based on the possibility of significant volatility in the calculated per-pupil funding amounts for very small LEAs caused by small changes in student enrollment, which may be unrelated to whether an SEA has achieved the intent of the requirements. (See *Frequently Asked Questions, American Rescue Plan Elementary and Secondary School Emergency Relief Program, Maintenance of Equity Requirements*, July 26, 2022, Question 21(a).)

ADE's proposal considers LEAs with average daily memberships of 1,000 or fewer students to be small. ADE asserts that calculated per-pupil funding amounts for small LEAs are significantly affected by small changes in enrollment rates and students' educational needs. This makes per-pupil funding amounts in Arkansas' small LEAs an imperfect indicator of whether the SEA has achieved the intent of maintaining equity in funding across LEAs.

Accordingly, ADE proposes three tolerance levels:

400 MARYLAND AVE. SW, WASHINGTON, DC 20202

[www.ed.gov](http://www.ed.gov)

*The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access*

- 1) For LEAs with 350 or fewer students, ADE proposes to tolerate a 15 percent reduction in per-pupil funding from year to year. This would impact three small LEAs identified by the State as meeting the definition of high-need or highest-poverty in FY 2022 that served 0.13 percent of Arkansas' students.
- 2) For LEAs with 351 to 500 students, ADE proposes to tolerate a 5 percent reduction in per-pupil funding from year to year. This would impact five small LEAs identified by the State as meeting the definition of high-need or highest-poverty in FY 2022 that served 0.43 percent of Arkansas' students.
- 3) For LEAs with 501 to 1,000 students, ADE proposes to tolerate a 3.75 percent reduction in per-pupil funding from year to year. This would impact eight small LEAs identified by the State as meeting the definition of high-need or highest-poverty in FY 2022 that served 1.09 percent of Arkansas' students.

After reviewing ADE's tolerance proposal and accompanying data, the unique circumstances in the State, and our further State-specific analysis, we have determined that this approach includes a reasonable level of tolerance when calculating whether Arkansas has maintained equity for small LEAs.

We appreciate your diligence in developing this proposal. If you have any questions, please contact your program officer at: [Arkansas.OESE@ed.gov](mailto:Arkansas.OESE@ed.gov).

Sincerely,

*Laura Jimenez*

Laura Jimenez  
Director, Office of State and Grantee Relations  
Office of Elementary and Secondary Education