



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

May 10, 2024

The Honorable Randy Watson
Commissioner of Education
Kansas State Department of Education
900 S.W. Jackson St.
Topeka, KS 66612

Dear Commissioner Watson:

The U.S. Department of Education (Department) received your amended plan for a reasonable level of tolerance when calculating whether the Kansas State Department of Education (KSDE) has met State maintenance of equity requirements in fiscal years (FY) 2022 and 2023 under the American Rescue Plan Act of 2021 (ARP Act). This written plan applies only to a subset of Kansas' 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 KSDE, Kansas' State funding formula includes a base allocation for all students as well as weighted funding for students who require additional services. The State formula also considers student attendance in virtual programs and provides reduced per-pupil funding for students who attend these programs to account for the lack of transportation, infrastructure, maintenance, and other costs inherent in a full-time, remote program. In the context of these State formula factors, KSDE asserts that calculated per-pupil funding amounts can be significantly affected by small changes in attendance rates and enrollment shifts, especially when these involve students transitioning between brick-and-mortar and virtual schools. In these cases, per-pupil funding amounts in Kansas' very small LEAs are imperfect indicators of whether the SEA has achieved the intent of maintaining equity in funding across LEAs.

Accordingly, KSDE proposes three tolerance levels. Implications for LEAs identified by the State as high-need or highest-poverty are described below:

- 1) For “micro LEAs” with 120 or fewer students, KSDE proposes to tolerate a 28 percent reduction in per-pupil funding from year to year. For FY 2022, this tier relates to three LEAs that served 0.1 percent of Kansas’ students. For FY 2023, this tier relates to two LEAs that served 0.1 percent of students.
- 2) For “very small” LEAs with enrollments of 121 to 1,000 students, KSDE proposes to tolerate a 15 percent reduction in per-pupil funding from year to year. For FY 2022, this tier relates to 62 LEAs that served 11.9 percent of Kansas’ students. For FY 2023, this tier relates to 19 LEAs that served 3.1 percent of students.
- 3) For “small” LEAs that experienced “significantly expanded virtual programs,” which KSDE defines as having year-over-year enrollment increases over 25 percent, KSDE proposes to tolerate a 25 percent reduction in per-pupil funding from year to year. This tier relates to one LEA in FY 2022 and another LEA in FY 2023; for each FY, the small LEA served 0.9 percent of Kansas’ students.

After reviewing KSDE’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 Kansas has maintained equity in FYs 2022 and 2023.

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

Sincerely,

Laura Jimenez

Laura Jimenez
Director, Office of State and Grantee Relations