



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

March 27, 2024

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:

On December 22, 2023, the U.S. Department of Education (Department) required the Alaska Department of Education and Early Development (DEED) to provide a plan, within 30 days, demonstrating the State's efforts to actively resolve its lack of compliance with the maintenance of equity requirement in section 2004(b) of the American Rescue Plan (ARP) Act, which is a condition of receiving ARP Elementary and Secondary School Emergency Relief (ESSER) funds. Specifically, the State was required to provide by January 22, 2024: 1) updated State educational agency (SEA)-level maintenance of equity data that is consistent with the Department's November 2, 2023, correspondence regarding the inclusion of hold-harmless funding; and 2) information on how the State would demonstrate compliance in FY 2022 for the LEAs in which the State did not maintain equity. While Alaska furnished final State-level maintenance of equity data on March 8, 2024, the State remains non-compliant for high-need and highest-poverty local educational agencies (LEAs), including two LEAs in FY 2022.

On March 22, 2024, Alaska sent a letter to the Department that described how the SEA could request a supplemental appropriation to resolve the maintenance of equity compliance issues but made no commitment to do so in the current State legislative session. Accordingly, as of March 27, 2024, Alaska has failed to provide the Department with a sufficient plan detailing whether any supplemental payments to the identified LEAs will be made. As a result, the Department is placing an additional condition on the State's ARP ESSER award (S425U210020) and is designating the State as a high-risk grantee for its ARP ESSER grant under 2 C.F.R. §§ 200.208 and 3474.10.

The condition applied to the grant (S425U210020) is:

As of March 27, 2024, Alaska did not demonstrate that it met the maintenance of equity requirements in section 2004(b) of the ARP Act, which required, as a condition of receiving ARP ESSER funds, that the SEA ensure its highest need LEAs did not experience a disproportionate reduction in State funding in fiscal years (FYs) 2022 and 2023 (i.e., school years 2021-2022 and 2022-2023) and that LEAs serving the greatest numbers of students from low-income backgrounds did not experience a decrease in State funding below their FY 2019 levels. Alaska must demonstrate compliance with the maintenance of equity requirement for one high-need LEA and one highest-poverty LEA where the State did not maintain equity in FY 2022.

The State's grant condition will remain until Alaska demonstrates that it has resolved its non-compliance with the maintenance of equity requirements in section 2004(b) of the ARP Act. Alaska has explained that this could be accomplished through a supplemental appropriations request from the Governor to the legislature for consideration in the current session, which ends May 15, 2024. The Department will remove the high-risk designation from Alaska's ARP ESSER grant award if, within 30 days of this letter, Alaska confirms that such an appropriations request has been made; or otherwise presents a sufficient plan to resolve its non-compliance with the maintenance of equity requirements in section 2004(b) of the ARP Act.

To request reconsideration of this grant's high-risk status and condition, please send written notification, describing why either or both should not be imposed, to your State's program officer within 10 days of the date of this letter. Failure to comply may result in additional, appropriate enforcement actions including potential withholding proceedings or the recovery of ARP ESSER funds.

As a condition for the receipt of nearly \$359 million in ARP ESSER funds that are supporting Alaska's schools and students, the State assured the Department that it would meet these requirements. However, the Department only received final FY 2022 data from the State on March 8, 2024, more than two years after the original deadline of October 15, 2021. In addition, Alaska has submitted multiple formal requests—on September 26, 2023, February 23, 2024, and March 11, 2024—reflecting the Department's guidance that allows an 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.” On March 18, 2024, the Department determined that Alaska's plan included a reasonable level of tolerance for both FY 2022 and FY 2023 and for five separate categories of LEA reflecting enrollment and geographic sparsity factors. While I appreciate your work to resolve this matter, Alaska must address the outstanding non-compliance as detailed below; see tables 1 and 2. Alaska is the only State that has not met, or presented a sufficient plan for meeting, these requirements.

If you have any questions regarding the requested action items, please contact Sarah Laven Jones at Alaska.OESE@ed.gov.

Sincerely,



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

CC: The Honorable Mike Dunleavy

Table 1. Amount of State funding reductions considered disproportionate under FY 2022 maintenance of equity requirement

<i>LEA</i>	<i>Shortfall</i>
Kenai Peninsula Borough School District	\$7,186,852
Anchorage School District	\$15,202,289

Table 2. Amount of State funding reductions considered disproportionate under FY 2023 maintenance of equity requirement

<i>LEA</i>	<i>Shortfall</i>
Juneau Borough School District	\$204,309
Anchorage School District	\$1,391,681
Kenai Peninsula Borough School District	\$2,494,871
Fairbanks North Star Borough School District	\$3,097,911