



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

July 26, 2023

The Honorable Heather Bouchey
Interim Secretary of Education
Vermont Agency of Education
1 National Life Drive, Davis 5
Montpelier, VT 05620

Dear Secretary Bouchey:

The U.S. Department of Education (Department) received your written plan for a reasonable level of tolerance when calculating whether the Vermont Agency of Education (VTAOE) 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 Vermont'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).)

VTAOE considers LEAs with memberships of fewer than 800 students to be small. Under this proposed threshold, Vermont has six small LEAs out of 51 statewide. VTAOE asserts that calculated per-pupil funding amounts for these small LEAs are significantly affected by minor changes in attendance rates and students' educational needs. This makes per-pupil funding amounts in Vermont's small LEAs an imperfect indicator of whether the SEA has achieved the intent of maintaining equity in funding across LEAs. For its six small LEAs, VTAOE proposes to implement a tolerance of up to a 5 percent decline in per-pupil funding. Applying this

400 MARYLAND AVE. SW, WASHINGTON, DC 20202
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

tolerance would impact one small LEA that the SEA identified as meeting the definition of high-need or highest-poverty in FY 2022 and that served 0.5 percent of Vermont's students.

After reviewing VTAOE'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 Vermont 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: Vermont.OESE@ed.gov.

Sincerely,

Laura Jimenez

Laura Jimenez
Director, Office of State and Grantee Relations