

DATE:	September 15, 2022
SUBJECT:	Upcoming LEA Deadline: LEA-level Maintenance of Equity (MOEquity) Compliance Requirement for the 2022–2023 School Year
CATEGORY:	Compliance and Funding Implications
NEXT STEPS:	LEAs to submit required compliance documents by 12/9/22 (and 1/27/23, as applicable)

This letter describes a data submission required from certain local educational agencies (LEAs) that receive funding from grants authorized by section 2001 of the American Rescue Plan Act of 2021 (ARP), including the following:

- 2020–2023 ARP ESSER III
- 2021–2023 ESSER Supplemental (ESSER-SUPP)
- 2021–2024 Texas COVID Learning Supports (TCLAS)

LEA-level Maintenance of Equity Requirement

LEA-level maintenance of equity (MOEquity) requirement helps ensure that schools/campuses serving a large share of students from low-income backgrounds do not experience a disproportionate reduction in funding in fiscal years 2022 (school year 2021–2022) and 2023 (school year 2022–2023).

The [LEA-level MOEquity webpage](#) provides detailed MOEquity information, including links to required documents with instructions on completion and submission.

Automatically Excepted LEAs

Under ARP Section 2004(c)(2), an LEA that meets at least one of the following criteria is automatically excepted from maintaining equity:

- Has a total enrollment of less than 1,000 students
- Operates a single campus
- Serves all students within each grade span with a single campus (that is, no campuses within the LEA have overlapping grade spans)

LEAs that meet the criteria for automatic exception are not required to submit any further documentation to TEA.

Using LEA data submitted and certified by the LEA authorized official on the SC5000 schedule of the 2022–2023 ESSA Consolidated Federal Grant Application, TEA will generate a preliminary list of LEAs that meet at least one of those criteria. The list of fiscal year 2023 (school year 2022–2023) automatically excepted LEAs will be available on the [LEA-level MOEquity webpage](#).

Please note that the U.S. Department of Education verified that all campuses within an LEA, including alternative campuses, must be included for determining LEA-level MOEquity compliance (see MOQ-Q24, line 471, in TEA’s [ESSER FAQs for additional details](#)). Also, an LEA that has been erroneously included or excluded from the “automatically excepted” list must email the Federal Fiscal Compliance and Reporting (FFCR) Division at compliance@tea.texas.gov by **December 2, 2022.**

Requirement for LEAs Not Automatically Excepted

LEAs that are not automatically excepted have three options for complying with MOEquity:

- **USDE exception request:** The LEA may request an exception of MOEquity on the basis of “exceptional or uncontrollable circumstances,” as described on the [LEA-level MOEquity webpage](#).
- **LEA Self-Certification of Exception:** The LEA may complete the self-certification to provide assurance of no aggregate reduction in state/local per-pupil funding to campuses in fiscal year 2023 (school year 2022–2023) compared to fiscal year 2022 (school year 2021–2022). The self-certification is completed within the MOEquity Document Submission Plan survey, and if chosen, **no further action is required**.
- **MOEquity Tool:** An LEA that does not 1) request a USDE exception, or 2) self-certify no aggregate state/local per-pupil reduction in funding, must conduct equitable services testing with 2022–2023 current school year budgeted data using the MOEquity Tool. Instructions for using the tool are included on the [LEA-level MOEquity webpage](#).

All LEAs that are not automatically excepted must submit the [MOEquity Document Submission Plan survey](#) to notify TEA of their chosen method of compliance.

Submission Deadlines

For fiscal year 2023 (school year 2022–2023), the following MOEquity deadlines apply:

- **MOEquity Document Submission Plan survey:** Must be submitted by **December 9, 2022**.
- **MOEquity Tool:** Must be submitted by **January 27, 2023**.

LEA-level MOEquity Training

The FFCR Division is offering the following Zoom online trainings:

- **Fiscal Year 2023 LEA-level MOEquity Overview & Updates** (the 2 sessions below are identical):
 - [Register for the September 22, 2022, from 10:00–11:00 am session](#)
 - [Register for the September 27, 2022, from 10:00–11:00 am session](#)
- **Fiscal Year 2023 MOEquity Tool Instructions & Updates** (for LEAs that choose Plan 3: Tool Completion):
 - [Register for the October 4, 2022, from 10:00–11:00 am session](#)

Failure to Comply

Failure to comply with LEA-level MOEquity submission requirements by the stated deadlines may result in TEA’s application of any of the following enforcement actions, in accordance with Title 2 of the code of federal regulations (CFR) §200.339:

- Temporarily withholding of cash payments, pending correction of the deficiency or more severe enforcement action
- Disallowance of all or part of the cost of an activity or action not in compliance
- Suspension, in whole or in part, or termination of the federal award
- Initiation of suspension or debarment proceedings
- Withholding of further federal awards for the program
- Taking other remedies that may be legally available

For Further Information

Please refer to the [LEA-level MOEquity webpage](#) for detailed information on the MOEquity requirement, required submissions, and deadlines.

With any further questions, please email FFCR at compliance@tea.texas.gov.