



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

February 2, 2024

The Honorable Chris Reykdal
Superintendent of Public Instruction
Washington Office of Superintendent of Public Instruction
600 South Washington Street
Olympia, WA 98504-7200

Dear Superintendent Reykdal:

The U.S. Department of Education (Department) received your written plan for a reasonable level of tolerance when calculating whether the Washington Office of Superintendent of Public Instruction (OSPI) has met State maintenance of equity requirements in fiscal year (FY) 2023 under the American Rescue Plan Act of 2021 (ARP Act). This written plan applies only to a subset of Washington'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 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 OSPI, Washington funds schools primarily through a set of student-to-staff ratios that translate into an allocation for LEAs. Two facets of the school funding system have particular implications for OSPI in meeting State maintenance of equity requirements in small LEAs: (1) the impact of small school funding factors; and (2) State funding allocations for students enrolled in Alternative Learning Experience programs, including online learning. OSPI asserts that calculated per-pupil funding amounts for small LEAs are significantly affected by small changes in student population, particularly when students have moved from brick-and-mortar schools to online learning. This makes annual per-pupil funding amounts in Washington's small LEAs an imperfect indicator of whether the SEA has achieved the intent of maintaining equity in funding across LEAs.

Accordingly, OSPI proposes two tolerance levels:

- 1) For LEAs with 100 or fewer students, OSPI proposes to tolerate a 30 percent reduction in per-pupil funding from year to year. For FY 2023, this would impact 15 LEAs identified by the State as meeting the definition of high-need or highest-poverty that served fewer than 0.07 percent of Washington's students.
- 2) For LEAs with 101 to 1,000 students, OSPI proposes to tolerate a 10 percent reduction in per-pupil funding from year to year. For FY 2023, this would impact 13 LEAs identified by the State as meeting the definition of high-need or highest-poverty that served fewer than 0.33 percent of Washington's students.

After reviewing OSPI'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 Washington has maintained equity in FY 2023 and is consistent with OSPI's FY 2022 tolerance request.

OSPI's proposal indicates that Washington will need to make additional payments to LEAs that experienced a disproportionate reduction in per-pupil funding in FY 2023 and are not captured by this small LEA tolerance proposal. Please advise the Department when these additional payments have been made.

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

Sincerely,

Laura Jimenez

Laura Jimenez
Director, Office of State and Grantee Relations