



UNITED STATES DEPARTMENT OF EDUCATION

January 25, 2024

The Honorable Jeffrey C. Riley
Commissioner
Massachusetts Department of Elementary and Secondary Education
135 Santilli Highway
Everett, MA 02149

Dear Commissioner Riley:

The U.S. Department of Education (Department) received your written plan for a reasonable level of tolerance when calculating whether the Massachusetts Department of Elementary and Secondary Education (DESE) has met State maintenance of equity requirements under the American Rescue Plan Act of 2021 (ARP Act) in fiscal year (FY) 2023. This written plan applies only to a subset of Massachusetts' 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 DESE, Massachusetts' education funding formula is determined based on LEAs' prior year student enrollments. DESE asserts that calculated per-pupil funding amounts for its very small LEAs are significantly affected by small fluctuations in enrollments. This makes annual per-pupil funding amounts in Massachusetts' very small LEAs an imperfect indicator of whether the SEA has achieved the intent of maintaining equity in funding across LEAs. For LEAs with enrollments between zero and 200 students, DESE proposes to implement a tolerance of a seven percent reduction in per-pupil funding from year to year. For FY 2023, this would impact two LEAs identified by the State as meeting the definition of high-need or highest-poverty that served 0.04 percent of Massachusetts' students.

After reviewing DESE's tolerance proposal and accompanying data, the unique circumstances in the State, and our further State-specific analysis, we have determined that DESE's tolerance

proposal includes a reasonable level of tolerance when calculating whether Massachusetts has maintained equity for small LEAs in FY 2023. Further, the proposal is consistent with DESE's FY 2022 tolerance request.

Information provided by DESE indicates that Massachusetts will need to make additional payments to two LEAs that experienced disproportionate reductions in per-pupil funding in FY 2023 and are not captured by this proposal. Please advise the Department as additional payments are made.

We appreciate your diligence in developing this proposal. If you have any questions, please contact your program officer at: Massachusetts.OESE@ed.gov.

Sincerely,

Laura Jimenez

Laura Jimenez
Director, Office of State and Grantee Relations