

## Wisconsin Department of Public Instruction Plan for the Elementary and Secondary School Emergency Relief Fund III (American Rescue Plan Act, 2021)

### Requirement for Submitting Plan to the Joint Committee on Finance

The Department of Public Instruction (DPI) submits this plan in accordance with Wis. Stat. sec. 115.295, which requires a plan to be submitted to the Committee, in the event federal legislation results in receipt of federal funds by the department in an amount that varies by five percent or more from the federal appropriations in the department's Chapter 20 schedule. Specifically, the statute under Wis. Stat. secs. 115.295 (2) (a) and (b) reads:

*(a) Subject to par. (b), annually by December 1 or within 30 days after the applicable federal appropriation bill for that federal fiscal year has been enacted, whichever is later, the state superintendent shall submit to the joint committee on finance a plan identifying how the state superintendent proposes to adjust the department's federal appropriations for that state fiscal year to reflect the most recent estimate of the amount of federal funds that the department will be appropriated in that state fiscal year.*

*(b) The state superintendent is required to submit a plan under par. (a) only if the department's most recent estimate of the amount of federal funds that the department will be appropriated under s. 20.255 in the current state fiscal year is less than 95 percent or more than 105 percent of the amount of federal revenue shown in the schedule for the appropriations under s. 20.255 in that fiscal year.*

This letter outlines DPI's plan for use of the additional federal funding allocated to the State of Wisconsin for K-12 education under the American Rescue Plan Act, 2021.

## Federal Response to the COVID-19 Pandemic

The federal government has now enacted three major pieces of legislation in response to the emergence of the novel coronavirus disease (COVID-19) outbreak and the ongoing COVID-19 pandemic in the United States, following the declaration by the President of a national emergency on March 1, 2020. First, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116–136), signed into law on March 27, 2020. Following that, the Consolidated Appropriations Act, also referred to as the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA; P.L. 116–260), was enacted on December 27, 2020. The American Rescue Plan Act (ARPA, P.L. 117-002) was signed into law on March 11, 2021.

All three acts appropriate federal funding to address the impacts of the COVID-19 pandemic across many sectors of the economy, including education. The CARES Act created the Education Stabilization Fund (ESF), which provided, in total, \$30.75 billion for institutions of higher education (IHEs) and for K-12 local educational agencies (LEAs). The term, LEA, includes public school districts and independent charter schools. The CRRSA Act provided an additional \$53.9 billion under the ESF for K-12 schools and IHEs.

Likewise, ARPA appropriates additional funding to states to address the impact of the coronavirus pandemic on K-12 education. A total of \$122.77 billion is provided for states under the ARPA Elementary and Secondary Education Relief Fund (hereafter referred to as “ESSER III”). ARPA also appropriates monies under other federal programs for which the Department of Public Instruction (DPI) makes subgrants or passes through funding to LEAs and to public libraries. This letter will outline those programs and additional funding under ARPA in [Part 2](#) of this letter.

### Part 1 - ESSER III Plan

The total ESSER III allocation to Wisconsin is \$1,540,784,854. Public school districts and independent charter schools are collectively LEAs and are eligible for funding under ESSER III. As with the ESSER I & II programs, all SEAs are required to distribute at least 90 percent of their ESSER III allocation to LEAs in proportion to each LEA’s respective share of funding under Title I, Part A (Title I-A) of the Elementary and Secondary Education Act (ESEA) of 1965 for FY20. The Title I-A based allocation (90 percent) for Wisconsin’s LEAs is \$1,386,706,369.

The remaining 10 percent of the state’s allocation (\$154,078,485) is partially earmarked for activities and interventions that respond to students’ academic, social, and emotional needs, and addresses the disproportionate impact of COVID-19 on underrepresented student subgroups, students experiencing homelessness, and children and youth in foster care. Specifically, each SEA must reserve the following amounts (percent of the state’s total ESSER III allocation):

- 5 percent (\$77,039,242) for the implementation of evidence-based interventions aimed specifically at addressing learning loss, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs.
- 1 percent (\$15,407,849) for evidence-based summer enrichment programs.
- 1 percent (\$15,407,849) for evidence-based comprehensive afterschool programs.

Each SEA may use 2.5 percent of its total ESSER III allocation for any of the purposes allowed under ARPA within the ESSER III fund. Additionally, up to one-half of a percent may be used for administrative costs and emergency needs (as determined by the State) to address issues related to COVID-19. Table 1 summarizes the ESSER III allocations and earmarks.

**Table 1. ESSER III Allocations and Earmarks**

Title I-A Based LEA Grants	90.00%	\$1,386,706,369
Earmarks		
Learning Loss	5.00%	\$77,039,242
Summer Learning	1.00%	\$15,407,849
Afterschool Programming	1.00%	\$15,407,849
Non-Earmark (Flexible Use)	2.50%	\$38,519,621
Administrative Costs (Cap)	0.50%	\$7,703,924
<b>Total Allocation</b>		<b>\$1,540,784,854</b>

Approval and Release of Federal Funding

Under ARPA, SEAs must award the Title I-A based ESSER III funds to LEAs in an expedited and timely manner, and, to the extent practicable, not later than 60 days after the SEA receives the federal funds; and must award the remaining ESSER funds (i.e., the earmark and non-earmark portions) within one year of receiving them. ARPA authorizes SEAs and LEAs to obligate ESSER III monies through September 30, 2024, (including the 12-month Tydings Amendment period).

Recent communication from the United State Department of Education (USDE), indicates SEAs will be required to submit an application to access the full allocation of ESSER III funds. That application is not yet available to SEAs, but it is expected to be available in April.

LEA Use of ESSER III Funds

LEAs may use ESSER III funds to meet a wide range of needs arising from the coronavirus pandemic, including: reopening schools safely; sustaining the safe operation of schools; and addressing students’ social, emotional, mental health, and academic needs arising from the pandemic. The specific allowable uses enumerated in ARPA can be found in [Appendix A](#).

All LEAs are required to reserve no less than 20 percent of their Title I-A based ESSER III allocation for the purpose of addressing learning loss, through the implementation of evidence-based interventions, which may include: extended day and/or extended school year programs, comprehensive afterschool programs, and summer learning or enrichment programs. The ESSER III funded interventions employed to address learning loss must respond to students’ academic, social, and emotional needs; and must address the disproportionate impact of COVID-19 on underrepresented student subgroups, students experiencing homelessness, and children and youth in foster care.

Under ARPA, all LEAs that receive ESSER III funding are required to have a plan for the safe return to in-person instruction and continuity of services and make it publicly available on the LEA's website within 30 days of receiving the funds. Before making the plan publicly available, the LEA must seek public comment on the plan. If an LEA has a plan for safe return to in-person instruction that was created prior to the passage of ARPA and the plan meets all criteria specific under ARPA, the LEA may use that plan to meet this requirement.

### DPI Plan for ESSER III Funds

#### *Non-Earmark Funding*

DPI proposes to distribute the non-earmarked portion of the ESSER III allocation (\$38,519,621) directly to LEAs. The Title I-A formula allocates funding to LEAs based on the number and percentage of students in poverty. As such, the Title I-A based formula produces varying grant amounts for LEAs (in total and on a per-pupil basis). Nine school districts and two independent charter schools do not qualify for a grant under the Title 1-A based ESSER III allocation.

Under DPI's plan, if the Title I-A formula-based grant for an individual LEA is less than \$600,000, an additional amount would be provided to raise the LEA's grant award to \$600,000, except that for LEAs with 25 or fewer pupils, the minimum grant would be \$200,000. Under the plan, three LEAs would qualify for the \$200,000 grant: the Norris School District (25 pupils), and the Aki Earth School (8 pupils) and Milestone Democratic School (21 pupils), both of which are independent charter schools.

As with DPI's plan for the ESSER II fund, the minimum LEA grant will be awarded to four other educational organizations. Grants of \$200,000 will be made to the state's two residential schools, and grants of \$600,000 will be made to the Syble Hopp School operated by the Brown County Children with Disabilities Board and the Lakeland School operated by the Walworth County Children with Disabilities Board.

Providing minimum grants to LEA as proposed here will require \$39,361,356, using all of the non-earmarked funds and \$841,731 from DPI's allowable allocation for administrative costs.

#### *Earmark Funding*

DPI proposes to distribute the ESSER III earmark funds directly to LEAs as grants. While only LEAs would be eligible to receive grant awards directly, LEAs would be permitted and encouraged to work with community partners in implementing evidence-based interventions for purposes allowed under the earmarks, i.e., to address learning loss, expand summer learning, and expand afterschool programming.

The first earmark allocation is the largest, representing five percent of the State's total ESSER III allocation (\$77,039,242). These earmark funds must be used specifically to address learning loss resulting from the COVID-19 pandemic. DPI proposes to distribute these earmark funds to LEAs under a formula grant process that recognizes the variance in grant award amounts generated under the Title I-A based allocations specifically for addressing learning loss (i.e., the 20 percent reserve for learning loss required under ARPA).

The second and third earmarks each represent one percent of the State's total ESSER III allocation (\$15,407,849 each). These allocations must be used to expand summer learning and to expand comprehensive afterschool programming and services. Due to the lower total amount available under each of the earmarks and recognizing that not all LEAs will choose to seek out additional funding for both or either purposes, DPI proposes to distribute these funds under a competitive grant process.

For all three of the earmarks under ESSER III, recipient LEAs must demonstrate how the activities and interventions supported with the earmark funds would be used to respond to the academic, social, and emotional needs of students. The SEA must also demonstrate how the funds would be used to address the disproportionate impact of COVID-19 on underrepresented student subgroups, students experiencing homelessness, and children and youth in foster care. As with all federal grants, including ESSER I and ESSER II, DPI staff will review LEA grant applications and proposed budgets for ESSER III funds to ensure compliance with these requirements under ARPA.

In addition to the requirements outlined under ARPA for the earmark funds, DPI will encourage LEAs to use at least some of the ESSER III funding to provide a focus on improving student outcomes in reading/literacy as a part of their overall approach to addressing learning disruption and learning loss. DPI is positioned to provide LEAs with technical assistance, on-demand professional learning tools, and general support to facilitate this work.

#### *Focus on Reading and Administrative Costs*

As with the ESSER I and II funds appropriated under the CARES and CRRSA Acts, the ESSER III allocation provides funding to support the administrative costs incurred by SEAs for the implementation and administration of ESSER III. The federal government provides administrative funds so that SEAs do not have to rely on state funds to support federal programs and recognizes SEAs are not permitted to use other federal funds to support work in service of ESSER III.

Under ARPA, the maximum amount permitted for administrative costs under the ESSER III program is \$7,703,924, which DPI will be able to obligate through September 30, 2024. However, as described in this letter, DPI's plan will reallocate \$841,731 from its allocation for administrative costs to fund the \$600,000 minimum LEA grants. This will leave \$6,862,189 in the allocation for administrative costs. DPI plans to use the amounts remaining in its allocation for administrative costs for the general costs of implementing ESSER III and to support a focus on improving reading outcomes as a means of addressing learning loss.

**Focus on Reading** - Mounting evidence suggests providing teachers with access to high-quality instructional materials that are aligned to academic standards and paired with curriculum-based professional learning can improve student academic outcomes (see [Appendix B](#) for research findings). DPI proposes to use a portion of its administrative funds to establish a robust infrastructure and provide direct support to LEAs; enabling LEAs to leverage local resources for the purpose of obtaining high quality, standards-aligned instructional materials, and curriculum-based professional learning resources. This approach will focus on improving reading outcomes to address learning disruption and learning loss among students who have been disproportionately impacted by the COVID pandemic.

DPI will encourage all LEAs to consider including a focus on improving reading outcomes as part of their plans for using ESSER III funding, and further r how utilizing standards-aligned materials and supporting professional learning to implement those materials effectively can be part of the LEA’s larger strategy to combat learning disruption and learning loss.

**Administrative Costs** - DPI will use the administrative funds to support the necessary applications development in WISEgrants, DPI’s online portal for all federal funds distributed to LEAs. Additionally, staff time spent on ESSER III-funded programs must be charged to the ESSER III administrative costs allocation. Considering the workload involved in administering the Title I-A based grants to LEAs and the earmark grants, DPI will seek authority from the Department of Administration (DOA) for additional federal project position authority to support this work. Additionally, DPI proposes to draw on the allocation for administrative costs to support the continuation of the Emergency Assistance for Nonpublic Schools (EANS) program under ARPA.

**Table 1. ESSER III Allocation – Authorized Amount and DPI Plan**

	Funding Amount		Percent of Allocation	
	Authorized	DPI Plan	Authorized	DPI Plan
Grants to LEAs (Title 1-A based allocations)	\$1,386,706,369	\$1,386,706,369	90.00%	90.00%
Earmark Funds				
Learning Loss Earmark	\$77,039,242	\$77,039,242	5.00%	5.00%
Summer Learning Earmark	\$15,407,849	\$15,407,849	1.00%	1.00%
Comprehensive Afterschool Earmark	\$15,407,849	\$15,407,849	1.00%	1.00%
Non-Earmark Funds (flexible use)	\$38,519,621		2.50%	
Minimum LEA grant (\$600,000)*		\$39,361,356		2.55%
Administrative Costs (and focus on reading)	\$7,703,924	\$6,862,189	0.50%	0.45%
<b>TOTAL</b>	<b>\$1,540,784,854</b>	<b>\$1,540,784,854</b>		

\*For LEAs with 25 or fewer pupils, and for the state's two residential schools (WCBVI and WESP-DHH), the minimum LEA grant will be \$200,000.

## Part 2 - Other Federal Programs

In addition to the ESSER III allocations, ARPA appropriates additional funding for K-12 schools and public libraries under other federal programs. The allowable uses of those funds are described below.

### Individuals with Disabilities Education Act (IDEA)

Under ARPA, additional IDEA funds are appropriated to states as IDEA funds, which provides funding to LEAs to offset costs of providing programs and services to children with disabilities. It is estimated Wisconsin will receive \$54.6 million of additional IDEA funding.

### Funding for Public Libraries

The State of Wisconsin will receive \$3,270,854 for public libraries from the Institute of Museum and Library Services (IMLS). These funds will be distributed in the same manner as funding to states under the Library Services and Technology Act (LSTA), but with no match requirement or maintenance of effort provision; four percent is allocated for administration. The IMLS anticipates DPI's current five-year plan for library services will be flexible enough to accommodate the work. Thus, DPI will not need to submit a plan to accept the funds. Grant awards are expected in April. DPI will use the additional funds to make subgrants to library systems and public libraries to support statewide contracts and for administrative costs.

### Other Education Related Funding

ARPA provides continued funding under the Emergency Assistance to Nonpublic Schools program ("EANS II"). Wisconsin's allocation is estimated to be approximately \$67 million, which may be obligated through September 30, 2023. While DPI has responsibility for implementing this program, the EANS funds are not directly appropriated to the SEA; rather, the EANS allocations are made to states under the Governors Emergency Education Relief (GEER) Fund. As such, the EANS funds are received by DPI in its Program Revenue – Service (not federal) appropriations.

Within the total ESSER III allocation, ARPA allocated \$800,000,000 for the purposes of identifying homeless children and youth, and to provide wrap-around services and assistance needed to enable homeless children and youth to attend school and participate fully in school activities. DPI does not yet have information on how USDE will implement this portion of ARPA and is awaiting further guidance from USDE.

Finally, ARPA appropriates additional funding under the E-rate program, which provides discounts to eligible schools and libraries for telecommunications, internet access, and internal connections. Discount rates range from 20% - 90% and are based on poverty and rural or urban status. The program is governed by the Federal Communications Commission (FCC) and administered by USAC, the Universal Services Corporation (i.e., the federal funds do not flow through DPI).

### Maintenance of Effort and Maintenance of Equity Provisions

The provisions pertaining to funding for K-12 schools under ARPA contain maintenance of effort (MOE) requirements for states, as well as maintenance of equity for states and LEAs. As was the case under ESSER II, states are required to maintain funding for K-12 and higher education in FY22 and FY23, as a proportion of the state's total budget, at the same level as the average of state support for FY17, FY18, and FY19.

Additionally, states must meet a maintenance of equity measures. As a condition of receiving the federal ESSER III funds:

- states cannot, in FY22 or FY23, reduce state funding, as calculated on a per-pupil basis, for any high-need\* LEA in the state by an amount that exceeds the overall per-pupil reduction in state funds across all LEAs; and
- states cannot, in FY22 or FY23, reduce state funding, as calculated on a per-pupil basis, for any highest poverty\* local educational agency below the level of funding, as calculated on a per-pupil basis, provided to each such LEA in fiscal year 2019.

LEAs are also required to meet maintenance of equity provisions similar to those that apply to states (with exceptions for LEAs that meet specified criteria). Under ARPA, LEAs may not reduce per-pupil spending or per-pupil staffing for high-poverty schools at a greater rate than the reductions (if any) that are applied to all schools in the LEA (school district). \*See [Appendix C](#) for the ARPA provisions related to maintenance of equity and for definitions of the terms “high-need” and “highest poverty”.

## Request

In consideration of the information provided in this plan, DPI respectfully requests approval for modifying the two federal appropriations under s. 20.255 (1) (me), (2) (m), and (3) (mm). Under the plan, DPI’s federal appropriations would be increased by the full amount of federal funding available under the ESSER III allocation, as shown in table 3, below. See Appendix D (separate attachment) for a listing by LEA of anticipated ESSER III grant allocations described in this plan.

**Table 3. Adjustments to DPI’s Federal Appropriations**

Alpha	Appropriation Title	K-12 Schools		Public Libraries	Total
		ESSER III	IDEA	IMLS/LSTA	
(1)(me)	Federal aids; program operations*	\$6,862,189		\$130,834	\$6,993,023
(2)(m)	Federal aids; local aid	\$1,533,922,665	\$54,590,796		\$1,588,513,461
(3)(mm)	Federal funds; local assistance			\$3,140,020	\$3,140,020
	<b>Total</b>	<b>\$1,540,784,854</b>	<b>\$54,590,796</b>	<b>\$3,270,854</b>	<b>\$1,598,646,504</b>

\*The amount for program operations reflects allowable administrative funds, less \$841,735 that DPI will reallocate for grants to LEAs. DPI plans to use a portion of this allocation to support a focus on improving reading outcomes.

Pending approval of this plan by the Joint Committee on Finance and approval of DPI’s ESSER III plan by USDE, DPI will begin development of the ESSER III application in WISE grants. Assuming normal timelines for application development, DPI anticipates LEAs will be able to start the application process for ESSER III funds during mid- to late-summer, 2021.

DPI awaits the Committee’s action and looks forward to continuing our work with stakeholders and education partners to ensure children will continue to learn and thrive educationally, and schools will be safe and healthy throughout this unprecedented time of the extended COVID-19 pandemic.



## *Appendix A – Allowable Uses of ESSER III Funds by LEAs*

Section 2001 (e)(2) of ARPA authorizes LEAs to use the non-earmarked portion of their Title I-A formula based ESSER III allocation for the following purposes:

- (A) Any activity authorized by the Elementary and Secondary Education Act of 1965.
- (B) Any activity authorized by the Individuals with Disabilities Education Act.
- (C) Any activity authorized by the Adult Education and Family Literacy Act.
- (D) Any activity authorized by the Carl D. Perkins Career and Technical Education Act of 2006.
- (E) Coordination of preparedness and response efforts of local educational agencies with State, local, Tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
- (F) Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
- (G) Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies.
- (H) Training and professional development for staff of the local educational agency on sanitation and minimizing the spread of infectious diseases.
- (I) Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agencies.
- (J) Planning for, coordinating, and implementing activities during long-term closures, including providing meals to eligible students, providing technology for online learning to all students, providing guidance for carrying out requirements under the Individuals with Disabilities Education Act and ensuring other educational services can continue to be provided consistent with all Federal, State, and local requirements.
- (K) Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local educational agency that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment.
- (L) Providing mental health services and supports, including through the implementation of evidence-based full-service community schools.
- (M) Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, children with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
- (N) Addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care, of the local educational agency, including by—

(i) administering and using high-quality assessments that are valid and reliable, to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction;

(ii) implementing evidence-based activities to meet the comprehensive needs of students;

(iii) providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment; and

(iv) tracking student attendance and improving student engagement in distance education.

(O) School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.

(P) Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and nonmechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.

(Q) Developing strategies and implementing public health protocols including, to the greatest extent practicable, policies in line with guidance from the Centers for Disease Control and Prevention for the reopening and operation of school facilities to effectively maintain the health and safety of students, educators, and other staff.

(R) Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.

## *Appendix B – Research Findings, Standards-Aligned Materials*

Mounting evidence suggests that providing teachers with access to high-quality, standards aligned curricular materials and curriculum-based professional learning can result in improvement in student outcomes, making this a research-based school improvement strategy. Research findings show:

- Most students do what they are asked to do, but few of their assignments are aligned to grade-level work as defined by academic standards (The New Teacher Project, 2018).
- Standards-aligned curriculum combined with curriculum-focused professional development are associated with statistically significantly higher student performance and educator understanding of academic standards, while providing educators with generic strategies divorced from their curriculum makes it less likely they will apply their learning and impact student achievement (Taylor et al., 2015).
- Providing teachers with any curriculum or set of instructional materials without also providing them with professional learning focused on how to implement those materials effectively to meet the needs of all students will not impact student achievement (Blazar, D. et al., 2019).
- Professional development for teachers should be connected to practice with a focus on content and curriculum (Blank, de las Alas, and Smith, 2007).
- The teachers who benefit the most from having access to high-quality curriculum and support to implement that curriculum are new teachers or teachers teaching out of field (Jackson, C. and Makrain, A., 2016). In Wisconsin, teachers who are new or teaching out of field are more likely to be teaching students experiencing poverty and students of color (DPI, 2015).
- High-quality instructional materials that are aligned to state standards can reduce variability in the quality of instruction across classrooms and help boost student achievement, but teachers often do not have materials that are aligned to their state's college- and career-readiness standards (SREB, 2017).
- Consistent use of a standards-based curriculum over multiple years of a student's education could have a major cumulative impact (Steiner, 2017).

## *Appendix C – Maintenance of Effort/Maintenance of Equity Provisions under ARPA*

### **For States**

#### **SEC. 2004. MAINTENANCE OF EFFORT AND MAINTENANCE OF EQUITY.**

##### **(a) STATE MAINTENANCE OF EFFORT.—**

(1) **IN GENERAL.**—As a condition of receiving funds under section 2001, a State shall maintain support for elementary and secondary education, and for higher education (which shall include State funding to institutions of higher education and State need-based financial aid, and shall not include support for capital projects or for research and development or tuition and fees paid by students), in each of fiscal years 2022 and 2023 at least at the proportional levels of such State's support for elementary and secondary education and for higher education relative to such State's overall spending, averaged over fiscal years 2017, 2018, and 2019.

(2) **WAIVER.**—For the purpose of relieving fiscal burdens incurred by States in preventing, preparing for, and responding to the coronavirus, the Secretary of Education may waive any maintenance of effort requirements associated with the Education Stabilization Fund.

##### **(b) STATE MAINTENANCE OF EQUITY.—**

1) **HIGH-NEED LOCAL EDUCATIONAL AGENCIES.**—As a condition of receiving funds under section 2001, a State educational agency shall not, in fiscal year 2022 or 2023, reduce State funding (as calculated on a per-pupil basis) for any high-need local educational agency in the State by an amount that exceeds the overall per-pupil reduction in State funds, if any, across all local educational agencies in such State in such fiscal year.

(2) **HIGHEST POVERTY LOCAL EDUCATIONAL AGENCIES.**—Notwithstanding paragraph (1), as a condition of receiving funds under section 2001, a State educational agency shall not, in fiscal year 2022 or 2023, reduce State funding (as calculated on a per-pupil basis) for any highest poverty local educational agency below the level of funding (as calculated on a per pupil basis) provided to each such local educational agency in fiscal year 2019.

### **For LEAs**

##### **(c) LOCAL EDUCATIONAL AGENCY MAINTENANCE OF EQUITY FOR HIGH-POVERTY SCHOOLS.—**

(1) **IN GENERAL.**—As a condition of receiving funds under section 2001, a local educational agency shall not, in fiscal year 2022 or 2023—

(A) reduce per-pupil funding (from combined State and local funding) for any high-poverty school served by such local educational agency by an amount that exceeds—

(i) the total reduction in local educational agency funding (from combined State and local funding) for all schools served by the local educational agency in such fiscal year (if any); divided by  
(ii) the number of children enrolled in all schools served by the local educational agency in such fiscal year; or

(B) reduce per-pupil, full-time equivalent staff in any high-poverty school by an amount that exceeds—

(i) the total reduction in full-time equivalent staff in all schools served by such local educational agency in such fiscal year (if any); divided by  
(ii) the number of children enrolled in all schools served by the local educational agency in such fiscal year.

(2) **EXCEPTION.**—Paragraph (1) shall not apply to a local educational agency in fiscal year 2022 or 2023 that meets at least 1 of the following criteria in such fiscal year:

(A) Such local educational agency has a total enrollment of less than 1,000 students.

(B) Such local educational agency operates a single school.

- (C) Such local educational agency serves all students within each grade span with a single school.
- (D) Such local educational agency demonstrates an exceptional or uncontrollable circumstance, such as unpredictable changes in student enrollment or a precipitous decline in the financial resources of such agency, as determined by the Secretary of Education.

### **Definitions**

(1) ELEMENTARY EDUCATION; SECONDARY EDUCATION.—The terms “elementary education” and “secondary education” have the meaning given such terms under State law.

(2) HIGHEST POVERTY LOCAL EDUCATIONAL AGENCY.—The term “highest poverty local educational agency” means a local educational agency that is among the group of local educational agencies in the State that—

(A) in rank order, have the highest percentages of economically disadvantaged students in the State, on the basis of the most recent satisfactory data available from the Department of Commerce (or, for local educational agencies for which no such data are available, such other data as the Secretary of Education determines are satisfactory);

and

(B) collectively serve not less than 20 percent of the State’s total enrollment of students served by all local educational agencies in the State.

(3) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term “high-need local educational agency” means a local educational agency that is among the group of local educational agencies in the State that—

(A) in rank order, have the highest percentages of economically disadvantaged students in the State, on the basis of the most recent satisfactory data available from the Department of Commerce (or, for local educational agencies for which no such data are available, such other data as the Secretary of Education determines are satisfactory);

and

(B) collectively serve not less than 50 percent of the State’s total enrollment of students served by all local educational agencies in the State.

(4) HIGH-POVERTY SCHOOL.—

(A) IN GENERAL.—The term “high-poverty school” means, with respect to a school served by a local educational agency, a school that is in the highest quartile of schools served by such local educational agency based on the percentage of economically disadvantaged students served, as determined by the State in accordance with subparagraph (B).

(B) DETERMINATION.—In making the determination under subparagraph (A), a State shall select a measure of poverty established for the purposes of this paragraph by the Secretary of Education and apply such measure consistently to all schools in the State.

(5) OVERALL PER-PUPIL REDUCTION IN STATE FUNDS.—The term “overall per-pupil reduction in State funds” means, with respect to a fiscal year—

(A) the amount of any reduction in the total amount of State funds provided to all local educational agencies in the State in such fiscal year compared to the total amount of such funds provided to all local educational agencies in the State in the previous fiscal year; divided by

(B) the aggregate number of children enrolled in all schools served by all local educational agencies in the State in the fiscal year for which the determination is being made.