



## UNITED STATES DEPARTMENT OF EDUCATION

July 26, 2023

The Honorable Raymond C. Morgigno  
Interim State Superintendent of Education  
Mississippi Department of Education  
500 Greymont Ave., Suite F  
Jackson, MS 39202

Dear Superintendent Morgigno:

The U.S. Department of Education (Department) received your written plan for a reasonable level of tolerance when calculating whether the Mississippi Department of Education (MDE) has met State maintenance of equity requirements under the American Rescue Plan Act of 2021 (ARP Act). This written plan applies only to a subset of Mississippi'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 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).)

MDE asserts that calculated per-pupil funding amounts for small LEAs are significantly affected by small changes in enrollment. This makes per-pupil funding amounts in Mississippi's small LEAs an imperfect indicator of whether the SEA has achieved the intent of maintaining equity in funding across LEAs. Accordingly, MDE proposed three tolerance levels:

- 1) For very small LEAs with rounded average daily attendance (ADA) of 1,000 or fewer students, MDE proposes to tolerate a 10 percent reduction in per-pupil funding from year to year. This would impact six very small LEAs identified by the State as meeting the definition of high-need or highest-poverty in FY 2022 that served 0.55 percent of Mississippi's students.
- 2) For small LEAs with a rounded ADA between 1,001 and 1,400 students, MDE proposes to tolerate a 1.05 percent reduction in per-pupil funding from year to year. This would

impact four small LEAs identified by the State as meeting the definition of high-need or highest-poverty in FY 2022 that served 2.32 percent of Mississippi's students.

- 3) For LEAs with a reduction in the number of students receiving additional State funding because of their eligibility for Free and Reduced Price Lunch, MDE proposes to tolerate a 1.5 percent reduction in per-pupil funding from year to year. This would impact one LEA identified by the State as meeting the definition of high-need or highest-poverty in FY 2022 that served 2 percent of Mississippi's students.

After reviewing MDE's tolerance proposal and accompanying data, the unique circumstances in the State, and our further State-specific analysis, we have determined that the proposal related to small and very small LEAs include reasonable levels of tolerance when calculating whether Mississippi has maintained equity for these LEAs in FY 2022. However, we do not find extending tolerance to LEAs with a reduction in the number of students receiving additional State funding because of their eligibility for Free and Reduced Price Lunch to be reasonable, because the changes in per-pupil amounts in these LEAs are not due to unpredicted variability of small changes in enrollment in small LEAs.

Data provided by MDE indicates that Mississippi may need to make additional payments to LEAs that experienced a disproportionate reduction in per-pupil funding in FY 2022 and that are not captured by this small LEA tolerance approval. 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: [Mississippi.OESE@ed.gov](mailto:Mississippi.OESE@ed.gov).

Sincerely,

*Laura Jimenez*

Laura Jimenez  
Director, Office of State and Grantee Relations