



ESSER III Maintenance of Equity

Webinar Part I:
FY 2022 LEA Requirements and ISBE Exemption Survey

November 2, 2021

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ISBE's MOEquity Webinars

Webinar Pt. 1: Exemption Survey

- Survey is required for all districts
- Provides overview of MOEquity requirements
- Guidance on eligibility for MOEquity exemption or waiver in FY22
- Instructions to complete ISBE's FY22 Exemption Survey
 - Required by December 3

Webinar Pt. 2: Demonstration Tool

- Only for districts not eligible for exemption or waiver in FY22
- Instructions for completing ISBE's FY22 MOEquity Demonstration Tool and submitting final data to ISBE

ISBE's MOEquity Resources:
<https://www.isbe.net/Pages/covid19.aspx>



Agenda

I. What is MOEquity?

II. FY22 LEA MOEquity Exemption Survey

I. Required for all LEAs

To maintain consistency with MOEquity guidance, we refer to districts as LEAs.

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What is Maintenance of Equity?

Maintenance of Equity (MOEquity) requirements were first enacted in the American Rescue Plan Act of 2021 (ARP).

- State and Local Education Agencies (SEAs and LEAs) receiving funds under the Elementary and Secondary School Emergency Relief (ARP ESSER) Fund must comply with these new requirements.
- The intent of MOEquity is to help "ensure that State and local funding supports the students who have been subject to longstanding opportunity gaps in our education system and have also experienced the greatest impact from the COVID-19 pandemic."
 - Secretary of Education Miguel Cardona
Aug. 6 Letter to Chief State School Officers and District Superintendents



Statutory Language: Section 2004(c) ARP Act

Fiscal Test

Staffing Test

LOCAL EDUCATIONAL AGENCY MAINTENANCE OF EQUITY FOR HIGH-POVERTY SCHOOLS.—

(1) IN GENERAL.—As a condition of receiving funds under section 2001, a local educational agency shall not, in fiscal year 2022 or 2023—

- (A) reduce per-pupil funding (from combined State and local funding) for any high-poverty school served by such local educational agency by an amount that exceeds— (i) the total reduction in local educational agency funding (from combined State and local funding) for all schools served by the local educational agency in such fiscal year (if any); divided by (ii) the number of children enrolled in all schools served by the local educational agency in such fiscal year; or
- (B) reduce per-pupil, full-time equivalent staff in any high-poverty school by an amount that exceeds— (i) the total reduction in full-time equivalent staff in all schools served by such local educational agency in such fiscal year (if any); divided by (ii) the number of children enrolled in all schools served by the local educational agency in such fiscal year



Identification: High-Poverty Schools

"A 'high-poverty school' is, with respect to a school served by an LEA, a school that is in the highest quartile of schools served by the LEA based on the percentage of economically disadvantaged students in the school."
-(FAQ Q23)

A LEA may elect to identify high-poverty schools on a district-wide or a grade-span basis, depending on how it allocates its resources.

District-Wide	Grade-Span
<ol style="list-style-type: none"> Rank each school by its percentage of poverty* Divide the total number of schools in the LEA by 4 and round up to the nearest whole number. This is the number of high-poverty schools the LEA must identify. 	<ol style="list-style-type: none"> Rank each school within each grade span (e.g. K-5, 6-8, 9-12) based on its percentage of poverty* Divide the total number of schools in the LEA by 4 and round up to the nearest whole number. This is the number of high-poverty schools the LEA must identify.

*Consistent with the measure(s) of poverty used to rank schools under section 1113(a) of the ESEA



District-Wide Example

Table 4. Identifying high-poverty schools in an LEA as a whole (in a sample LEA with nine schools)*

School	Percentage of Economically Disadvantaged Students	Grade Span	High-Poverty School?
School A	80%	Elementary	Yes
School B	75%	Elementary	Yes
School C	65%	Elementary	Yes
School G	60%	Middle	No
School I	40%	High	No
School D	35%	Elementary	No
School E	25%	Elementary	No
School H	25%	Middle	No
School F	15%	Elementary	No

* The LEA in this example must identify three high-poverty schools.



Grade-Span Example

Table 5. Identifying high-poverty schools by grade span in an LEA (in a sample LEA with nine schools)*

School	Percentage of Economically Disadvantaged Students	Elementary Grade Span	Middle Grade Span	High School Grade Span	High-Poverty School
School A	80%	X			Yes
School B	75%	X			No
School C	65%	X			No
School D	35%	X			No
School E	25%	X			No
School F	15%	X			No
School G	60%		X		Yes
School H	25%		X		No
School I	40%			X	Yes

* The LEA must identify three high-poverty schools.

Table 5 illustrates the process described above except on a grade span basis. The LEA identifies the highest poverty elementary school (School A), middle school (School G), and high school (School I) because the LEA must identify three schools. If the LEA were required to identify, for example, two additional schools, it could continue to identify one school in each grade span — i.e., the next highest poverty school in the elementary and middle school grade spans (Schools B and H) — or it could identify the next two highest poverty schools overall — i.e., Schools B and C.



LEA High-Poverty (HP) School Tests

Fiscal

$$\frac{\text{HP School FY22 allocation}}{\text{HP School FY22 enrollment}} \geq \frac{\text{HP School FY21 allocation}}{\text{HP School FY21 enrollment}}$$

Allocation = state and local funds budgeted for school
Test repeats for FY23 (e.g. FY23 ≥ FY22)

Staffing

$$\frac{\text{HP School FY22 FTE Staff}}{\text{HP School FY22 enrollment}} \geq \frac{\text{HP School FY21 FTE Staff}}{\text{HP School FY21 enrollment}}$$

All staff included—federally funded, instructional, non-instructional
Test repeats for FY23 (e.g. FY23 ≥ FY22)

The formula above for high-poverty schools assumes flat or increasing funding allocations from the LEA. If a district *reduces* overall per-pupil funding to schools, any reduction to high-poverty schools may not exceed the district-wide average reduction in per-pupil funding. The same rule applies to the staffing test.



Agenda

I. What is MOEquity?

II. FY22 LEA MOEquity Exemption Survey

I. Required for all LEAs



FY22 LEA MOEquity Exemption Survey

All LEAs must submit this survey no later than December 3, 2021. The survey is organized as follows:

- Section 1: LEA information
- Section 2: LEA Exemptions
- Section 3: FY22 Certification of Exception
- Section 4: USDE Waiver Requests
- Section 5: MOEquity Determination Worksheet
- Section 6: Attestation

The survey responds dynamically to LEA responses. Therefore, not all sections are required for all LEAs. The survey should take most LEAs ~15 minutes to complete.



Section 1: LEA Information

Section 1 collects the following information from each LEA:

1. LEA Name
2. RCDTS
3. NCES District ID
4. First and Last Name (of submitter)
5. Role/Title (of submitter)

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Section 2: LEA Exemptions

Section 2 supports LEAs in identifying whether they are eligible for exemption from MOEquity. An LEA is exempt if it meets any one of the following criteria:

1. Has home enrollment <1000 students
2. Operates a single school
3. Serves all students within each grade span in a single school (e.g. one school for K-5, one for 6-8, and one for 9-12).

An LEA that confirms an exemption, will skip to section 6 and submit the form. No other information is required from these LEAs.

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Section 3: Certification of Exception

Appendix B (NEW August 6, 2021)

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 exempted 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.

LEA name: _____

State: _____

On behalf of my local educational agency (LEA), I _____ (name), _____ (title), certify that for the 2021-2022 school year, this LEA demonstrates an exceptional or uncontrollable circumstance under section 2004(c)(2) of the ARP Act. Specifically, this LEA faces one-time implementation challenges due to the enactment of the ARP Act in March 2021 and the impact of the pandemic. Given these unique timing and implementation circumstances and that this LEA will not implement an aggregate reduction in combined State and local per-pupil funding in FY 2022 (i.e., is not facing overall budget reductions), this LEA demonstrates such an exceptional or uncontrollable circumstance under section 2004(c)(2) of the ARP Act.

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

Eligibility: No aggregate reduction in combined state and local per-pupil funding in FY22 (i.e., is not facing overall budget reductions)

By or before December 3, eligible LEAs must email a signed copy of the waiver to ARPMOEQUITY@ISBE.net in addition to submitting the FY22 MOEquity Exemption Survey.



MOEquity Funding Exclusions

Exclusions (Consistent with Site-Based Reporting)

Funds budgeted for:

- Fund 30: Debt Service
- Fund 60: Capital Projects
- Fund 70: Working Cash
- Fund 90: Fire Prevention and Safety
- Function 1115: Tuition Payments to Charter Schools
- Function 1300: Adult/Continuing Education Programs
- Function 3000: Community Services
- Functions 4130, 4230, 4330: Payment to other governmental agencies for adult/continuing education programs
- Function 5000: Debt Services
- Object 500: Capital Outlay and/or Depreciation (may include or exclude expenditures in fund 10)
- County Juvenile Detention Center Expenditures
- Legacy Pension Obligations
- Reimbursable expenditures that come from an LEA that would be reporting the expenditure
- Function 1999: Student Activity
- TRS on-behalf payments

Additional Exclusions

- Federal funds
- Support from private donors
- Funds from state and local grants where the LEA is reimbursed for expenses based on the actual cost of services (e.g. the state After School Programs Grant)
- One-time disbursements for a specific purpose, if any



Section 4: USDE Waiver Requests

LEAs may request a waiver from MOEquity requirements based on certain "exceptional or uncontrollable circumstances." The US Department of Education provides the following examples in its MOEquity Guidance:

- Increased, one-time expenditures in the baseline year (2020-2021) due to the pandemic
- A very small school where the MOEquity calculations do not provide meaningful information about resource availability
- A significant change in the expenses of a school that no longer serves a student who has educational and support needs or required services that have a particularly high cost.
- Unpredictable changes in student enrollment
- A precipitous decline in financial resources

LEAs will indicate their intent to request a USDE waiver in ISBE's exemption survey. They will be asked to summarize the intended waiver request. The survey will then skip to Section 6 (attestation).

USDE will review each waiver request individually. To request a waiver, LEAs must email USDE (illinois.oese@ed.gov) and cc ISBE (ARPMOEQUITY@ISBE.net). Waiver requests must be made no later than December 3



Section 5: Demonstration Worksheet

LEAs that are not eligible for exemptions or waiver must implement MOEquity requirements in FY22 and FY23.

ISBE has created a worksheet and guidance to support LEAs in making MOEquity determinations. You can find these resources at <https://www.isbe.net/Pages/covid19.aspx>.

By or before December 3, LEAs must email a completed demonstration worksheet to ARPMOEQUITY@ISBE.net in addition to submitting the FY22 MOEquity Exemption Survey.

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Section 6: Attestation

By submitting this form, I hereby confirm that I am the authorized representative, with the fiscal and legal authority, to certify this information on behalf of this school district. In addition, to the best of my knowledge and belief, all the information in this form is true and correct. If a representative other than the superintendent is submitting this form, submission signals that the superintendent has approved of the information contained within this form.

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Next Steps

1. Complete the [FY22 LEA MOEquity Exemption Survey](#) along with any required deliverables by December 3, 2021.
2. Certification of Exemption: LEAs eligible for this exemption should submit the survey and send the signed certification to ARPMOEQUITY@ISBE.net by December 3.
3. USDE Waiver: LEAs requesting a USDE waiver should submit the survey and email illinois.oese@ed.gov and cc ARPMOEQUITY@ISBE.net by December 3.
4. Questions can be sent to ARPMOEQUITY@ISBE.net
5. This webinar/ppt and all related resources can be found at <https://www.isbe.net/Pages/covid19.aspx> under Federal-Funding ESSER.

LEAs not eligible for exemption or waiver should also watch PT. II of this webinar to learn more about ISBE's MOEquity Demonstration Tool.