



## UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

February 1, 2024

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 in fiscal year (FY) 2023 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 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).)

Vermont considers LEAs with an Average Daily Membership (ADM) of fewer than 1,260 students to be small. Under this proposed threshold, Vermont has 23 small LEAs out of 51 LEAs statewide. The VTAOE asserts that calculated per-pupil funding amounts for these small LEAs are significantly affected by minor changes in enrollment rates and students' educational needs. This makes annual 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 23 small LEAs, the VTAOE proposes to implement a tolerance of up to a 5 percent decline in per-pupil funding. For FY 2023, applying this tolerance would impact three small LEAs, identified by the State as meeting the definition of high-need or highest-poverty in FY 2023, that served 3.54 percent of Vermont's students.

After reviewing the 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 in FY 2023.

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

Sincerely,

*Laura Jimenez*

Laura Jimenez  
Director, Office of State and Grantee Relations