



# STATE OF CONNECTICUT

## DEPARTMENT OF EDUCATION



October 12, 2021

Dear Superintendents,

Section 2004 of American Rescue Plan Act of 2021 (ARP) included a new maintenance of equity (MOEquity) requirement for State educational agencies (SEAs) and local education agencies (LEAs) to meet in order to receive funds under the Elementary and Secondary School Emergency Relief (ARP-ESSER) Fund.<sup>1</sup> MOEquity requirements were enacted for the first time in the ARP and are intended to safeguard school districts and schools that serve a large share of students from low-income backgrounds against experiencing a disproportionate reduction in funding in fiscal years (FY) 2022 and 2023 (i.e., school years 2021-2022 and 2022-2023) and receiving a decrease in State funding below their FY 2019 level.

Under the MOEquity requirement, each LEA must maintain equity for each “high-poverty school” as a condition of receiving ARP-ESSER funds. Specifically, pursuant to Section 2004(c) of the ARP Act, for each school identified by the LEA as a high-poverty school, the LEA may not, in FY 2022 or FY 2023:

1. Reduce per-pupil\* funding by an amount that exceeds the total reduction, if any, in LEA per-pupil funding for all schools served by the LEA in such fiscal year; or
2. Reduce the number of FTE staff per-pupil by an amount that exceeds the total reduction, if any, in FTE staff per-pupil in all schools served by the LEA in such fiscal year.

*\*Note: Per-pupil funding is derived from combining State and local funding. It does not include federal funding or funding from other sources.*

Important to note, under Section 2004(c)(2) of the ARP Act, some LEAs are exempt from the MOEquity requirement. An LEA need not meet this equity requirement if the LEA:

- Has a total enrollment of less than 1,000 students;
- Operates a single school;
- Serves all students within each grade span with a single school; or
- 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 of Education.

### **Limited Exception to MOEquity for FY 2021-22**

In an August 6, 2021, communication with SEAs and LEAs the United States Department of Education (USDE), recognizing timing and implementation challenges related to the pandemic, updated their guidance on implementing MOEquity at the SEA and LEA levels for FY 2021-22. For FY 2021-22 only,

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<sup>1</sup> This correspondence is based upon a guidance document, dated August 6, 2021, from the United States Department of Education (USDE) outlining these maintenance of equity requirements. Sections of the USDE’s guidance are included directly in this document. The USDE’s guidance on these issues is available at the following link:  
[https://oese.ed.gov/files/2021/08/Maintenance-of-Equity-updated-FAQs\\_final\\_08.06.2021.pdf](https://oese.ed.gov/files/2021/08/Maintenance-of-Equity-updated-FAQs_final_08.06.2021.pdf).

Section 2004 of American Rescue Plan Act of 2021 (ARP)  
Maintenance of Equity (MOEquity) Requirements  
October 12, 2021

LEAs that are not exempt from the MOEquity provision pursuant to Section 2004(c)(2) of the ARP Act may request exemption from the maintenance of equity requirements for FY 2022 by certifying to the USDE that it did not and 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).

Under the limited exception for FY 2021-22 an LEA must certify:

1. That for the 2021-22 school year the LEA can demonstrate an exceptional or uncontrollable circumstance under Section 2004(c)(2) of the ARP Act. Specifically, the LEA faces one-time implementation challenges due to the enactment of the ARP Act in March 2021 and the impact of the pandemic.
2. That it will not implement an aggregate reduction in combined State and local per-pupil funding in FY 2021-22, (i.e., is not facing overall budget reductions).

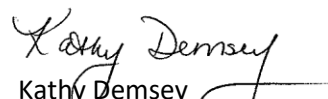
To request this limited exception, LEAs must complete the attached certification form and upload it into their ARP ESSER application in eGMS. We request that LEAs upload the certification document by **Friday, October 29, 2021**. For those of you with approved applications, this will require submitting a revision request in eGMS. For LEAs with applications still in the approval process, please notify your grant manager when you are ready to upload the document and your application will be returned to you.

Districts not requesting this exception or not eligible for the exception will be required to submit a MOEquity calculation for their district and schools for the current fiscal year. Additional instructions along with a technical assistance webinar on how to do this calculation will be coming out shortly.

Important to note, on Friday, October 1, 2021, USDE published notice of proposed requirements that by December 31, 2021, each SEA make publicly available on its website information on how each LEA in the State is maintaining fiscal and staffing equity. This information must be easily accessible to parents, families and local communities and provide information on how each applicable LEA is maintaining equity for schools with high concentrations of students from low-income backgrounds. Additional information about where MOEquity information will be located and in what format will be sent out as we get closer to the deadline.

If you have any questions, please do not hesitate to call me at (860) 929-6093.

Sincerely,

  
Kathy Demsey  
Chief Financial Officer