



FISCAL YEAR 2023
LEA-LEVEL MAINTENANCE OF
EQUITY REQUIREMENT
(MOEQUITY)
GUIDANCE HANDBOOK

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INTRODUCTION

The statutes that authorize the funding of federal education grants include fiscal requirements that grantees agree to meet when they accept that funding. The intent of these requirements is to help ensure fairness in the expenditure of federal funds.

Traditional Federal Fiscal Requirements

The three traditional federal fiscal requirements are the following:

- Supplement, not supplant: Applies to many state and federal grant programs, intended to ensure grantees use federal funds to enhance their delivery of services
- Maintenance of effort: Applies to Every Student Succeeds Act (ESSA) and Individuals with Disabilities Education Act, Part B (IDEA-B), intended to ensure grantees maintain state and local funding levels of services for students with disabilities
- Comparability: Applies to ESSA Title I, Part A, intended to ensure that different campuses receive comparable funding and services

LEA-level Maintenance of Equity (MOEquity)

The American Rescue Plan (ARP) Act of 2021 (ARP) mandates an additional federal fiscal requirement. Known as LEA-level maintenance of equity (MOEquity, previously referred to as MOQ), the requirement applies to all local educational agencies (LEAs) that receive funding under the grants authorized by section 2001 of ARP, including the following:

- 2020–2023 ARP ESSER III
- 2021–2023 ESSER Supplemental (ESSER-SUPP)
- 2021–2024 Texas COVID Learning Supports (TCLAS)

Purpose of the Requirement

MOEquity is intended to help ensure that LEAs and campuses that serve a large share of students from low-income backgrounds do not experience a disproportionate reduction in funding in fiscal years 2022 and 2023 (FY22 and FY23), that is, school years 2021–2022 and 2022–2023.

In addition, MOEquity is designed to ensure that LEAs serving the largest shares of students from low-income backgrounds do not receive a decrease in state funding below their FY 2019 level.

Prohibitions under the Requirement

ARP section 2004(c) prohibits an LEA that receives ARP ESSER funds, authorized by section 2001 of the ARP Act, from doing either of the following in FY22 or FY23:

- Reducing combined **state and local per-pupil funding** for any high-poverty campus by an amount that exceeds the total reduction, if any, of combined state and local per-pupil funding for all campuses in the LEA
- Reducing the number of **FTE staff per-pupil** in any high-poverty campus by an amount that exceeds the total reduction, if any, of FTE staff per-pupil in all campuses in the LEA

In terms of MOEquity, the term “high-poverty” applies to the top 25% percent (or quartile) of active campuses served by the LEA, based on percentage of economically disadvantaged students.

This ranking is calculated using poverty percentage data that is consistent with FY23 PEIMS snapshot data.

MEETING LEA-LEVEL MOEQUITY

The MOEquity fiscal requirement applies to recipients of grant funding authorized by section 2011 of ARP. Under ARP, certain LEAs are not subject to the requirement.

Per TEA’s definition, an LEA’s compliance with MOEquity depends on the LEA’s excepted or non-excepted status.

Exception from LEA-level MOEquity

LEAs that fall in the following categories, defined by TEA, are not required to maintain equity:

- Automatically excepted LEAs
- LEAs that claim an exception from the US Department of Education (USDE)

Automatically Excepted LEAs

An LEA that meets at least one of the following criteria is automatically excepted from maintaining equity:

- Has a total enrollment of less than 1,000 students
- Operates a single campus
- Serves all students within each grade span with a single campus (no grade overlaps)

Using LEA data submitted on the SC5000 schedule of the Consolidated ESSA Federal Grant Application, TEA generates a list of the LEAs that meet at least one of those criteria.

The list of automatically excepted LEAs is available from the [MOEquity page](#) of the TEA website.

LEAs that meet the criteria for automatic exception are not required to submit any further documentation to TEA.

IMPORTANT NOTES: USDE has verified that all campuses within an LEA, **including alternative campuses**, must be included for determining LEA-level MOEquity compliance (see MOQ-Q24, line 471, in TEA's [ESSER FAQs](#) for additional details).

If you believe that your LEA has been included or excluded from the FY23 automatically excepted list in error, email the Federal Fiscal Compliance and Reporting (FFCR) Division at compliance@tea.texas.gov by **December 2, 2022**.

Qualification for USDE Exception

LEAs that are not automatically excepted from MOEquity may apply to USDE with a request for exception from the requirement.

An LEA may be eligible for a USDE exception if it demonstrates an exceptional or uncontrollable circumstance, such as unpredictable changes in student enrollment or a precipitous decline in the financial resources of the LEA as determined by the US Secretary of Education. An “exceptional or uncontrollable circumstance” might include a significant change in the expenses of a campus such as no longer serving a student whose educational and support needs require services that have a particularly high cost.

USDE anticipates very few “exceptional or uncontrollable circumstances” that prevent an LEA from maintaining equity. As a result, each claim for exception will require a case-by-case review by USDE.

To request an exception from USDE, email a letter documenting your LEA's “exceptional or uncontrollable circumstances” to USDE at texas.oese@ed.gov. In that email, copy compliance@tea.texas.gov.

IMPORTANT NOTE: LEAs must document their intention to apply to USDE for an exception by completing and submitting the MOEquity Document Submission Plan by **December 9, 2022**, as described in the following section. USDE exception request must be submitted no later than **December 15, 2022**. Also note that USDE will request the LEA's financial data from TEA as part of the process for reviewing the exception request.

LEA-level MOEquity Document Submission Plan

All LEAs that are not automatically excepted from MOEquity are required to submit documentation to TEA to indicate their chosen method for meeting the requirement. Three methods are available:

- USDE exception
- Self-certification
- Calculation of equity

The LEA notifies TEA of its chosen method by completing and submitting the MOEquity Document Submission Plan survey.

USDE Exception

As described in the previous section, a qualifying LEA may apply to USDE with a request for an exception from the MOEquity requirement.

An LEA that chooses to apply to USDE for an exception must follow these steps:

- Notify TEA of its intent to apply for the USDE exception by submitting the MOEquity Document Submission Plan.
- Email a letter documenting the LEA’s “exceptional or uncontrollable circumstances” to USDE at texas.oese@ed.gov, copying compliance@tea.texas.gov.

Self-Certification of Exception

In accordance with information provided by USDE in [Maintenance of Equity: Frequently Asked Questions](#), Appendix B, an LEA may self-certify it is excepted from LEA-level MOEquity.

An LEA may demonstrate that it is excepted from the LEA MOEquity requirements for FY22 or FY23 by certifying that it did not and will not implement an aggregate reduction in combined state and local per-pupil funding in FY22 compared to FY21, or in FY23 compared to FY22 (that is, the LEA is not facing overall budget reductions).

An LEA that chooses to self-certify must determine what documentation supports its claim that it implemented no aggregate reduction, and that documentation must be maintained locally. The LEA should not submit its supporting documentation to TEA unless and until requested.

LEAs that choose to self-certify compliance with LEA-level MOEquity must follow these steps:

- Select the self-certification option in the LEA-level MOEquity Document Submission Plan.
- Certify and submit the completed LEA-level MOEquity Document Submission Plan survey.

Calculation of Equity with the MOEquity Tool

An LEA that is not automatically excepted, does not qualify for a USDE exception, and cannot complete the self-certification of exception must determine its compliance through a calculation of equity.

The LEA performs this calculation using the MOEquity Tool, an auto-calculating Excel template. The tool is designed to perform the required tests via the two allowable methods (districtwide or grade span) to calculate your LEA’s compliance with MOEquity.

The MOEquity Tool is available from [TEAL](#) (within the secure GFFC Reports and Data Collections application) and on the [ARP LEA-level MOEquity webpage](#).

To use the MOEquity Tool, complete the following steps:

- Complete and submit the MOEquity Document Submission Plan, choosing “MOEquity Tool” from the list of documentation options.
- Complete the tool, following the instructions provided in this handbook.
- Submit the completed tool to GFFC Reports and Data Collections through [TEAL](#).

Important Notes:

- **Financial Data**
 - LEAs must use the board-adopted budget in effect at the PEIMS fall snapshot date and use this budget data consistently to make comparisons across all three fiscal years (FY21 to FY22, and FY22 to FY23).

- LEAs must submit to TEA a revised MOEquity Tool if it makes changes to the board-adopted budget/amount made available to its high-poverty campuses if these changes could impact the LEA’s compliance status.
- **Enrollment and Low-Income Percentage Data**
 - LEAs must enter enrollment and low-income percentages using data as of the PEIMS fall snapshot date.

All LEAs that are not automatically excepted must first submit the MOEquity Document Submission Plan survey to notify TEA of their chosen method for documenting compliance with LEA-level MOEquity.

Complete the following steps to submit the LEA-level MOEquity Document Submission Plan:

- Select your LEA’s county-district-number and name from the dropdown menus.
- List the name and contact information for the staff member TEA should contact regarding MOEquity (your primary contact).
- Select your documentation choice (USDE exception, self-certification, or MOEquity Tool).
- Certify your choice with your authorized official’s identifying information and signature.
- Submit the completed plan.

Correcting the Submitted Plan

To change your selection or make other updates to your LEA-level MOEquity Document Submission Plan, complete the survey again with your corrected information and resubmit by the **December 9, 2022**, deadline.

MOEQUITY TOOL INSTRUCTIONS

The MOEquity Tool is an auto-calculating Excel template. Non-excepted LEAs that choose to calculate their compliance with MOEquity must complete the MOEquity Tool and submit it in Excel format through the secure GFFC Reports and Data Collections application within [TEAL](#).

The MOEquity Tool is designed to perform two required tests via the two allowable methods (districtwide or grade span) to calculate your LEA’s compliance with MOEquity.

Refer to Appendix 1 for a screenshot of the MOEquity Tool.

Testing Worksheets: Districtwide and Identified Grade Spans

You will enter data only into the “**Districtwide**” worksheet of the MOEquity Tool, which then auto-populates Grade Span worksheets identified in Column E.

IMPORTANT NOTE: If the Districtwide worksheet indicates compliance, there is no need to test compliance at the Grade Span level.

In the Districtwide worksheet, the LEA must complete all of the following sections:

- ESC Region and County-District Number (CDN) – 6 digits
- Grade Span Group Selection and Grade Levels Served
- LEA Contact Information (Columns E, F, G; Lines 5–8)
- Individual Campus Information
 - Column A: Campus Number (9 digits)
 - Column B: NCES ID (12 digits)
 - Column C: Campus Names (include only campuses that had student enrollment in BOTH FY22 and FY23)
 - Column D: FY 23 Grade Levels Served
 - Column E: FY 23 Grade Span Group Name (Elementary, Middle, or High)
 - Column F: FY 23 Campus Low-Income Percentage
 - Columns G, H, I: FY 22 Enrollment, Campus Budget, and Number of FTEs
 - Columns J, K, L: FY 23 Enrollment, Campus Budget, and Number of FTEs

Inputting Data into the MOEquity Tool

1. From the drop-down, select your ESC Region and CDN number. The name of the LEA will auto-populate in cell B-C6. There will be no pre-populated data for any campuses within the tool, so LEAs will enter data in all the cells throughout the MOEquity Tool. LEAs should use FY 22 and FY 23 PEIMS snapshot data to populate the MOEquity Tool.
2. By analyzing your grade span configuration and grade level overlap, determine the grade spans reflected in your LEA (most LEAs will have only Elementary, Middle, and High – three grade spans).

In column B, lines 9–11, indicate the specific grade levels served by each of your identified grade span groups.

If your LEA consists of additional grade span groups (for example: elementary campuses are divided into primary (EE-2) and intermediate (3-5) with no overlap of grade spans, or if you have separate campuses for 5-6 and 7-8 with no overlap), contact the FFCR Division at Compliance@tea.texas.gov to request an alternative tool.

3. **Input LEA primary contact information (Columns F, G; Lines 5–8):**

- Name
- Title
- Phone number
- E-mail address

Ensure that the primary contact person is the person TEA should contact for questions regarding the MOEquity Tool. Please provide a current direct phone number and email address.

4. **Input individual campus information for every active campus in the LEA (Columns A–L; Lines 19–XX):**

IMPORTANT NOTE: Include only campuses that were/will be open in both FY22 and FY23.

- Campus Information for FY23
 - Column A: 9-digit campus number
 - Column B: 12-digit campus National Center for Educational Statistics (NCES) campus ID number
 - Column C: Campus name
 - Column D: Grade levels served
 - Column E: Grade span group name (Elementary, Middle, or High)
 - Column F: Low-income percentage
- 2021–2022 Data
 - Column G: Campus enrollment
 - Column H: State/local campus budget
 - Column I: Staff full-time equivalents (FTEs)
- 2022–2023 Data
 - Column J: Campus enrollment
 - Column K: State/local campus budget
 - Column L: Staff full-time equivalents (FTEs)

5. **Identify “high-poverty” campuses (Column M)** – these are the campuses in the highest quartile (25 percent) for poverty within your LEA.

The number of campuses to be identified/designated as “high-poverty” can be found in cell K4 – which is an auto-calculation of the number required based on the number of **active** campuses populated on the Districtwide worksheet by the LEA.

It is recommended that LEAs input campus information on the Districtwide worksheet based on the highest poverty percentages for the entire LEA and list them in sequential numerical order, from highest to lowest poverty percentage. Then, using the number indicated in cell K4, count down from the top to indicate “Yes” for the correct number of campuses in the highest poverty percentage quartile for your LEA. The remaining campuses (NOT in the highest poverty percentage quartile) should be marked “No.”

If you select too few or too many “Yes” designations, the tool will give an error message in cell M17. Please review this step as if not correctly selected, the tool will not accurately reflect which campuses are to be included in the highest poverty campuses comparison.

IMPORTANT NOTE: Since all data entry is done in the Districtwide worksheet, if your LEA does not meet compliance in the Districtwide worksheet, and you plan to utilize the grade span testing option, you will need to modify this high-poverty designation within the Districtwide worksheet to identify the highest poverty campuses within each grade span, which when taken collectively will equal the required number in the top quartile of high poverty campuses).

Determining Compliance via the Districtwide Worksheet

Once all data is input, the tool will auto-calculate your LEA’s compliance with MOEquity. Data for each individual high-poverty campus is compared to the average for all campuses across the LEA. Results for the Funding equity test will appear in Column Q – results for the FTE equity test will appear in Column U. A green “N/A” or “C” result = compliance; a red “NC” result = non-compliance. **To be compliant, an LEA must be compliant for all identified high-poverty campuses for both the funding and FTE tests.**

Determining Compliance via the Grade Span Worksheets

If non-compliant in the Districtwide worksheet, and the LEA has more than one campus in one or more of the grade-spans, an alternative method of showing compliance is to compare campuses within the identified grade span groups to the average of data for that grade span.

Like the Districtwide test, results for the Funding equity test will appear in Column Q – results for the FTE equity test will appear in Column U. A green “N/A” or “C” result = compliance; a red “NC” result = non-compliance. **To be compliant, an LEA must be compliant for all identified high-poverty campuses for both the funding and FTE tests.**

Important Reminders

- All **active** campuses (including alternative campuses) that have enrolled students must be included on the Districtwide worksheet to calculate the average per-pupil amounts for funding and FTEs – **no campuses that have enrolled students can be excluded.**
- Most LEAs will have only 3 grade spans: Elementary (EE–5), Middle (6–8), and High (9–12). If your LEA has additional grade spans with no overlap of grades served, contact the FFCR Division at Compliance@tea.texas.gov.
- If there is overlap of grade spans for some campuses (e.g., an alternative campus serving grades 7–12), determine at what level the majority of students are enrolled – if 7–8, classify as a Middle campus; if 9–12, classify as a High campus. LEA will make this determination using FY23 Fall PEIMS snapshot enrollment data.

GFFC REPORTS AND DATA COLLECTIONS

Submit the completed MOEquity Tool (in Excel) through the secure GFFC Reports and Data Collections application as follows:

1. Log on to the TEA Login ([TEAL](#)).
2. Select GFFC Reports and Data Collections.
3. Select Upload Response Documents.
4. Select MOEquity Tool from the Response Template Title dropdown menu.
5. Select the current school year, 2022–2023.
6. Select Response Document from the Response Doc Type dropdown menu.
7. Choose/find your completed MOEquity Tool.
8. Select Upload Document.

VERSION HISTORY

Version	Date	Comments
1.0	10/2021	Original version
1.1	12/20/2021	Update to description of self-certification requirement, per USDE guidance
1.2	01/27/2022	Per USDE, changed “waiver” to “exception”
1.3	02/01/2022	PER USDE, change “exempt” to “excepted”
1.4	09/01/2022	Updated for Fiscal Year 2023 LEA-level MOEquity

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