FY22 and FY23 Maintenance of Equity Monitoring

BACKGROUND INFORMATION:

Section 2004(b) and 2004(c) of the American Rescue Plan (ARP) Act of 2021 outlines the state and local Maintenance of Equity (MOEquity) provision. MOEquity is a requirement of ARP Elementary and Secondary School Emergency Relief (ESSER) that helps to ensure that schools and local educational agencies (LEAs) serving large proportions of underserved groups of students receive an equitable share of state and local funds. More information regarding MOEquity can be found HERE.

The U.S. Department of Education released final requirements on June 8, 2022 that prescribes State Education Agencies (SEA) to publicly report on its website by July 8, 2022 for FY22 and November 1, 2022 for FY23 the following LEAs MOEquity data:

- LEAs that are exempt from MOEquity and the reason for the exception under section 2004(c)(2) of the ARP Act
- For those LEAs that are not excepted from LEA-level MOEquity requirements, the schools in the LEA that are identified as "high-poverty schools" as defined in section 2004(d)(4) of the ARP Act

Along with publishing LEA MOEquity data, the SEA must publish on its website a description of how the SEA will ensure that each LEA that is not excepted from LEA-level MOEquity requirements is ensuring that its high-poverty schools are protected from a disproportionate reduction of per-pupil state and local funding.

OHIO DEPARTMENT OF EDUCATION MONITORING AND REPORTING PROCESS FOR MOEQUITY:

The Office of Federal Programs (OFP) is responsible for monitoring subrecipients for certain grants under ESSER programs to ensure compliance with performance goals. Compliance monitoring uses a three-tiered (Self Survey, Desk Review including Full Desk Reviews and Follow-Up Desk Review and On-site Review) approach established by the Ohio Department of Education (ODE) to assist districts and other entities in determining whether they are compliant with requirements.

The OFP compliance process involves not only end-of-year reviews but also consists of a significant front-end application and assurance approval process. On the end-of-year reviews, all districts are part of the process, but a percentage are selected for more extensive monitoring based on risk factors. ESSER-related risk factors may be found HERE. According to the end-of-year compliance process, all districts in Ohio receiving ESSER grants are placed into one of three tiers based upon a risk factor analysis (Self-Survey, Desk Review, and On-Site). The OFP uses the risk factor analysis to determine whether the district receives an onsite review, desk review or self-survey. More information on the FY 2022 Monitoring Process be found HERE.

MAINTENANCE OF EQUITY COMPLIANCE REVIEW PROCESS:

For Maintenance of Equity, all ARP ESSER receipients would need to comply with one or more of the statements/questions below in the compliance system.

a. The LEA received an automatic exemption (less than 1,000 students, single building, all grade spans are within a single building) for MOEquity for FY22 and/or FY23

b. The LEA submitted Appendix B to the Ohio Department of MOEquity inbox by March 1, 2022 and received an exception from MOEquity requirements for FY22 and/or FY23. The LEA must be able to demonstrate, upon request, how it complied with Appendix B and that they received as much total aggregate state and local revenue per-pupil in FY22 as they received in FY21 and/or FY23 as they received in FY22 Potential supporting documentation to upload includes:

   1. Appendix B and confirmation email response
   2. 5-Year Forecast
   3. Report card expenditure data
   4. History of passing Maintenance of Effort (Note, this is not enough evidence if uploaded alone with no other supporting documentation)

c. The LEA submitted an appeal to the U.S. Department of Education for a MOEquity for an exception by March 1, 2022 and received an exception from MOEquity for FY22. For FY23, the exception must have been granted by November 1, 2022. The LEA must be able to demonstrate, upon request, the communication from the US Department of Education granting the exception and/or approving the waiver.

d. The LEA is not exempted from the MOEquity requirements for FY22 and/or FY23 and is required to show that there was not a disproportionate reduction in state and local funds per-pupil and full-time equivalent (FTE) staff per-pupil for high-poverty schools.If this option is selected, the LEA is then required to describe the steps it has taken to meet MOEquity. The LEA must provide documentation to support the description such as spreadsheets. Potential supporting documentation includes:

   a. 5-Year Forecast
   b. Building expenditure spreadsheet for high-poverty schools
   c. Staffing spreadsheet per building focused on high-poverty schools
   d. Report card data
   e. History of passing Maintenance of Effort
   f. Other applicable documentation

REVIEW PROCESS:

For those districts that have been selected for a desk review or onsite, OFP will review any uploaded documents and verify the information as a part of pre-visit preparation. During the desk review or onsite , the office completes a review of MOEquity to determine if the LEA is in compliance with the laws and regulations. This is accomplished by reviewing the information provided by the LEA through an onsite survey in the Compliance web-based system. The office marks the survey completion status "Completed" and "Compliant" or "Noncompliant" in the Compliance System. If an LEA is determined to be "Noncompliant", a corrective action plan must be completed and approved by OFP. For those LEAs that are noncompliant due to Appendix B, ODE understands that the deadline required the use of forecasting which is subject to change. Support will be given to these LEAs to ensure compliance with MOEquity. Any LEAs under a corrective action plan will receive a follow-up desk review by OFP in the subsequent year using the desk review process. Continued technical support will be provided until the requirement is clearly implemented and becomes a practive in the district's compliance procedures.

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TIMELINE:

June 30, 2022
- Desk-Review and on-sites should be complete by the distict and consultants will review for compliance.

December 31, 2022
- If a district was found to be non-compliant during their complaince review, a corrective action plan must be approved and in place by December 31, 2022.
- Ohio will test applicable LEAs and post MOEquity status.

June 30, 2023
- For those districts that did not pass the MOEquity test, they will receive a desk-review or on-site for that fiscal year. A corrective action plan needs to be approved and on file by the end of the compliance season for that year.
- Throughout the year, OFP will provide specific support and assistance for those districts to ensure that MOEquity is met for the following fiscal year.

December 31, 2023
- If a district was found to be non-compliant during their complaince review, a corrective action plan must be approved and in place by December 31, 2023.
- Ohio will test applicable LEAs and post MOEquity status.

June 30, 2024
- For those districts that did not pass the MOEquity test, they will receive a desk-review or on-site for that fiscal year. A corrective action plan needs to be approved and on file by the end of the compliance season for that year.

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