

Dear District Leader,

This is a notice to all districts regarding federal Maintenance of Equity (MOEquity) requirements for Local Education Agencies (LEAs) that are receiving Elementary and Secondary School Education Relief (ESSER) funds under the American Rescue Plan Act of 2021. **All LEAs must complete ISBE's [FY22 MOEquity Exemption Survey](#) by or before Dec. 3, 2021.**

MOEquity is a fiscal requirement for State Education Agencies and LEAs that are receiving ESSER III funds. MOEquity specifies that LEAs receiving ESSER III funds must protect certain high-poverty schools from disproportionate reductions in state and local funding and staffing in fiscal years 2022 and 2023, as determined by federal guidelines. This requirement is intended to ensure schools serving large proportions of low-income students receive an equitable share of state and local funds.

An LEA identifies its high-poverty schools by ranking all schools within the LEA according to poverty. An LEA may not disproportionately reduce state and local per-pupil funding or staffing in the highest-poverty 25% of schools under MOEquity. ISBE's [FY22 LEA MOEquity Exemption Survey](#) will support LEAs in determining the extent to which they must implement MOEquity provisions in FY 2022, including whether they are eligible for exemption or waiver. The survey will collect the following data:

- 1. Exemptions:** LEAs are exempt from MOEquity if they meet one of the criteria below. If an LEA selects an exemption in the survey, it does not need to submit additional information to ISBE.
Criteria:
 - Has a total home student enrollment of fewer than 1,000 students; or
 - Operates a single school; or
 - Serves all students within each grade span with a single school (e.g. one school for K-5, one for 6-8, and one for 9-12 with no overlapping grade spans).
- 2. FY22 Certification of Exception:** On August 6, 2021, the U.S. Department of Education (ED) issued a new exemption process that applies to FY 2022. Any LEA that is not facing an overall budget reduction may submit a form certifying that it is facing implementation challenges due to the pandemic and the timing of ARP enactment, when budget decisions were already well underway. MOEquity requirements are waived in FY 2022 for all LEAs submitting this certification. LEAs may review a copy of this Certification of Exception at <https://www.isbe.net/Pages/covid19.aspx> under Federal Funding - ESSER. Eligible LEAs must submit the survey and send a signed Certification of Exception to ARPMOEQUITY@ISBE.net by or before December 3.
- 3. ED Waiver Request:** On the basis of certain "exceptional or uncontrollable circumstances," LEAs may request a waiver from ED. LEAs intending to request a waiver will indicate this in the survey. Additional instructions will be provided.
- 4. FY22 MOEquity Demonstration Worksheet:** LEAs that are neither exempt nor eligible for a waiver must submit the survey and send a completed copy of ISBE's MOEquity Demonstration Worksheet to ARPMOEQUITY@ISBE.net by December 3. This excel spreadsheet will allow LEAs to model MOEquity fiscal and staffing tests and submit final data to ISBE.

All LEAs must complete ISBE's [FY22 LEA MOEquity Exemption Survey](#). ISBE has prepared webinars to guide LEAs in submitting the FY22 LEA MOEquity Exemption Survey and completing the MOEquity Demonstration Worksheet. These resources, along with other guidance, can be found at

<https://www.isbe.net/Pages/covid.aspx> under Federal Funding – ESSER. Additional questions may be sent to ARPMOEquity@ISBE.net.

Sincerely,

ISBE MOEquity Team