Office Hour Focused on Maintenance of Equity

Thursday, December 2, 2021 - 9:00am
Office of Federal Emergency Relief Programs (OFERP)
### MOEquity Contacts

<table>
<thead>
<tr>
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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:

<table>
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<th>SEA</th>
<th>LEA</th>
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| • does not disproportionately reduce per-pupil State funding to high-need LEAs.  
  • does not reduce per-pupil State funding to the highest-poverty LEAs below their FY 2019 level. | As a condition of receiving funding a district **shall not**, in FY2022 or FY2023,  
  • **FISCAL** - reduce per-pupil funding in any high-poverty school by an amount that exceeds the per-pupil funding reduction in all schools  
  • **STAFFING** - 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 |

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

*See question 22, 23 and 31 in MOEquity FAQ*
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.

<table>
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<th><strong>Effort</strong></th>
<th><strong>Equity</strong></th>
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<td>• Must maintain State support for the district at least at the same level</td>
<td>• If funding reductions are necessary, both the SEA and each LEA do not disproportionately reduce pre-pupil funding of high-needs schools</td>
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See question 2 in MOEquity FAQ
Are any LEAs exempt 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.

See question 32 in MOEquity FAQ
Exemption #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 is not experiencing overall budget reductions for FY 2022.
  • *It is unclear whether U.S. Department of Education (USDE) will offer this exception again for the 2022-2023 school year.*

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 Department.

See question 32 in MOEquity FAQ
Before requesting a waiver, the LEA should calculate MOEquity to determine if it is unable to maintain Fiscal and Staffing equity.

If requesting a waiver for this year:

- Appendix B - *LEA Certification of Exception from Local Maintenance of Equity Requirements*, available in the FAQ, will need to be completed; and
- Sent to the USDE (Maine.oose@ed.gov).
  - Please cc the Maine Department of Education at shelly.chassejohndro@maine.gov on all exemption requests.

See question 32 in MOEquity FAQ
LEAs that meet any of the exemption 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.

See question 32 in MOEquity FAQ
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**.

*See question 25 in MOEquity FAQ*
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.
"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.

See question 17 in MOEquity FAQ
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.

LEAs should plan to repeat the steps described above for 2022-2023: comparing school year 2021-2022 to 2022-2023
**Compare** the per-pupil reduction for each *high-poverty school* with the per-pupil reduction in State and local funds to *all schools*.

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

See question 27 in MOEquity FAQ 14
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**.
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

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<thead>
<tr>
<th>2020-2021</th>
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<th>2021-2022</th>
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<tbody>
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<tr>
<td>Total amount of state and local funds provided to all middle schools in 2020-2021</td>
<td>Compared to</td>
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<td>Total amount of state and local funds provided to all high schools in 2020-2021</td>
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See question 27 in MOEquity FAQ
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.
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
- 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.

See question 28 and 29 in MOEquity FAQ
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.
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.
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.
### Staffing Equity - Grade Span Chart

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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.
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 (under construction)**
Q & A

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