



## UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

December 22, 2023

The Honorable Deena M. Bishop  
Commissioner of Education  
Alaska Department of Education and Early Development  
P.O. Box 110500  
Juneau, AK 99811

Dear Commissioner Bishop:

The American Rescue Plan Act of 2021 (ARP Act) includes requirements to safeguard the highest need local educational agencies (LEAs) from experiencing a disproportionate reduction in State funding in fiscal years (FYs) 2022 and 2023 (i.e., school years 2021-2022 and 2022-2023) and to ensure that LEAs serving the greatest numbers of students from low-income backgrounds do not experience a decrease in State funding below their FY 2019 levels. The Secretary does not have authority to waive these requirements.

To support implementation of these maintenance of equity requirements, the U.S. Department of Education (Department) has conducted technical assistance calls with States since summer 2022, including multiple calls with the Alaska Department of Education and Early Development (DEED). In these discussions, we worked with DEED officials to assist the State in categorizing various funds provided to LEAs in the maintenance of equity data submission and in evaluating a small LEA tolerance proposal<sup>1</sup> as described in our guidance.<sup>2</sup>

Based on FY 2022 data provided by the State, Alaska has not yet demonstrated compliance with the FY 2022 maintenance of equity requirements for at least three highest-poverty LEAs; please see Table 1, next page. In addition, it is unclear whether the most recent SEA-level data submission reflects the full scope of Alaska's compliance issues because the data do not include hold-harmless funding, which the Department advised DEED must be reflected in its calculations. One way that Alaska may resolve the identified compliance issues for FY 2022 is by making supplemental payments to these highest-poverty LEAs equal to the amount of the State funding reductions considered "disproportionate" under the maintenance of equity requirement.

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<sup>1</sup> [https://oese.ed.gov/files/2023/10/Alaska-small-LEA-tolerance-proposal-response\\_Final.pdf](https://oese.ed.gov/files/2023/10/Alaska-small-LEA-tolerance-proposal-response_Final.pdf)

<sup>2</sup> [https://oese.ed.gov/files/2023/01/2023-01-23-Update\\_22-0471-moequity-FAQs\\_Final-Version.pdf](https://oese.ed.gov/files/2023/01/2023-01-23-Update_22-0471-moequity-FAQs_Final-Version.pdf)

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*The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.*

Table 1. Amount of State funding reductions considered disproportionate under maintenance of equity requirement	
LEA	FY 2022 Maintenance of Equity Shortfall
North Slope School District	\$193,752
Juneau School District	\$2,557,336
Kenai Peninsula Borough School District	\$5,094,972

*Please note that these figures are based on the data and information available to the Department through its monitoring and may not reflect the full scope of compliance issues in Alaska.*

Within 30 calendar days of this correspondence, DEED must provide updated SEA-level MOEquity data that is consistent with the Department's November 2, 2023, correspondence regarding the inclusion of hold-harmless funding and submit a plan to the Department demonstrating that it is actively working to resolve its maintenance of equity compliance issues for FY 2022. This plan should clarify the extent to which the State is planning to make supplemental payments to the LEAs listed above; please include information regarding how and when any supplemental payments will be made and provide any additional data, as applicable. If DEED does not provide a timely response, the Department may take appropriate enforcement actions, such as adding specific conditions to a State's ARP ESSER award,<sup>3</sup> designating a State as a high-risk grantee,<sup>4</sup> and potential recovery of ARP ESSER funds.<sup>5</sup>

Thank you for your work to implement the maintenance of equity requirements. If you have any questions or require assistance, please contact the Department via your State mailbox: [Alaska.OESE@ed.gov](mailto:Alaska.OESE@ed.gov).

Sincerely,



Adam Schott  
Deputy Assistant Secretary for Policy and Programs  
Delegated the Authority to Perform the  
Functions and Duties of the Assistant Secretary  
Office of Elementary and Secondary Education

CC: The Honorable Mike Dunleavy  
Governor of Alaska  
550 West 7<sup>th</sup> Ave., Suite 1700  
Anchorage, AK 99501

<sup>3</sup> See 2 C.F.R. § 200.206(c) and 200.208.

<sup>4</sup> See 2 C.F.R. § 3474.10 and 2 C.F.R. 200.208.

<sup>5</sup> Section 452 of the General Education Provisions Act, 20 U.S.C. 1234a.