

<b>DATE:</b>	<b>October 28, 2021</b>
<b>SUBJECT:</b>	<b>Upcoming LEA Deadline: Local Maintenance of Equity (MOEquity) Compliance Requirement for the 2021–2022 School Year</b>
<b>CATEGORY:</b>	<b>Compliance and Funding Implications</b>
<b>NEXT STEPS:</b>	<b>LEAs to submit required compliance documents by 12/03/21 (and 12/10/21, as applicable)</b>

This letter describes a data submission required from certain local educational agencies (LEAs) that receive funding from grants authorized by 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)

### Local Maintenance of Equity Requirement

The ARP’s local maintenance of equity requirement (MOEquity, previously referred to as MOQ) 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 and 2023 (FY22 and FY23).

The [MOEquity page](#) of the TEA website provides detailed MOEquity information, including links to required documents with instructions on completion and submission.

### Automatically Exempted LEAs

Under ARP Section 2004(c)(2), an LEA that meets at least one of the following criteria is automatically exempt 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 exemption 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 ESSA Consolidated Federal Grant Application, TEA generates a list of the LEAs that meet at least one of those criteria. The list of automatically exempt LEAs is available from the [MOEquity page](#) of the TEA website.

**NOTE:** An LEA that has been included or excluded from the “automatically exempted” list due to a data reporting error must email the Federal Fiscal Compliance Division at [compliance@tea.texas.gov](mailto:compliance@tea.texas.gov) by December 3, 2021. The LEA will also be required to amend and correct the SC5000 data.

## Requirement for LEAs Not Automatically Exempted

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

- **USDE waiver request:** The LEA may request a waiver of MOEquity on the basis of “exceptional or uncontrollable circumstances,” as described on the [MOEquity page](#) of the TEA website.
- **LEA Self-Certification:** The LEA may complete the self-certification to provide assurance of no reduction in combined aggregate state/local per-pupil funding to any campus within the LEA. The self-certification is available for completion within the MOEquity Document Submission Plan.
- **MOEquity Tool:** An LEA that does not 1) request a USDE waiver, or 2) self-certify no aggregate state/local per-pupil reduction in funding, must conduct equitable services testing with 2021–2022 current school year budgeted data using the MOEquity Tool. Instructions for using the tool are included on the [MOEquity page](#) of the TEA website.

All LEAs that are not automatically exempt must submit the MOEquity Document Submission Plan to notify TEA of their chosen method of compliance.

## Submission Deadlines

For FY22, the following MOEquity deadlines apply:

- **MOEquity Document Submission Plan:** Must be submitted by **December 3, 2021**.
- **MOEquity Tool:** Must be submitted by **December 10, 2021**.

## MOEquity Training

The Federal Fiscal Compliance and Reporting Division (FFCR) will offer online training on compliance with MOEquity.

Once scheduled, training sessions will be announced via GovDelivery. To sign up for bulletins, visit the [Sign Up for Updates](#) page of the TEA website and select the Grants option when prompted.

## Failure to Comply

Failure to comply with MOEquity submission requirements by the stated deadlines may result in TEA’s application of any of the following enforcement actions, in accordance with 2 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 [MOEquity page](#) of the TEA website for detailed information on the MOEquity requirement, required submissions, and deadlines.

With any further questions, please email FFCR at [compliance@tea.texas.gov](mailto:compliance@tea.texas.gov).