



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

April 5, 2024

The Honorable Ryan Walters
State Superintendent
Oklahoma State Department of Education
2500 North Lincoln Boulevard
Oklahoma City, OK 73105

Dear Superintendent Walters:

The U.S. Department of Education (Department) received your written plan for a reasonable level of tolerance when calculating whether the Oklahoma State Department of Education (OSDE) 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 Oklahoma'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).)

OSDE considers LEAs with an average daily membership (ADM) of fewer than 1,000 students to be small. OSDE asserts that calculated per-pupil funding amounts for these small LEAs are significantly affected by minor changes in attendance rates and students' educational needs. This makes the per-pupil funding amounts in Oklahoma's small LEAs an imperfect indicator of whether the SEA has achieved the intent of maintaining equity in funding across LEAs.

Accordingly, OSDE proposes the following two tolerance levels:

- 1) For LEAs with an ADM of 200 or fewer students, Oklahoma proposes to tolerate a nine percent reduction in per-pupil funding from year to year. This would impact nine LEAs

identified by the State as meeting the definition of high-need or highest-poverty in FY 2023 that collectively served 0.14 percent of Oklahoma's students.

- 2) For LEAs with an ADM between 200 and 1,000 students, Oklahoma proposes to tolerate a five percent reduction in per-pupil funding from year to year. This would impact 12 LEAs identified by the State as meeting the definition of high-need or highest-poverty in FY 2023 that collectively served 0.8 percent of Oklahoma's students.

After reviewing OSDE'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 Oklahoma has maintained equity for small LEAs in FY 2023.

Data provided by OSDE indicate that Oklahoma may need to make additional payments to LEAs that experienced disproportionate reductions in per-pupil funding in FY 2023 and are not captured by this 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: Oklahoma.OESE@ed.gov.

Sincerely,

Laura Jimenez

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Director, Office of State and Grantee Relations