

Frequently Asked Questions

Maintenance of Equity (MOEquity) LEA Requirements

Excerpt from the Frequently Asked Question released by U.S. Department of Education (ED) entitled American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER) Program Maintenance of Equity Requirement document: [Maintenance-of-Equity-updated-FAQs 12.29.21 Final.pdf](#)

1. **What is Maintenance of Equity (MOEquity)?**

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

- An SEA does not disproportionately reduce per-pupil State funding to high-need LEAs.
- An SEA does not reduce per-pupil State funding to the highest-poverty LEAs below their FY19 level.
- An LEA does not disproportionately reduce State and local per-pupil funding in high-poverty schools.
- An LEA does not disproportionately reduce the number of full-time-equivalent (FTE) staff per pupil in high-poverty schools

2. **Which entities must comply with the MOEquity requirements?**

Each SEA and LEA that receives ARP ESSER funds must comply with the applicable MOEquity requirements in section 2004(b) or (c) of the ARP Act, respectively, as a condition of receiving those funds. (Note: Some LEAs are exempt from maintaining equity, See [Question 10](#) and [Maintenance of Equity \(MOEquity\) Exception Guidance for LEAs](#))

3. **In which fiscal years must an SEA and LEA maintain equity?**

An SEA and LEA must maintain equity for FY22 and FY23.

4. **What MOEquity requirements apply to an LEA?**

Under section 2004(c) of the ARP Act, as a condition of receiving ARP ESSER funds, an LEA may not, in FY22 or FY23

- Reduce combined State and local per-pupil funding for any high-poverty school by an amount that exceeds the total reduction, if any, of combined State and local per-pupil funding for all schools in the LEA.
- Reduce the number of FTE staff per-pupil in any high-poverty school by an amount that exceeds the total reduction, if any, of FTE staff per-pupil in all schools in the LEA.

5. **Must an LEA meet both MOEquity requirements?**

Yes. An LEA that receives ARP ESSER funds must maintain both fiscal and staffing equity.

6. **What is a high-poverty school?**

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.

7. What does “fiscal year” mean when determining MOEquity?

For purposes of determining MOEquity, an SEA and its LEAs may use either the applicable State fiscal year or Federal fiscal year. In either case, the applicable school year for FY22 would be school year (SY) 2021-22 and the applicable school year for FY23 would be SY 2022-23.

	Federal Fiscal Year	State Fiscal Year	School Year
FY22	Oct. 1, 2021-Sept. 30, 2022	July 1, 2021-June 30, 2022	2021-22
FY23	Oct. 1, 2022-Sept. 30, 2023	July 1, 2022-June 30, 2023	2022-23

8. Which funding sources must an LEA include when determining its per-pupil funding for the purposes of maintaining fiscal equity?

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 include:

- 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.

9. What data are required for MOEquity?

The data an LEA will need to calculate MOEquity include the following:

- State and local funding provided to all schools for school year 2020-21 and 2021-22
- Total number of FTEs provided to all schools in school year 2020-21 and 2021-22
- Total enrollment in school year 2020-21 and 2021-22

10. Are any LEAs exempted 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 less 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, such as unpredictable changes in student enrollment or a precipitous decline in the financial resources of the LEA as determined by the Secretary.

Please see: [Maintenance of Equity \(MOEquity\) Exception Guidance for LEAs.](#)