

# Maintenance of Equity

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**Office of Federal Emergency Relief Programs (OFERP)**

# School Finance and OFERP Introduction

## MOEquity Contacts

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# Maintenance of Equity (MOEquity)

MOEquity is a set of **new fiscal and staffing equity requirements** in ARP ESSER. Specifically, MOEquity ensures the following:

SEA	LEA
<ul style="list-style-type: none"><li>• does not disproportionately reduce per-pupil State funding to high-need LEAs.</li><li>• does not reduce per-pupil State funding to the highest-poverty LEAs below their FY 2019 level.</li></ul>	<p>As a condition of receiving funding a district <b><u>shall not</u></b>, in FY2022 or FY2023,</p> <ul style="list-style-type: none"><li>• <b>FISCAL</b> - reduce per-pupil funding in any high-poverty school by an amount that exceeds the per-pupil funding reduction in all schools</li><li>• <b>STAFFING</b> - reduce per-pupil full-time equivalent staff in any high-poverty school by an amount that exceeds the per pupil reduction in FTE staff in all schools</li></ul>

- Schools included in the highest quartile are high-poverty
  - LEAs must maintain both fiscal and staffing equity

# MOEffort vs. MOEquity

Both requirements are intended to help ensure that States and LEAs do not use ARP ESSER funds to reduce State and local financial support for education.

Effort	Equity
<ul style="list-style-type: none"><li>• Must maintain <b>State</b> support for the <b>district</b> at least at the same level<ul style="list-style-type: none"><li>• Requirements for ESSA that current year expenditures from the general fund be at least 90% of the prior year.</li><li>• Requirements for IDEA that 100% of current year expenses for Special Education services from state and local sources equal or exceed the prior year.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• If funding reductions are necessary, both the <b>SEA and each LEA</b> do not disproportionately reduce pre-pupil funding of high-needs <b>schools</b><ul style="list-style-type: none"><li>• Does not apply to ESSA or IDEA</li><li>• New requirement in FY22 for ESSER ARP Funds</li></ul></li></ul>

# MOEquity Exceptions

**Are any LEAs excepted from the MOEquity requirements?**

Yes. Under section 2004(c)(2) of the ARP Act, an LEA need not maintain equity if the LEA:

1. Has a total enrollment of fewer than 1,000 students;
2. Operates a single school;
3. Serves all students within each grade span with a single school; or
4. Demonstrates an exceptional or uncontrollable circumstance.

# Exception #4

Demonstrates an **exceptional or uncontrollable circumstance**, such as:

- unpredictable changes in student enrollment,
- a precipitous decline in the financial resources of the LEA,
- one-time exemption for increased FY 2022 (school year 2021-22) budget, or
- **certify that the LEA will not implement an aggregate reduction in combined State and Local per-pupil funding for FY 2022 and FY2023.**

The USED anticipates very few "exceptional or uncontrollable circumstances" that prevent an LEA from maintaining equity. As a result, **each claim of exception will require case-by-case review by the U.S. Department of Education.**

# Requesting a Waiver

Appendix B (Updated **December 29, 2021**)

Certify that the LEA will not implement an aggregate reduction in combined State and Local per-pupil funding for FY 2022 and FY2023.

**Complete Appendix B and send to the Maine DOE**

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## American Rescue Plan LEA Certification of Exception from Local Maintenance of Equity Requirements

Please submit this certification to your SEA, which will notify the Department which LEAs in the State are excepted from the local maintenance of equity requirements under section 2004(c)(2) of the American Rescue Plan (ARP) Act due to such certifications for FY 2022, FY 2023, or both FYs 2022 and 2023.

LEA name: \_\_\_\_\_

State: \_\_\_\_\_

On behalf of my local educational agency (LEA), I \_\_\_\_\_ (name),  
\_\_\_\_\_ (title), certify that for the:

- 2021-2022 school year (FY 2022)
- 2022-2023 school year (FY 2023)

this LEA demonstrates an exceptional or uncontrollable circumstance under section 2004(c)(2) of the ARP Act. Specifically, this LEA faces implementation challenges due to the enactment of the ARP Act in March 2021 and the impact of the pandemic with respect to budget and enrollment uncertainty. The LEA certifies it will not implement an aggregate reduction in combined State and local per-pupil funding for the relevant fiscal year(s).

By signing this certification, I hereby confirm that I am the authorized representative, with the fiscal and legal authority, to certify on behalf of this school district. In addition, to the best of my knowledge and belief, all the information in this certification is true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name & date

See Appendix B in MOEquity FAQ 7

# Documentation for Exceptions

- LEAs that meet any of the exception criteria are automatically excepted from MOEquity requirements.
  - Such LEAs are not required to calculate fiscal or staffing equity, nor must they submit documentation to the state or the USDE to claim the exception.
- However, USDE advises that automatically excepted LEAs maintain documentation supporting their exception in case it is requested during an audit or monitoring review.



# Data Needed for MOEquity

The data an LEA will need to calculate MOEquity:

- **State and local funding** provided to all schools for school year 2020-2021 and 2021-2022
- **Total number of FTEs** provided to all schools in school year 2020-2021 and 2021-2022
- **Total enrollment** in school year 2020-2021 and 2021-2022
  - *LEAs may use the “most appropriate available enrollment data for the applicable fiscal year.” This could include prior year enrollment, average enrollment over several years, or projected enrollment data.*

A tool and walkthrough [video](#) has been developed to help LEAs determine if they have met the MOEquity requirements.

# Determining “High Poverty Schools”

- 1. Rank** each school by its percentage of **economically disadvantaged** students, from highest percentage to lowest percentage, in each fiscal year. May rank its schools as a **whole** or within each **grade span**.
  - If the LEA ranks by grade span, an LEA may first select the high poverty school in rank order from each grade span.
- 2. Divide** the total **number of schools** in the LEA by **4** to determine the number of schools in the highest quartile. If the result of the division is not a whole number, always round up to the nearest whole number. This is the **number** of schools the LEA must **identify as high-poverty schools**.
- 3. Identify** the highest-poverty quartile of schools (the number of schools identified in step 2) in the LEA as **high-poverty schools**.

# Identification Examples

Example of Districtwide Identification			Example of Grade Span Identification		
School	Economic Disadvantage	Grade Span	School	Economic Disadvantage	Grade Span
School 1	80%	Elem	School 1	80%	Elem
School 2	75%	Elem	School 2	75%	Elem
School 3	65%	Elem	School 3	65%	Elem
School 4	60%	Middle	School 4	60%	Middle
School 5	40%	High	School 5	40%	High
School 6	35%	Elem	School 6	35%	Elem
School 7	25%	Elem	School 7	25%	Elem
School 8	25%	Middle	School 8	25%	Middle
School 9	15%	High	School 9	15%	High

Note: Schools identified as high-poverty for MOEquity purposes are not necessarily the same as the schools eligible for, or participating in, Title I. Although MOEquity and Title I use the same measures to calculate the poverty levels of schools, and both involve a process of ranking schools by poverty, they are not the same. It is possible a school that does not receive Title I funds could be identified as a high-poverty school for MOEquity purposes or vice versa - that is, a school that receives Title I funds might not be identified as a high-poverty school for MOEquity purposes.

# Identifying Funding Sources

"an LEA generally includes **all sources of State and local funds** the LEA has available for current expenditures for free public education."

The term "current expenditures for free public education" is a legal term that comes from Section 8101(12) of the Elementary and Secondary Education Act (ESEA). It includes funding for:

- Administration, Instruction, Attendance and health services, Operation and maintenance of plant, Fixed charges, and Net expenditures to cover deficits for food services and student body activities.

It does not cover funding for:

- dedicated funds for capital outlays, debt service, federal funds or support from private donors.

The LEA must use **consistent funding sources** from year to year and **document** its sources of data.

# Checking Fiscal Equity - Districtwide

To calculate **fiscal equity on a districtwide basis** for 2021-2022, an LEA:

- Divides the total amount of state and local funds provided to all schools in 2020-2021 by the LEA's total enrollment in 2020-2021,
- Divides the total amount of state and local funds provided to all schools in 2021-2022 by the LEA's total enrollment in 2021-2022, and then
- Compares the results to determine the overall decrease in per-pupil state and local funds for all schools.

2020-2021		2021-2022
Total amount of state and local funds provided to all schools in 2020-2021 _____	Compared to	Total amount of state and local funds provided to all schools in 2021-2022 _____
Total enrollment in 2020-2021		Total enrollment in 2021-2022

**LEAs should plan to repeat the steps described above for 2022-2023:  
comparing school year 2021-2022 to 2022-2023**

# Checking Fiscal Equity - Districtwide

Compare the per-pupil reduction for each **high-poverty school** with the per-pupil reduction in State and local funds to **all schools**.

Table 6: Determining whether an LEA maintains fiscal equity for high-poverty schools.

Examples	Per-pupil Reduction in State and Local Funds across All Schools in the LEA	High-poverty School 1 Per-pupil Reduction	High-poverty School 2 Per-pupil Reduction	High-poverty School 3 Per-pupil Reduction
Example 1	\$0	FY21 Per-Pupil Amount: \$23,000 FY22 Per-Pupil Amount: \$23,000 Per-Pupil Reduction: \$0	FY21 Per-Pupil Amount: \$24,050 FY22 Per-Pupil Amount: \$24,000 Per-Pupil Reduction: \$50	FY21 Per-Pupil Amount: \$25,050 FY22 Per-Pupil Amount: \$25,000 Per-Pupil Reduction: \$50
Example 2	\$50	FY21 Per-Pupil Amount: \$25,150 FY22 Per-Pupil Amount: \$25,000 Per-Pupil Reduction: \$150	FY21 Per-Pupil Amount: \$26,150 FY22 Per-Pupil Amount: \$26,050 Per-Pupil Reduction: \$100	FY21 Per-Pupil Amount: \$27,150 FY22 Per-Pupil Amount: \$27,100 Per-Pupil Reduction: \$50
Example 3	\$100	FY21 Per-Pupil Amount: \$20,000 FY22 Per-Pupil Amount: \$19,900 Per-Pupil Reduction: \$100	FY21 Per-Pupil Amount: \$19,000 FY22 Per-Pupil Amount: \$18,900 Per-Pupil Reduction: \$100	FY21 Per-Pupil Amount: \$22,000 FY22 Per-Pupil Amount: \$21,925 Per-Pupil Reduction: \$75

If any high-poverty school receives a reduction in the per-pupil amount of State and local funds that is greater than the districtwide reduction, the LEA has **not maintained fiscal equity** under section 2004(c)(1)(A) of the ARP Act for FY 2022 with respect to that high-poverty school.

# Fiscal Equity - Districtwide Decrease

If there is an *overall decrease* in per-pupil state and local funds for all schools, then the LEA cannot reduce per-pupil state and local funds for any high-poverty school by more than that amount.

- Example: If an LEA provided, on average, \$15,000 of state and local funds per-pupil to its schools in 2020-2021 and plans to provide \$14,000 of state and local funds per-pupil to its schools in 2021-2022, then there has been a **\$1,000 decrease in state and local funds per-pupil overall**. In 2021-2022 the LEA **may not reduce per-pupil state and local funds in any high-poverty school by more than \$1,000**. If, for instance, a high-poverty school received \$17,000 of state and local funds per-pupil in 2020-2021, then it must receive at least \$16,000 of state and local funds per-pupil in 2021-2022 to satisfy the fiscal equity test.

If there is *no decrease* in per-pupil state and local funds for all schools, then the LEA cannot reduce per-pupil state and local funds in any high-poverty school at all.

- Example: If an LEA provides, on average, as much or more state and local per-pupil funding to all of its schools in 2022-2023 as it provided in 2021-2022 could not reduce state and local per-pupil funding in any of its high-poverty schools in 2022-2023 at all.

# Checking Fiscal Equity - Grade Span

To calculate **fiscal equity on a grade span basis** for 2021-2022, an LEA:

- Divides the total amount of state and local funds provided to all schools in each grade span in 2020-2021 by the LEA's total enrollment in each grade span in 2020-2021,
- Divides the total amount of state and local funds provided to all schools in each grade span in 2021-2022 by the LEA's total enrollment in each grade span in 2021-2022, and then
- Compares the results to determine the overall decrease in per-pupil state and local funds for each grade span.

*See Chart on next slide*



# Fiscal Equity - Grade Span Chart

2020-2021	Compared to	2021-2022
<p>Total amount of state and local funds provided to all elementary schools in 2020-2021</p> <hr/> <p>Total elementary school enrollment in 2020-2021</p>		<p>Total amount of state and local funds provided to all elementary schools in 2021-2022</p> <hr/> <p>Total elementary school enrollment in 2021-2022</p>
<p>Total amount of state and local funds provided to all middle schools in 2020-2021</p> <hr/> <p>Total middle school enrollment in 2020-2021</p>		<p>Total amount of state and local funds provided to all middle schools in 2021-2022</p> <hr/> <p>Total middle school enrollment in 2021-2022</p>
<p>Total amount of state and local funds provided to all high schools in 2020-2021</p> <hr/> <p>Total high school enrollment in 2020-2021</p>		<p>Total amount of state and local funds provided to all high schools in 2021-2022</p> <hr/> <p>Total high school enrollment in 2021-2022</p>

# Fiscal Equity – Grade Span Decrease

If there is an *overall decrease* in per-pupil state and local funds for a grade span, then the LEA cannot reduce per-pupil state and local funds for any high-poverty school in that grade span by more than that amount.

- Example: If an LEA provided, on average, \$15,000 of state and local funds per-pupil to its elementary schools in 2020-2021 and plans to provide \$14,000 of state and local funds per-pupil to its elementary schools in 2021-2022, then there has been a **\$1,000 decrease in state and local funds per-pupil overall**. In 2021-2022 the LEA **may not reduce per-pupil state and local funds in any high-poverty elementary school by more than \$1,000**. If, for instance, a high-poverty elementary school received \$17,000 of state and local funds per-pupil in 2020-2021, then it must receive at least \$16,000 of state and local funds per-pupil in 2021-2022 to satisfy the fiscal equity test.

If there is *no decrease* in per-pupil state and local funds for a grade span, then the LEA cannot reduce per-pupil state and local funds for any high-poverty school in that grade span at all.

- Example: If, however, an LEA can certify that it is not experiencing overall budget reductions it can receive an exception for the 2021-2022 school year only.

# Checking Staffing Equity

**How does an LEA determine which FTEs to include when determining whether the LEA maintained staffing equity?**

- must include **all paid staff**, both instructional and non-instructional. This would include all employees and those hired by contract who perform school-level services.
- staff who **split their time** between more than one school building should include the **proportional FTE** for each school
- An LEA is also encouraged to consider **equity** in terms of its **overall staffing budget**, which may include considering the **qualifications and level of experience** of staff in its high-poverty schools compared to other schools.
- LEAs should make every effort to ensure **staffing equity is maintained throughout the school year**.

# Checking Staffing Equity - Districtwide

For **staffing equity on a districtwide basis** for 2021-2022, an LEA:

- Divides the total number of FTEs provided to all schools in 2020-2021 by the LEA's total enrollment in 2020-2021,
- Divides the total number of FTEs provided to all schools in 2021-2022 by the LEA's total enrollment in 2021-2022, and then
- Compares the results to determine the overall decrease in per-pupil FTEs for all schools.

2020-2021		2021-2022
$\frac{\text{Total number of FTEs provided to all schools in 2020-2021}}{\text{Total enrollment in 2020-2021}}$	Compared to	$\frac{\text{Total number of FTEs provided to all schools in 2021-2022}}{\text{Total enrollment in 2021-2022}}$

# Staffing Equity – Districtwide Decrease

If there is an *overall decrease* in per-pupil FTEs for all schools, then the LEA cannot reduce per-pupil FTEs for any high-poverty school by more than that amount.

- Example: If an LEA provided, on average, 0.09 FTE per-pupil to its schools in 2020-2021 and plans to provide 0.08 FTE per-pupil to its schools in 2021-2022, then there has been a **0.01 reduction in per-pupil FTEs overall**. In 2021-2022 the LEA **may not reduce per-pupil FTEs in any high-poverty school by more than 0.01**. If, for instance, a high-poverty elementary school received 0.1 FTEs per-pupil in 2020-2021, then it must receive at least 0.09 FTEs per-pupil in 2021-2022 to satisfy the staffing equity test.

If there is *no decrease* in per-pupil FTEs for all schools, the LEA cannot reduce per-pupil FTEs for any high-poverty school at all.

- Example: If an LEA provided, on average, 0.09 FTEs per-pupil to its schools in 2020-2021 and plans to provide at least 0.09 FTEs per-pupil to its schools in 2021-2022, then there has been a 0 decrease in FTEs per-pupil overall. In 2021-2022 the LEA may not reduce per-pupil FTEs to any high poverty school at all. If, for instance, a high-poverty school received 0.1 FTEs per-pupil in 2020-2021, then it must receive at least 0.1 FTEs per-pupil in 2021-2022.

# Checking Staffing Equity - Grade Span

To calculate **staffing equity on a grade-span basis** for 2021-2022, an LEA:

- Divides the total number of FTEs provided to all schools in each grade span in 2020-2021 by the LEA's total enrollment in each grade span in 2020-2021,
- Divides the total number of FTEs provided to all schools in each grade span in 2021-2022 by the LEA's total enrollment in each grade span in 2021-2022, and then
- Compare the results to determine the overall decrease in per-pupil FTEs for each grade span.

*See Chart on Next Slide*

# Staffing Equity - Grade Span Chart

<p style="text-align: center;"><b>2020-2021</b></p> <p style="text-align: center;">Total number of FTEs provided to all elementary schools in 2020-2021 _____</p> <p style="text-align: center;">Total elementary school enrollment in 2020-2021</p>	<p>Compared to</p>	<p style="text-align: center;"><b>2021-2022</b></p> <p style="text-align: center;">Total number of FTEs provided to all elementary schools in 2021-2022 _____</p> <p style="text-align: center;">Total elementary school enrollment in 2021-2022</p>
<p style="text-align: center;">Total number of FTEs provided to all middle schools in 2020-2021 _____</p> <p style="text-align: center;">Total middle school enrollment in 2020-2021</p>	<p>Compared to</p>	<p style="text-align: center;">Total number of FTEs provided to all middle schools in 2021-2022 _____</p> <p style="text-align: center;">Total middle school enrollment in 2021-2022</p>
<p style="text-align: center;">Total number of FTEs provided to all high schools in 2020-2021 _____</p> <p style="text-align: center;">Total high school enrollment in 2020-2021</p>	<p>Compared to</p>	<p style="text-align: center;">Total number of FTEs provided to all high schools in 2021-2022 _____</p> <p style="text-align: center;">Total high school enrollment in 2021-2022</p>

# Staffing Equity – Grade Span Decrease

If there is an *overall decrease* in per-pupil FTEs for a grade span, then the LEA cannot reduce per-pupil FTEs for any high-poverty school by more than that amount.

- Example: If an LEA provided, on average, 0.09 FTE per-pupil to its elementary schools in 2020-2021 and plans to provide 0.08 FTE per-pupil to its elementary schools in 2021-2022, then there has been a **0.01 reduction in per-pupil FTEs overall**. In 2021-2022 the LEA **may not reduce per-pupil FTEs in any high-poverty elementary school by more than 0.01**. If, for instance, a high-poverty elementary school received 0.1 FTEs per-pupil in 2020-2021, then it must receive at least 0.09 FTEs per-pupil in 2021-2022 to satisfy the staffing equity test.

If there is *no decrease* in per-pupil FTEs in a grade span, the LEA cannot reduce per-pupil FTEs for any high-poverty school in that grade span at all.

- Example: If an LEA provided, on average, 0.09 FTEs per-pupil to its elementary schools in 2020-2021 and plans to provide at least 0.09 FTEs per-pupil to its elementary schools in 2021-2022, then there has been a **0 decrease in FTEs per-pupil overall**. In 2021-2022 the LEA **may not reduce per-pupil FTEs to any high-poverty school elementary school at all**. If, for instance, a high-poverty elementary school received 0.1 FTEs per-pupil in 2020-2021, then it must receive at least 0.1 FTEs per-pupil in 2021-2022.



# Resources

A [tool](#) and walkthrough [video](#) has been developed to help LEAs determine if they have met the MOEquity requirements.

- [ARP Law](#)
- [ARP ESSER Interim Final Rule](#)
- [US ED APR ESSER](#)
- [Use of Funds FAQ \(A-4, C-1, E-12 and E-12\)](#)
- [US ED Maintenance of Equity](#)
- [MoEquity Guidance](#)
- [MoEffort Guidance](#)
- [Maine's Federal Emergency Relief Programs](#)

# Q & A

Please use the chat box to ask questions and our team will follow-up!



# Contact Information

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