



## UNITED STATES DEPARTMENT OF EDUCATION

December 14, 2023

The Honorable Megan Degenfelder  
Superintendent of Public Instruction  
Wyoming Department of Education  
122 W. 25<sup>th</sup> St., Ste. E200  
Cheyenne, WY 82002

Dear Superintendent Degenfelder:

The U.S. Department of Education (Department) received your written plan for a reasonable level of tolerance when calculating whether the Wyoming Department of Education (WDE) has met State maintenance of equity requirements under the American Rescue Plan Act of 2021 (ARP Act) in fiscal years (FY) 2022 and 2023. This written plan applies only to a subset of Wyoming's local educational agencies (LEAs).

The ARP Act's 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 WDE on November 30, 2023, Wyoming's school funding formula includes per-pupil cost-based amounts as well as baseline or "minimum" funding for small school districts, which Wyoming defines as having an average daily membership (ADM) of 243 students or fewer. WDE asserts that calculated per-pupil funding amounts for its very small LEAs are significantly affected by small changes in attendance rates, especially when these involve students transitioning between brick-and-mortar and virtual schools. In its proposal, Wyoming notes that the pandemic contributed to unusual swings in enrollment between brick-and-mortar and virtual schools, resulting in per-pupil funding fluctuations in LEAs that offered a statewide virtual program. In Wyoming's small LEAs, these factors make the per-pupil funding amounts an imperfect indicator of whether the SEA has achieved the intent of maintaining equity in funding across LEAs.

Accordingly, WDE proposes four tolerance levels:

- 1) For “very small school districts” with an ADM of 243 or fewer students, WDE proposes to tolerate a 12 percent reduction in per-pupil funding from year to year. This would impact three very small LEAs in FY 2022 and three very small LEAs in FY 2023 identified by the State as meeting the definition of high-need or highest-poverty that served less than 0.4 percent of Wyoming’s students in both FY 2022 and FY 2023.
- 2) For “small districts” with an ADM between 243 and 1,280 students, WDE proposes to tolerate a six percent reduction in per-pupil funding from year to year. This would impact three small LEAs in FY 2022 and three small LEAs in FY 2023 identified by the State as meeting the definition of high-need or highest-poverty that served 2.84 percent of Wyoming’s students in both FY 2022 and FY 2023.
- 3) For “very small school districts with virtual programs” with an ADM of 243 or fewer students, WDE proposes to tolerate a 42.5 percent reduction in per-pupil funding from year to year. This would impact one very small LEA in FY 2022 that served .1 percent of Wyoming’s students in FY 2022; for FY 2023, zero very small LEAs are impacted.
- 4) For “small school districts with virtual programs” with an ADM between 243 and 1,280 students, WDE proposes to tolerate a 25 percent reduction in per-pupil funding from year to year. This would impact two small districts in FY 2022 and two small districts in FY 2023 identified by the State as meeting the definition of high-need or highest-poverty that served 2.41 percent of Wyoming’s students in FY 2022 and 2.24 percent of students in FY 2023.

After reviewing WDE’s tolerance proposal and accompanying data, the unique circumstances in the State, and our further State-specific analysis, we have determined that WDE’s proposal includes reasonable levels of tolerance when calculating whether Wyoming has maintained equity for small LEAs in FYs 2022 and 2023. If you have any questions, please contact your program officer at: [Wyoming.OESE@ed.gov](mailto:Wyoming.OESE@ed.gov).

Sincerely,

*Laura Jimenez*

Laura Jimenez  
Director, Office of State and Grantee Relations