



Local Maintenance of Equity (MOEquity) Overview & Requirements

Monday, February 7, 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 Local 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. Local MOEquity Timeline
4. Questions and Contact Information

Purpose & Intent of Local MOEquity

- New fiscal compliance requirement defined in the American Rescue Plan (ARP) Act of 2021.
- 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 Local MOEquity

Applies to all local educational agencies (LEAs) that receive funding authorized by section 2001 of the ARP Act, which includes the following grant programs:

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

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 FY 2022 or 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 use the same measure of poverty used to rank its campuses under section 1113(a) of the Elementary and Secondary Education Act (ESEA) – **this is the measure used in completing the SC5000 of the ESSA Consolidated Federal Grant Application.**

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 (FY21 to FY22, and FY22 to FY23).
- **Important Note:** LEAs must submit a revised MOEquity Tool to TEA 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.

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.

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 of high-poverty campuses, 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 and the highest poverty campuses within each grade span, a comparison is made of the highest poverty campuses' data to the grade span averages.

Automatic Exceptions for MOEquity

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

- 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 (i.e., no campuses within the LEA have overlapping grade spans).

TEA has posted a list of automatically excepted LEAs, based on enrollment and campus data submitted in the LEA's SC5000 of the 2021–2022 ESSA Consolidated Federal Grant Application.

Automatically/Not Automatically Excepted LEAs

- Action required for LEAs that **are** included on the automatic exception list:
 - Review the list posted on the 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 not** included in the automatic exception list and wish to request a reconsideration of automatic exception status:
 - Contact the FFCR Division at Compliance@tea.texas.gov

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 **March 4, 2022**
- Follow-up actions
 - Exception request e-mailed to USDE, or
 - MOEquity Tool submitted to TEA's GFFC Reports and Data Collections

MOEquity Document Submission Plan: notifies TEA that the not automatically excepted LEA is choosing one of the following:

- ◆ **Plan 1:** Complete the LEA Self-Certification (corresponds to USDE's Appendix B)
- ◆ **Plan 2:** Submit a request to USDE to be excepted from the local MOEquity requirement.
- ◆ **Plan 3:** Complete/submit the MOEquity Tool in GFFC Reports and Data Collections for TEA review

Plan 1 - Complete the LEA Self-Certification (corresponds to USDE's Appendix B)

- 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 2022 (2021–2022 school year).
- Specific USDE verbiage is included in the survey.
- **LEAs do not submit supporting documentation to TEA at this time but might be required to at a later date.**

Plan 2 – Submit an exception request to USDE

- LEAs that are unable to certify that there is not an aggregate reduction in 2021–2022 state/local per-pupil funding within the LEA (via Plan 1) can submit a 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 and copy FFCR Division at Compliance@tea.texas.gov.

Plan 3 – Complete/submit the MOEquity Tool in GFFC Reports and Data Collections for TEA review

- LEAs that do not meet the USDE’s automatic exception criteria, cannot certify “no aggregate reduction,” and do not submit an exception request to USDE must complete the MOEquity Tool to calculate compliance.
- Completed MOEquity Tool must be submitted to GFFC Reports and Data Collections by **March 11, 2022**.

MOEquity Tool: Prepopulated Data

Local MOEquity Compliance Determination Tool (MOEquity Tool)

- Pre-populated (by CDN) Excel template (data taken from the SC5000 schedule of LEAs' 2021–2022 ESSA Consolidated Federal Grant application)
 - Campuses
 - Enrollment numbers for 2020–2021 and 2021–2022
 - Poverty percentages (ordered highest to lowest)
- Grade span worksheets pre-populated by Column E data (Grade Span Group Names)
- Auto-calculates
 - Districtwide test
 - Grade span tests

Local MOEquity Compliance Determination Tool (MOEquity Tool)

Required data input by LEA:

- ESC and CDN
- LEA grade span configuration
- Contact information
- Campus information
 - Grade span group name
 - State/local campus allocations
 - Campus FTEs
 - Identified top quartile “high-poverty” campuses

MOEquity Tool: ESC & CDN Selection

Input ESC and CDN number (LEA name and all campuses will auto-populate):

ESC Region	<input type="text"/>
County District Number	<input type="text"/>
District Name	<input type="text"/>

MOEquity Tool: Defining Grade Spans

Grade Span Group Name	Grade Levels Served (leave blank if N/A)
Elementary 1	
Elementary 2	
Middle 1	
Middle 2	
High 1	
High 2	
Other 1	
Other 2	

Define your LEA’s grade span configuration:

- Most will have three:
 - Elementary 1
 - Middle 1
 - High 1
- Use the 2nd and/or “other” option(s) only if there are unique groupings with no overlap of grade spans.

MOEquity Tool: Defining Grade Spans (continued)

Example #1: LEA with overlapping grade spans, which consists of the following campuses –

- Campus A: EE–2
- Campus B: PK–4
- Campus C: K–5
- Campus D: 6–8
- Campus E: 6–12 (alt center, largest enrollment in 6–8)
- Campus F: 9–12

Grade Span Group Name	Grade Levels Served (leave blank if N/A)
Elementary 1	EE-5
Elementary 2	
Middle 1	6-8
Middle 2	
High 1	9-12
High 2	
Other 1	
Other 2	

MOEquity Tool: Defining Grade Spans (continued)

Example #2: LEA with NO overlap that consists of the following campuses –

- Campus A: EE–2
- Campus B: 3–5
- Campus C: 3–5
- Campus D: 6–8
- Campus E: 6–8
- Campus F: 9–12

Allowable Grouping Y

Grade Span Group Name	Grade Levels Served (leave blank if N/A)
Elementary 1	EE-2
Elementary 2	3-5
Middle 1	6-8
Middle 2	
High 1	9-12
High 2	
Other 1	
Other 2	

Allowable Grouping Z

Grade Span Group Name	Grade Levels Served (leave blank if N/A)
Elementary 1	EE-5
Elementary 2	
Middle 1	6-8
Middle 2	
High 1	9-12
High 2	
Other 1	
Other 2	

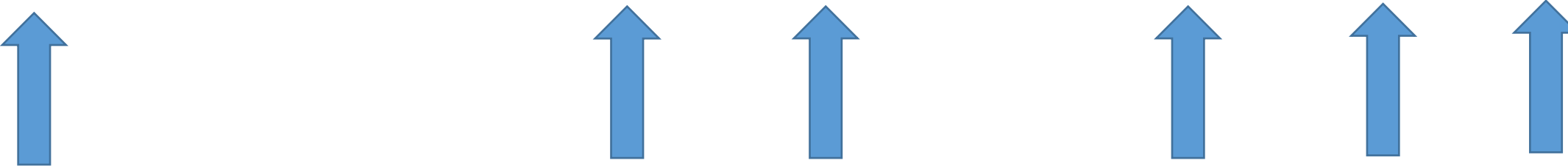
MOEquity Tool: Contact Information

Enter LEA contact information:

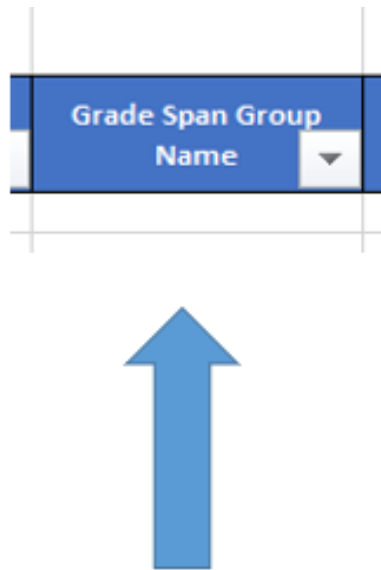
LEA Contact Information	
Name	
Title	
Phone	
E-Mail	

MOEquity Tool: Inputting LEA Data

		2021			2022				
Grade Span Group Name	Low-Income %	Campus Enrollment (2021)	State/Local Expenditures (2021)	FTE (2021)	Campus Enrollment (2022)	State/Local Expenditures (2022)	FTE (2022)	High Poverty Schools	2021

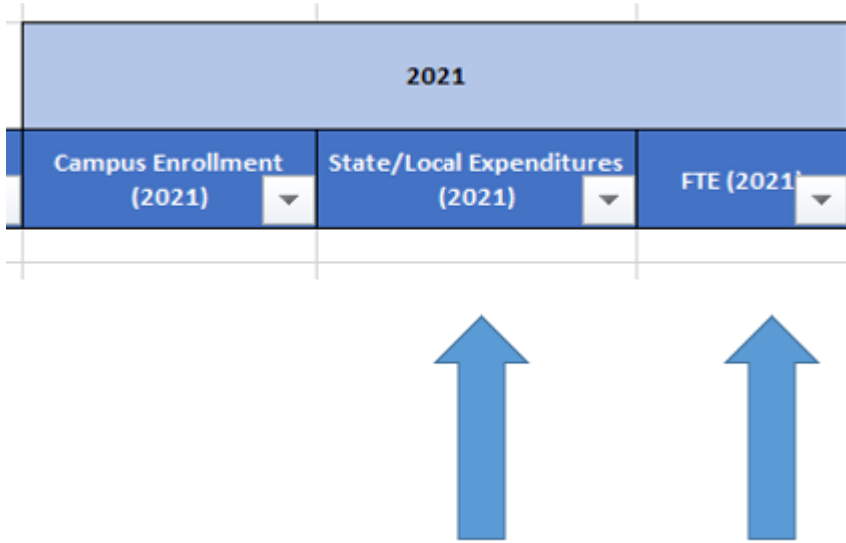


MOEquity Tool: Grade Span Identification



- Drop-down will list all possible grade span names.
- For each campus, select the appropriate grade span (usually Elementary 1, Middle 1, or High 1).
- Cross-check with your LEA's grade span configuration defined previously.
- These selections impact the pre-population of the grade span worksheets.

MOEquity Tool: FY21 Data to be Entered

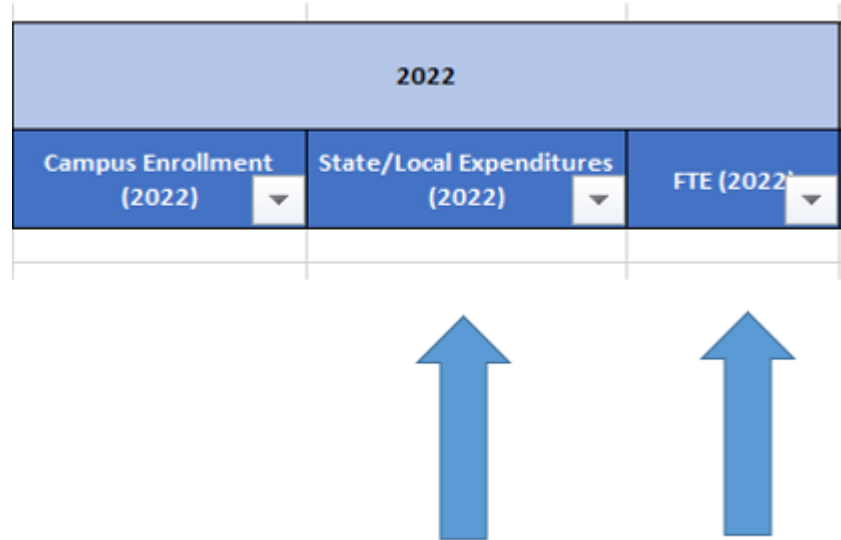


*State and local funding from the board-adopted budget in effect at the PEIMS fall snapshot date.

** LEAs must include all FTEs performing campus-level services, including those funded with federal funds.

- For school year 2020–2021, enter the state/local funding * for each campus
- For school year 2020–2021, enter the allocated full-time equivalents (FTEs**) for each campus
- Note: campus enrollment will be pre-populated using SC5000 data. If data is incorrect, please email compliance@tea.texas.gov.

MOEquity Tool: FY22 Data to be Entered



*State and local funding from the board-adopted budget in effect at the PEIMS fall snapshot date.

** LEAs must include all FTEs performing campus-level services, including those funded with federal funds.

- For school year 2021–2022, enter the state/local funding * for each campus
- For school year 2021–2022, enter the allocated full-time equivalents (FTEs**) for each campus
- Note: campus enrollment will be pre-populated using SC5000 data. If data is incorrect, please email compliance@tea.texas.gov.

Funding sources to report for both FY 2021 and FY 2022:

- Include all sources of **State and local** funds the LEA has allocated to each campus for free public education.
- Do not include dedicated funds for capital outlays and debt service.
- Do not include federal funds or support from private donors, such as charitable contributions.
- Use consistent funding sources from year-to-year and document sources of 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.
- **Important Note:** LEAs must submit a revised MOEquity Tool to TEA 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.

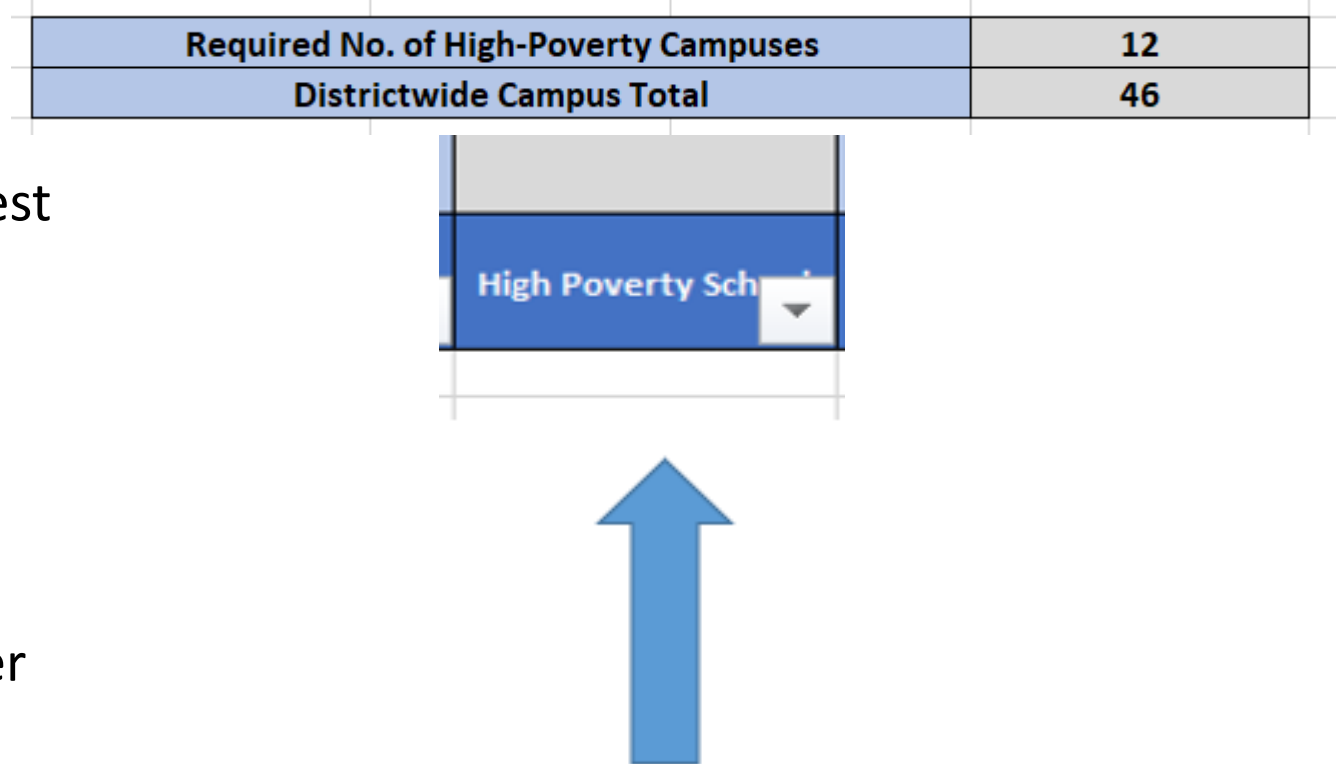
FTEs to report for both FY 2021 and FY 2022:

- 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.
- Include all employees hired by contract who perform campus-level services.
- 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

MOEquity Tool: High-Poverty Campuses

Identify high-poverty campuses:

- Based on the pre-populated poverty data for 2021–2022, campuses will appear in order from highest to lowest poverty percentages
- Number of campuses in top quartile appears in cell K4
- Top quartile calculation: # of campuses/4, rounded up
- Select “yes” for the indicated number of campuses, starting at the top (in this example, the top 12 campuses)



Is my LEA compliant or non-compliant?

- After all required data is input by the LEA, the tool auto-calculates whether the LEA has met the compliance standards for both funding and FTEs
- Data for each individual high-poverty campus is compared to the average for all campuses across the LEA
- Comparison results will show only for the identified top quartile
- Columns Q and U show compliance results: green for compliant and red for noncompliant
- In the example on the next slide, the LEA is compliant for the funding test, but non-compliant for the FTE test on the Districtwide worksheet:

MOEquity Tool: Compliant/Non-Compliant

	Q	R	S	T	U
Per-Pupil Calculations					
d	Funding Equity Test	2021 FTE Per-Pupil	2022 FTE Per-Pupil	Campus FTE Per-Pupil Reduction	FTE Staff Equity Test
	N/A	0.12	0.13	0.000	N/A
	N/A	0.12	0.13	0.000	N/A
	N/A	0.12	0.14	0.000	N/A
	N/A	0.12	0.11	0.012	NC
	N/A	0.12	0.12	0.003	NC
	N/A	0.12	0.13	0.000	N/A
	N/A	0.12	0.13	0.000	N/A
	N/A	0.12	0.14	0.000	N/A
	N/A	0.12	0.10	0.020	NC
	N/A	0.12	0.13	0.000	N/A
	N/A	0.12	0.13	0.000	N/A
	N/A	0.12	0.12	0.003	NC

Using Districtwide vs. Grade Span Testing:

- An LEA must be compliant for **BOTH** the funding and FTE tests for all high-poverty campuses to be compliant
- LEAs may select districtwide or grade-span groupings regardless of the number of high-poverty campuses.
- If Districtwide test is not compliant, the LEA can test the top poverty campuses at the grade span level
 - Total number of identified high-poverty campuses across the grade spans must equal the number required in the top quartile (25 percent)
 - Grade span test compares campuses within the identified grade span groups to the average of data for that grade span

Using Grade-span Testing:

- LEAs are not required to select at least one high-poverty campus per grade span, i.e., LEAs may select all their highest-poverty campuses from one grade-span.
- LEAs may select grade-span grouping even if there is no basis of comparison in one or more grade-spans, but the LEA must select the high-poverty campuses from grade-spans where there is a meaningful basis for comparison.

MOEquity Tool: Grade Span Example

In the example in the chart below, the LEA has elected to use grade span grouping and must identify two (2) high-poverty campuses.

- The LEA may select both high-poverty campuses from the “Elementary 1” or the “Middle 1” grade span.
- The LEA could not select the campus in the “High 1” grouping as there is no basis of comparison within the grade span group.

Learnalot ISD		
Elementary 1	Middle 1	High 1
Euston ES – 65%	Birmingham MS – 70%	Ambleside HS – 65%
Dover ES – 60%	Coventry MS – 68%	
Weymouth ES – 55%	Leeds MS – 45%	
Whitby ES – 54%		

Using Grade-span Testing:

- Since all data entry occurs in the Districtwide worksheet, the LEA must modify its identification as a high-poverty campus within that worksheet
- In a grade span with a single campus, that campus cannot be designated as “high poverty” as there is no basis for comparison

MOEquity Tool: Non-compliant LEAs

Steps to consider if both Districtwide and Grade Span testing, for either or both funding and FTEs, shows non-compliance:

- Funding
 - Consider allocating additional funds to non-compliant campuses
- FTEs
 - Consider allocating additional FTEs to non-compliant campuses
- Or consider submitting an exception request to USDE (Plan 2)
 - Note: If an LEA opts to change from Plan 3 to Plan 2, then the LEA will need to submit a revised MOEquity Document Submission Plan

MOEquity Tool: Important Reminders

1. All LEA data entry is done in the Districtwide worksheet, and both funding and FTE data must be entered for every campus listed.
2. All 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 can be excluded.
3. Most LEAs will have only 3 grade spans: Elementary 1 (EE–5), Middle 1 (6–8), and High 1 (9–12).

4. 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 fall – if 7–8, classify as Middle 1; if 9–12, classify as High 1.

5. Include the second Elementary/Middle/High grade span group ONLY if there is no overlap of grade levels and there are unique distinct groupings at a particular level (e.g., K–2, 3-5, 6–7, etc.)

MOEquity Tool Submission via TEAL

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, 2021–2022.
6. Select Response Document from the Response Doc Type dropdown menu.
7. Choose/find your completed MOEquity Tool.
8. Select Upload Document.

Summary of MOEquity Compliance Paths

Four Possible MOEquity Compliance Paths:

- **Automatically Excepted LEAs:** On the MOEquity webpage, review the list of Local MOEquity: Automatically Excepted LEAs to confirm that your LEA has met USDE automatic exception criteria for enrollment and/or grade span configuration. Contact Compliance@tea.texas.gov for reconsideration requests.
- **Not Automatically Excepted LEAs – Plan 1:** Complete MOEquity Document Submission Plan to complete the “LEA Self-Certification” to confirm/certify that your LEA has no aggregate reduction in combined state and local per-pupil funding in FY 2022.

Summary of MOEquity Compliance Paths (continued)

- **Not Automatically Excepted LEAs – Plan 2:** Complete MOEquity Document Submission Plan to notify TEA that you will be seeking to be excepted from the local MOEquity requirement directly from USDE. Follow-up by sending the exception request to Texas.oese@ed.gov and copying Compliance@tea.texas.gov by **March 4, 2022**.
- **Not Automatically Excepted LEAs – Plan 3:** Complete MOEquity Document Submission Plan to notify TEA that you will be completing/submitting the MOEquity Tool. Follow-up completing/submitting the tool in GFFC Reports and Data Collections by **March 11, 2022**.

Local MOEquity Timeline

Date	Action
October 28, 2021	TAA posted and local MOEquity webpage goes live.
February 1, 2022	GovDelivery distributed with updated guidance regarding budgeted data, FTEs to be included, and revised deadlines.
March 4, 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.
March 11, 2022	For LEAs that are not automatically excepted and selected Plan 3, MOEquity Tool is due to GFFC Reports and Data Collections.
March–May 2022	TEA reviews submissions to ensure compliance and requests clarifications and/or resubmissions as necessary.
June 2022	Compliance letters posted in GFFC Reports and Data Collections.

Federal Fiscal Compliance and Reporting (FFCR) Division

- E-mail: 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
- [Local MOEquity webpage](#)



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