



## UNITED STATES DEPARTMENT OF EDUCATION

July 11, 2023

The Honorable Richard Woods  
Superintendent of Education  
Georgia Department of Education  
205 Jessie Hill, Jr. Drive, S.E.  
Atlanta, GA 30334

Dear Superintendent Woods:

The U.S. Department of Education (Department) received your written plan for a reasonable level of tolerance when calculating whether the Georgia Department of Education (GaDOE) 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 Georgia's 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).)

According to materials provided by GaDOE, Georgia's funding formula includes a base allocation for all students as well as categorical, weighted funding for students who require additional services. In the context of these funding weights, GaDOE asserts that calculated per-pupil funding amounts for small LEAs are significantly affected by small changes in student population. This makes the per-pupil funding amounts in Georgia's small LEAs an imperfect indicator of whether the SEA has achieved the intent of maintaining equity in funding across LEAs. GaDOE also asserts that per-pupil amounts at State charter schools, which operate as LEAs, are even more affected given their open enrollment requirements that contribute to even greater student enrollment fluctuations.

Accordingly, GaDOE proposes three tolerance levels:

- 1) For LEAs with 200 or fewer students, GaDOE proposes to tolerate a 12.1 percent reduction in per-pupil funding from year to year. This would impact two small LEAs identified by the State as meeting the definition of high-need or highest-poverty in FY 2022 that served 0.0002 percent of Georgia's students.
- 2) For LEAs with 201 to 1,100 students, GaDOE proposes to tolerate a 6.5 percent reduction in per-pupil funding from year to year. This would impact nine small LEAs identified by the State as meeting the definition of high-need or highest-poverty in FY 2022 that served 0.003 percent of Georgia's students.
- 3) For State charter school LEAs with 575 or fewer students, GaDOE proposes to tolerate an 18 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 0.007 percent of Georgia's students.

After reviewing GaDOE'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 Georgia has maintained equity for small LEAs in fiscal years 2022 and 2023.

Data provided by GaDOE indicates that Georgia may need to make additional payments to LEAs that experienced a disproportionate reduction in per-pupil funding in FY 2022 and that are not captured by this small LEA tolerance approval. Please advise the Department as additional payments are been made.

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

Sincerely,

*Laura Jimenez*

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