



# **FY 2023 LEA-level Maintenance of Equity (MOEquity) Overview & Updates**

**September 2022**

**Federal Fiscal Compliance and Reporting Division**

This presentation is intended solely to provide general information and guidance to Texas local educational agencies (LEAs) and reflects the Texas Education Agency's (TEA's) current understanding of processes, requirements, and applicable federal guidance. The content of this presentation is subject to change as a result of further potential information and guidance provided by federal agencies with regulatory oversight of the topics covered. This presentation does not constitute legal advice, and LEAs are, therefore, advised to seek legal counsel regarding the information and guidance provided in this presentation before acting on such information and guidance.

# Topics Covered

1. Welcome and Introductions
2. Overview of LEA-level Maintenance of Equity (MOEquity)
  - a. Purpose/Intent
  - b. Requirements
  - c. Test Methods
  - d. Exceptions
3. LEA Next Steps and Timeline
  - a. MOEquity: Automatically Excepted LEAs
  - b. MOEquity: LEAs not Automatically Excepted
  - c. MOEquity Tool Completion and Submission
  - d. Summary of Compliance Paths
  - e. LEA-level MOEquity Timeline
4. Questions and Contact Information

# Purpose & Intent of LEA-level MOEquity

- Second year of fiscal compliance requirement defined in the American Rescue Plan (ARP) Act of 2021
- In receiving ARP Act funds, LEAs agreed to compliance provisions, including LEA-level MOEquity
- Ensures that campuses serving a large share of students from low-income backgrounds (“high-poverty” campuses) do not experience a disproportionate reduction in funding in fiscal years (FYs) 2022 and 2023 or school years 2021–2022 and 2022–2023

# LEAs Subject to LEA-level MOEquity

Applies to all local educational agencies (LEAs) that receive funding authorized by section 2001 of the ARP Act, including recipients of the following grants:

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

# Independence/Uniqueness of Federal Fiscal Compliance Requirements

- Federal fiscal compliance requirements are tied to receipt of funding from different federal grant programs.
- Federal fiscal compliance requirements often use similar terminology, but each requirement is independent/unique, and compliance determinations are calculated independently/separately.
  - Exemption/exception criteria from one federal fiscal compliance requirements **do not** apply to other federal fiscal compliance requirements.

**LEAs must meet two tests.** ARP section 2004(c) prohibits an LEA that receives funding authorized by section 2001 of the ARP Act from doing either of the following in both FY 2022 and FY 2023:

- 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.

# Identifying “High-Poverty” Campuses

- Campuses that are in the highest quartile (top 25 percent) of campuses served by the LEA based on the percentage of economically disadvantaged students at the campus.
- LEAs should calculate this ranking using poverty percentage data that is consistent with **October 2022** (FY 2023/School Year 2022–2023) **PEIMS Fall snapshot** data.



# Which State and local funding is included?

- All sources of **State and local** funds the LEA has allocated to each campus for free public education.
- Does not include dedicated funds for capital outlays and debt service.
- Does not include federal funds or support from private donors, such as charitable contributions.
- Data must be consistent with sources of State and local funding that an LEA uses to report for the purposes of per-pupil expenditures in PEIMS.
- 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 (FY 2021 to FY 2022, and FY 2022 to FY 2023).

# Which FTEs are included?

- LEAs must include all paid staff, both instructional and non-instructional, **from all fund sources** (state, local, **and federal**).
- LEAs must include all FTEs that provide campus-level services, regardless of whether they are considered an LEA/district or campus-level position.
- LEAs must include all employees hired by contract who perform campus-level services.
- LEAs must include staff who split their time between more than one campus building in the LEA – include the proportional FTE for each campus.
- LEAs are also encouraged to consider equity in terms of overall staffing budget, which may include considering the qualifications and level of experience of staff in high-poverty campuses compared to other campuses.

# LEA-level MOEquity Test Methods

An LEA may elect, consistent with the statute, to make the determination on a districtwide or grade span basis:

- **Districtwide method:** after determining the top quartile **(25%)** of highest-poverty campuses (via PEIMS data), a comparison is made of the top quartile's data to the districtwide averages.
- **Grade span method:** after determining the number of campuses that constitute the top quartile **(25%)** of highest poverty campuses (via PEIMS data) within each grade span, a comparison is made of the highest poverty campuses' data to the grade span averages.

# Automatic Exceptions for LEA-level MOEquity

An LEA is automatically excepted from LEA-level MOEquity, if it meets one or more of the following:

- Has a total enrollment of less than 1,000 students;
- Operates a single campus; or
- Serves all students within each grade span with a single campus (i.e., no campuses within the LEA have overlapping grade spans, such as K-2, 3-5, 6-8, and 9-12).

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

# Automatic Exceptions (continued)

- TEA has posted on the MOEquity webpage a preliminary list of LEAs that are presumed to be automatically excepted from FY23 LEA-level MOEquity, based on enrollment and campus data submitted in the LEA's SC5000 of the 2022–2023 ESSA Consolidated Federal Grant Application.
- This preliminary list based on SC5000 data will be cross-referenced with **October 2022** (FY 2023/School Year 2022–2023) **PEIMS Fall snapshot** data when the data becomes available in February/March 2023. If an LEA is no longer automatically excepted, the LEA will be contacted by FFCR and advised of next steps.

# Automatically/Not Automatically Excepted LEAs

- Action required for LEAs that **are** correctly included on the automatic exception list:
  - Review the list posted on the [LEA-level MOEquity webpage](#) to ensure that your LEA is included and to verify that the exception criteria is correct
  - **No further action is needed**
- Action required for LEAs that are **included or excluded** from the automatic exception list **in error** and wish to request a reconsideration of automatic exception status:
  - Contact the FFCR Division at [Compliance@tea.texas.gov](mailto:Compliance@tea.texas.gov) **by December 2, 2022**

# MOEquity Document Submission Plan

LEAs that do not meet USDE's automatic exception criteria must complete the **MOEquity Document Submission Plan** – requirements:

- Survey completion/submission by **December 9, 2022**
- Subsequent follow-up actions
  - Self-certification of Exception (Appendix B) – **no further action required**
  - Exception request e-mailed directly to USDE by **December 15, 2022**, or
  - MOEquity Tool submitted to TEA's GFFC Reports and Data Collections by **January 27, 2023**

# Options for LEAs that are Not Automatically Excepted

MOEquity Document Submission Plan: notifies TEA that an LEA that is **not** automatically excepted is choosing one of the following to demonstrate compliance:

- ♦ **Plan 1:** LEA Self-Certification of Exception (USDE's Appendix B)
- ♦ **Plan 2:** USDE Exception Request
- ♦ **Plan 3:** MOEquity Tool



# Plan 1: LEA Self-Certification of Exception

- USDE allows LEAs to affirm/certify that there is no aggregate reduction in combined State and local per-pupil funding within the LEA in FY 2023 (2022–2023 school year) compared to FY 2022 (2021–2022 school year).
- Specific required USDE verbiage is included in the survey.
- USDE is not requiring any documentation to be submitted with Self-Certification of Exception at this time.
- Whether or not an LEA submitted Plan 1 in FY 2022, that option is still available for FY 2023, if the LEA meets USDE criteria for self-certification for the current year.
- It is recommended that LEAs keep a backup copy of the data sources used to document their eligibility to submit the self-certification.

## Plan 2: USDE Exception Request

- LEAs that are unable to certify that there is not an aggregate reduction in FY 2023 (school year 2022–2023) state/local per-pupil funding within the LEA (via Plan 1) can submit a **direct** request to USDE citing “**exceptional or uncontrollable circumstances, such as unpredictable changes in student enrollment or a precipitous decline in the financial resources of the LEA** as determined by the Secretary” [of Education/USDE].
- USDE has indicated that exception requests will be reviewed on a “case-by-case basis” and that approvals will be rare.
- USDE will request LEAs’ financial data from TEA as part of the process for reviewing the exception request.
- Submit exception requests to [Texas.oese@ed.gov](mailto:Texas.oese@ed.gov) and copy FFCR Division at [Compliance@tea.texas.gov](mailto:Compliance@tea.texas.gov) by December 15, 2022

## Plan 3: MOEquity Tool

LEAs that do not meet the USDE's automatic exception criteria, cannot certify "no aggregate reduction," and do not submit an exception request directly to USDE must complete the MOEquity Tool to calculate compliance.

- Completed MOEquity Tool must be submitted to GFFC Reports and Data Collections by **January 27, 2023**
- FFCR will be presenting a separate MOEquity Tool training session focused specifically on tool completion and submission of all required data on **October 4, 2022**, at 10:00 am via Zoom.

# MOEquity Tool: Data Input & Submission

For FY 2023, the MOEquity Tool will **not** include any pre-populated data

- LEAs will input **October 2022** (FY 2023/School Year 2022–2023) **PEIMS Fall snapshot** data
- All data will be manually entered for all required cells on the Districtwide worksheet
- Grade span worksheets will auto-populate by Column E data (Grade Span Group Names)
- Auto-calculates
  - Districtwide test
  - Grade span tests
- MOEquity Tools are submitted to GFFC Reports and Data Collections

# MOEquity Tool: Follow-up Training

- Only a small percentage of LEAs complete/submit the MOEquity Tool, since most are either auto-excepted or submit Plan 1 (Self-Certification of Exception or Appendix B)
- FFCR will be presenting a separate MOEquity Tool training session focused specifically on tool completion and submission of all required data on **October 4, 2022**, at 10:00 am via Zoom.

# Summary of Four LEA-level MOEquity Compliance Paths

- **Automatically Excepted LEAs:** On the MOEquity webpage, review the list of LEA-level MOEquity: Automatically Excepted LEAs by **December 9, 2022**, to confirm that your LEA has met USDE automatic exception criteria for enrollment and/or grade span configuration.
  - Note: Contact [Compliance@tea.texas.gov](mailto:Compliance@tea.texas.gov) if an LEA has been erroneously included or excluded.
- **Not Automatically Excepted LEAs – Plan 1:** Complete MOEquity Document Submission Plan and complete the “LEA Self-Certification” by **December 9, 2022**, to confirm/certify that your LEA has no aggregate reduction in combined state and local per-pupil funding in FY 2023 compared to FY 2022.

## Summary of Compliance Paths (continued)

- **Not Automatically Excepted LEAs – Plan 2:** Complete MOEquity Document Submission Plan by **December 9, 2022**, to notify TEA that you will be seeking to be excepted from the LEA-level MOEquity requirement directly from USDE. Follow-up by sending the exception request to [Texas.oese@ed.gov](mailto:Texas.oese@ed.gov) and copying [Compliance@tea.texas.gov](mailto:Compliance@tea.texas.gov) by **December 15, 2022**.
- **Not Automatically Excepted LEAs – Plan 3:** Complete MOEquity Document Submission Plan by **December 9, 2022**, to notify TEA that you will be completing/submitting the MOEquity Tool. Follow-up by completing/submitting the tool into GFFC Reports and Data Collections by **January 27, 2023**.

# LEA-level MOEquity Timeline

Date	Action
September 15, 2022	TAA posted to announce FY 2023 LEA-level MOEquity project launch.
December 2, 2022	LEAs notify TEA if there are errors in the auto-excepted list by emailing: <a href="mailto:Compliance@tea.texas.gov">Compliance@tea.texas.gov</a> .
December 9, 2022	All LEAs receiving ARP Act funds and NOT on the <i>List of Automatically Excepted LEAs</i> must submit the MOEquity Document Submission Plan survey.
December 15, 2022	LEAs that opt to seek an exception directly from USDE must submit data/documentation to <a href="mailto:texas.oese@ed.gov">texas.oese@ed.gov</a> (copy <a href="mailto:Compliance@tea.texas.gov">Compliance@tea.texas.gov</a> ).
January 27, 2023	For LEAs that are not automatically excepted and selected Plan 3, MOEquity Tool is due to GFFC Reports and Data Collections.
Feb—March 2023	TEA reviews submissions to ensure compliance and requests clarifications and/or resubmissions as necessary.
April 2023	Compliance letters posted in GFFC Reports and Data Collections.



## Federal Fiscal Compliance and Reporting (FFCR) Division

- E-mail: [Compliance@tea.texas.gov](mailto:Compliance@tea.texas.gov)
- MOEquity Questions:
  - Will be included in the [ESSER FAQ](#) (updated regularly)
  - Use the [ESSER FAQ Submission](#) form to submit new MOEquity questions to TEA staff
- [LEA-level MOEquity webpage](#)

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