



October 31, 2022

District Maintenance of Equity Requirements

American Rescue Plan Guidance

Introduction

Section 2004 of the American Rescue Plan's Elementary and Secondary School Emergency Relief (ESSER III or ARP ESSER) Fund established maintenance of equity (MOEquity) provisions for the Iowa Department of Education (Department) and districts to ensure that:

- Districts and schools serving large proportions of low-income students do not experience a disproportionate reduction in per-pupil state funding in fiscal years (FYs) 2022 and 2023 (school years [SYs] 2021-2022 and 2022-2023).
- The per-pupil state funding for Iowa's highest-poverty districts does not fall below the FY 2019 (SY 2018-2019) level.
- Each district safeguards its high-poverty schools from disproportionate cuts to state and local per-pupil funding and staffing per-pupil.

High-Poverty Schools Defined

High-poverty schools are schools in the highest quartile of the district's schools, based on the school's percentage of economically disadvantaged students.

District MOEquity Requirements

Unless qualifying for an exception, the district must:

- Identify its high-poverty schools (either on a district-wide basis or by grade span);
- Maintain fiscal equity for those schools in SY 2021-2022 (FY 2022) and SY 2022-2023 (FY 2023); and
- Maintain staffing equity for those schools in SY 2021-2022 (FY 2022) and SY 2022-2023 (FY 2023).

Exceptions

A district is excepted from the local MOEquity requirements if the district:

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 district, as determined by the secretary of the United States Department of Education.

If a district has an exception from maintaining equity, it does not need to identify high-poverty schools. However, the Department must report state-level MOEquity data for all districts, even those that are excepted from local MOEquity requirements.

AUTOMATIC DISTRICT EXCEPTIONS

If a district meets at least one of the following criteria, they are automatically exempted from local MOEquity requirements and do not need to submit a Certification of Exception from Local Maintenance of Equity Requirements:

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

Required Documentation for Automatic Exemptions

While a district does not need to submit the certification, it should maintain documentation that it is exempted from the local MOEquity requirements. This documentation should be shared with the Department for further monitoring and auditing purposes.

REQUESTS FOR EXCEPTION FOR EXCEPTIONAL OR UNCONTROLLABLE CIRCUMSTANCES

If the district did not have an aggregate reduction in combined state and local funding in FY 2022, the district has demonstrated an “exceptional or uncontrollable circumstance” and should complete and submit the Certification of Exception from Local Maintenance of Equity Requirements (see [Appendix B](#) of the updated MOEquity guidance) to the Department through the Maintenance of Equity collection in the Consolidated Accountability and Support Application (CASA).

Other Exceptional or Uncontrollable Circumstances

If a district cannot demonstrate one of the previously mentioned exceptions—the district 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 did not have an aggregate reduction in combined state and local funding in FY 2022—but believes it otherwise qualifies for an exception due to an exceptional or uncontrollable circumstance, it must submit an exception request to the United States Department of Education via iowa.oese@ed.gov and copy the Department’s esser@iowa.gov. The request should include detailed information on the exceptional or uncontrollable circumstance and how it prevents the district from maintaining fiscal and staffing equity. The United States Department of Education will review each request on a case-by-case basis.

Identifying High-Poverty Schools

Each district not exempted from MOEquity requirements must identify their high-poverty schools either on a district-wide basis or by grade span. A district determines its high-poverty schools using the process outlined in Table 1.

Table 1. District Process for Identifying High-Poverty Schools.

District-Wide	By Grade Span
1. Rank each school within the district by its percentage of economically disadvantaged students, from highest to lowest.	1. Rank each school by grade span within the district by its percentage of economically disadvantaged students, from highest to lowest.
2. Divide the total number of schools by four to determine the number of schools in the highest quartile (always round up to the nearest whole number, if applicable). <ul style="list-style-type: none">• This rounded number is the number of schools the district must identify as high-poverty.	2. Divide the total number of schools by four to determine the number of schools in the highest quartile (always round up to the nearest whole number, if applicable). <ul style="list-style-type: none">• This rounded number is the number of schools the district must identify as high-poverty.

District-Wide	By Grade Span
3. Identify the schools in the highest quartile.	3. Identify the schools in the highest quartile. The district may first select the high-poverty school in rank order from each grade span. If the district needs to identify additional high-poverty schools, it has discretion so long as the district selects in rank order based on the percentage of economically disadvantaged students.

Determining Maintenance of Equity for High-Poverty Schools

Each district not excepted must maintain both fiscal and staffing equity. Fiscal equity ensures that a district does not disproportionately reduce state and local per-pupil funding in its high-poverty schools. Staffing equity ensures that a district does not disproportionately reduce the number of full-time equivalent (FTE) staff per pupil in its high-poverty schools.

FISCAL EQUITY

Once a district has final appropriated and allocated amounts for current expenditures for free public education, the district must:

- Determine whether it maintained fiscal equity for its high-poverty schools either on a district-wide basis or by grade span.
- Use consistent funding sources between years and document data sources because MOEquity compares funding year-to-year (e.g., FY 2023 and FY 2022).
- Not include funds:
 - Dedicated to capital outlays and debt service,
 - From federal sources, or
 - From private donors.

Calculation

To determine if the district has maintained fiscal equity for its high-poverty schools, the district must:

- Divide the total amount of state and local funds for all of the district's schools by the aggregate number of children enrolled in all of the district's schools.
- Determine if any per-pupil reduction occurred from one year to the next.
- Do this same process for each of the high-poverty schools (total amount to each school ÷ students enrolled in that school).
- Compare each high poverty school's per-pupil funding reduction (if any) to the per-pupil reduction for all of the district's schools.

STAFFING EQUITY

Once enrollment and staffing numbers are final for a given year, the district must:

- Determine whether it maintained staffing equity for its high-poverty schools either on a district-wide basis or by grade span.
- Use consistent data sources between years and document them because MOEquity compares data year-to-year (e.g., FY 2023 and FY 2022).
- This determination includes all paid staff, which includes:
 - Instructional employees,
 - Non-instructional employees, and
 - Staff contracted to perform school-level services.

Calculation

To determine if the district has maintained staffing equity for its high-poverty schools, the district must:

- Divide the total number of FTE staff in all of the district's schools by the aggregate number of children enrolled in all of the district's schools.
- Determine if any FTE reduction per pupil occurred from one year to the next.
- Do this same process for each of the high-poverty schools (total FTE provided to each school ÷ students enrolled in that school).
- Compare each high poverty school's per-pupil FTE reduction (if any) to the FTE reduction for all of the district's schools.

Questions and Additional Guidance

If you have questions, please contact Kassandra Cline at kassandra.cline@iowa.gov. For additional MOEquity guidance and information, please visit the Department's [Emergency Relief for PK-12 Schools webpage](#).