

Maintenance of Equity (MOEquity) Exempt Guidance for Local Education Agencies

Updated: August 28, 2022

The American Rescue Plan (ARP) Act of 2021 (ARP) mandates an additional federal fiscal requirement known as local maintenance of equity (MOEquity), which was previously referred to as MOQ. This requirement applies to all state educational agencies (SEAs) and local educational agencies (LEAs) that receive funding under the grants authorized by ARP § 2001. LEAs receiving ARP ESSER funds must meet two local-level MOEquity requirements for the fiscal year 2023 (FY23), the 2022–23 school year.

Each LEA must maintain equity for each “high-poverty school” as a condition of receiving ARP ESSER funds. Under ARP § 2004(c), for each school identified by the LEA as a high-poverty school, the LEA may not, in FY23—

1. Reduce per-pupil funding (from combined State and local 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.

As described in ARP § 2004(c)(2), an LEA need not maintain equity if the LEA:

1. Has a total enrollment of fewer than 1,000 students;
2. Operates a single school;
3. Serves all students within each grade span with a single school;
- 4a. Demonstrates an exceptional or uncontrollable circumstance; *
- 4b. Demonstrates No Aggregate Budget Reduction for the FY23. **

LEAs that meet these characteristics for the exemptions are exempt from both the funding equity test and the staffing equity test.

LEAs that meet exempt criteria 1-3 above are automatically exempted from MOEquity requirements for calculating fiscal or staffing equity and are not required to submit documentation to the state or U.S. Department of Education (ED) to claim the exemption. However, the Tennessee Department of Education (department) advises that automatically exempted LEAs maintain documentation supporting their exemption in case it is requested during an audit or monitoring review.

***Qualification for U.S. Department of Education Exemption Based on “*Exceptional or Uncontrollable Circumstances*”**

The U.S. Department of Education (ED) anticipates very few “exceptional or uncontrollable circumstances” that would prevent an LEA from maintaining equity. As a result, each claim of exemption will require a case-by-case review by ED. Demonstrating “an exceptional or uncontrollable circumstance” is defined in guidance as:

- unpredictable changes in student enrollment,
- a precipitous decline in the financial resources of the LEA, or
- one-time exemption for increased FY23.

LEAs must document the intention to apply to ED for an exemption by completing and submitting [Appendix A and providing an explanation on LEA letterhead](#). Note that ED will request the LEA's financial data from the department as part of the process of reviewing the exemption request.

An LEA that chooses to apply for an exemption to ED must follow these steps:

- Notify Debby Thompson of the LEA's intent to apply for the exemption by submitting [Appendix A](#) via email to Deborah.Thompson@tn.gov.
- Email a letter documenting the LEA's "exceptional or uncontrollable circumstances" to ED at Tennessee.OESE@ed.gov, copying Deborah.Thompson@tn.gov. Upload Appendix A and the documenting letter to [ePlan](#) > LEA Document Library > 2023 > ESSER 2.0 and 3.0 Documents > Maintenance of Equity > Appendix A: Exemption Based on Exceptional or Uncontrollable Circumstance.

****LEA Exemption Based on *No Aggregate Budget Reduction***

Upon gathering further information from states and LEAs, the U.S. Department of Education understands that many localities are still facing fluctuating school enrollments and uncertain revenue collection as a result of the pandemic, particularly tax levies or other local resources that are established well in advance of the 2022-23 school year. Given such challenges due to the pandemic, ED has determined that these circumstances continue to be an example of "exceptional or uncontrollable circumstances" that justify a limited exemption to the local MOEquity requirements for the 2022-23 school year in instances in which there is no aggregate reduction in combined State and local per pupil funding in the FY23 in the LEA.

In accordance with the information provided by ED in Maintenance of Equity: Frequently Asked Questions, Appendix B, an LEA may self-certify its exemption from MOEquity. An LEA may demonstrate that it is exempted from the LEA MOEquity requirements for the FY23 by certifying that it did not and will not implement an aggregate reduction in combined state and local per-pupil funding in the FY23 (that is, the LEA is not facing overall budget reductions).

An LEA that chooses to self-certify must determine what documentation supports its claim that it implemented no aggregate reduction. That documentation is maintained locally. The LEA does not submit its supporting documentation to the department, but it may be requested later.

LEAs that choose to self-certify their compliance with MOEquity must follow these steps:

- Notify Debby Thompson of the LEA's intent to apply for the exemption by submitting Appendix B via email to Deborah.Thompson@tn.gov, and
- Upload the document to [ePlan](#) > LEA Document Library > 2023 > ESSER 2.0 and 3.0 Documents > Maintenance of Equity > Appendix B: Exemption Based on No Aggregate Budget Reduction.

LEAs must fill out Appendix B and submit it in ePlan by **Oct. 15, 2022**. Appendix B will apply to the FY23 MOEquity Requirement if approved by the department.

Exempt Tennessee Local Education Agencies MOEquity

Using LEA data from the FY23 Basic Education Programs (BEPs) calculations and data provided in the FY23 Consolidated Funding Application (CFA), the department generated the following list of LEAs that do meet at least one of the exemption criteria 1-4 listed above. LEAs with expectation criteria as **No Aggregate Budget Reduction** must fill out Appendix B and submit it in ePlan by Oct. 15, 2022.

LEA Name	Region	Exemption Criteria
Achievement School District	Urban	No Aggregate Budget Reduction
Alamo City Schools	West	One school in the LEA
Alcoa City Schools	East	One school per grade span
Alvin C York Institute	Middle	One School in the LEA
Anderson County Schools	East	No Aggregate Budget Reduction
Arlington Community Schools	West	No Aggregate Budget Reduction
Athens City Schools	East	No Aggregate Budget Reduction
Bartlett City Schools	West	No Aggregate Budget Reduction
Bedford County Schools	Middle	No Aggregate Budget Reduction
Bells City School District	West	One school in the LEA
Benton County Schools	West	No Aggregate Budget Reduction
Blount County Schools	Urban	No Aggregate Budget Reduction
Bradford SSD	West	One school per school grade span
Bradley County Schools	Urban	No Aggregate Budget Reduction
Bristol City Schools	East	No Aggregate Budget Reduction
Campbell County Schools	East	No Aggregate Budget Reduction
Chester County Schools	West	No Aggregate Budget Reduction
Claiborne County Schools	East	No Aggregate Budget Reduction
Clay County Schools	Middle	No Aggregate Budget Reduction
Cleveland City Schools	East	No Aggregate Budget Reduction
Clinton City Schools	East	Fewer than 1,000 students
Cocke County Schools	East	No Aggregate Budget Reduction
Coffee County Schools	Middle	No Aggregate Budget Reduction
Collierville Schools	West	No Aggregate Budget Reduction
Crockett County Schools	West	No Aggregate Budget Reduction

Cumberland County Schools	Middle	No Aggregate Budget Reduction
Dayton City Schools	East	One school in the LEA
DeKalb County Schools	Middle	One school per grade span
Dyer County Schools	West	No Aggregate Budget Reduction
Dyersburg City Schools	West	One school per grade span
Elizabethton City Schools	East	No Aggregate Budget Reduction
Etowah City School System	East	Operates a single school
Fayetteville City Schools	Middle	One school per grade span
Fentress County Schools	Middle	No Aggregate Budget Reduction
Franklin County Schools	Middle	No Aggregate Budget Reduction
Germantown Municipal School District	West	No Aggregate Budget Reduction
Gibson County SSD	West	No Aggregate Budget Reduction
Giles County Schools	Middle	No Aggregate Budget Reduction
Greene County Schools	East	No Aggregate Budget Reduction
Greeneville City Schools	East	No Aggregate Budget Reduction
Hamblen County Schools	Urban	No Aggregate Budget Reduction
Hamilton County Schools	Urban	No Aggregate Budget Reduction
Hancock County Schools	East	One school per grade span
Hardeman County Schools	West	No Aggregate Budget Reduction
Hardin County Schools	West	No Aggregate Budget Reduction
Hawkins County Schools	East	No Aggregate Budget Reduction
Haywood County Schools	West	No Aggregate Budget Reduction
Henderson County Schools	West	No Aggregate Budget Reduction
Henry County Schools	West	No Aggregate Budget Reduction
Hickman County Schools	Middle	No Aggregate Budget Reduction
Hollow Rock - Bruceton SSD	West	One school per grade span
Houston County Schools	Middle	No Aggregate Budget Reduction
Humboldt City Schools	West	One school per grade span
Huntingdon Special School District	West	One school per grade span
Jackson County Schools	Middle	One school per grade span

Jefferson County Schools	East	No Aggregate Budget Reduction
Johnson City Schools	East	No Aggregate Budget Reduction
Johnson County Schools	East	No Aggregate Budget Reduction
Kingsport City Schools	East	No Aggregate Budget Reduction
Knox County Schools	Urban	No Aggregate Budget Reduction
Lake County Schools	West	One school per grade span
Lakeland School System	West	One school per grade span
Lawrence County Schools	Middle	No Aggregate Budget Reduction
Lebanon City Schools	Middle	No Aggregate Budget Reduction
Lenoir City Schools	East	No Aggregate Budget Reduction
Lewis County Schools	Middle	One school per grade span
Lexington City Schools	West	One school per grade span
Lincoln County Schools	Middle	No Aggregate Budget Reduction
Loudon County Schools	East	No Aggregate Budget Reduction
Macon County Schools	Middle	One school per grade span
Madison County Schools	Urban	No Aggregate Budget Reduction
Manchester City Schools	Middle	No Aggregate Budget Reduction
Marion County Schools	East	No Aggregate Budget Reduction
Marshall County Schools	Middle	No Aggregate Budget Reduction
Maryville City Schools	East	No Aggregate Budget Reduction
Maury County Schools	Urban	No Aggregate Budget Reduction
McKenzie SSD	West	One school per grade span
McNairy County Schools	West	No Aggregate Budget Reduction
Meigs County Schools	East	No Aggregate Budget Reduction
Milan SSD	West	No Aggregate Budget Reduction
Millington Municipal Schools	West	No Aggregate Budget Reduction
Moore County Schools	East	One school per grade span
Montgomery County Schools	Urban	No Aggregate Budget Reduction
Moore County Schools	Middle	One school per grade span
Morgan County Schools	East	No Aggregate Budget Reduction

Murfreesboro City Schools	Middle	No Aggregate Budget Reduction
Newport City Schools	East	One school in the LEA
Oak Ridge Schools	East	No Aggregate Budget Reduction
Oneida SSD	East	One school per grade span
Overton County Schools	Middle	No Aggregate Budget Reduction
Paris SSD	West	One school per grade span
Perry County Schools	Middle	Fewer than 1,000 students
Pickett County Schools	Middle	One school per grade span
Polk County Schools	East	No Aggregate Budget Reduction
Putnam County Schools	Urban	No Aggregate Budget Reduction
Rhea County Schools	East	No Aggregate Budget Reduction
Richard City Schools	East	One school in the LEA
Roane County Schools	East	No Aggregate Budget Reduction
Robertson County Schools	Urban	No Aggregate Budget Reduction
Rogersville City Schools	East	One school in the LEA
Rutherford County Schools	Urban	No Aggregate Budget Reduction
Sequatchie County Schools	East	One school per grade span
Sevier County Schools	Urban	No Aggregate Budget Reduction
Smith County Schools	Middle	No Aggregate Budget Reduction
South Carroll SSD	West	One school in the LEA
Stewart County Schools	Middle	No Aggregate Budget Reduction
Sumner County Schools	Urban	No Aggregate Budget Reduction
Sweetwater City Schools	East	One school per grade span
Tennessee Public Charter School Commission	Middle	No Aggregate Budget Reduction
Tennessee School for Blind	Middle	One school in the LEA
Tennessee School for the Deaf	East	One school in the LEA
Trenton SSD	West	One school per grade span
Trousdale County Schools	Middle	One school per grade span
Tullahoma City Schools	Middle	No Aggregate Budget Reduction
Union City Schools	West	One school per grade span

Union County Schools	East	No Aggregate Budget Reduction
Van Buren County Schools	Middle	One school per grade span
Warren County Schools	Middle	No Aggregate Budget Reduction
Washington County Schools	East	No Aggregate Budget Reduction
Wayne County Schools	Middle	No Aggregate Budget Reduction
Weakley County Schools	West	No Aggregate Budget Reduction
West Carroll SSD	West	One school per grade span
West Tennessee School for the Deaf	West	One school in the LEA
White County Schools	Middle	No Aggregate Budget Reduction
Williamson County Schools	Urban	No Aggregate Budget Reduction
Wilson County Schools	Urban	No Aggregate Budget Reduction

Appendix A: Exemption Based on Exceptional or Uncontrollable Circumstance

American Rescue Plan

LEA Certification of Exemption from Local Maintenance of Equity Requirements

Please submit this certification to your state education agency (SEA) and the U.S. Department of Education (ED) if the local education agency (LEA) claims that it should be exempted from the local maintenance of equity requirements under section 2004(c)(2) of the American Rescue Plan (ARP) Act due to such certifications for the fiscal year 2023.

LEA Name: _____

State: _____

On behalf of my local educational agency (LEA), I

_____ **(name),**

_____ **(title),** certify that for the:

2022-2023 school year (the fiscal year 2023)

this LEA demonstrates an exceptional or uncontrollable circumstance under section 2004(c)(2) of the ARP Act. Specifically, this LEA faces implementation challenges due to the enactment of the ARP Act in March 2021 and the impact of the pandemic with respect to budget and enrollment uncertainty.

By signing this certification, I hereby confirm that I am the authorized representative, with the fiscal and legal authority, to certify on behalf of this school district. In addition, to the best of my knowledge and belief, all the information in this certification is true and correct.

Signature: _____

Appendix B: Exemption Based on No Aggregate Budget Reduction

American Rescue Plan

LEA Certification of Exemption from Local Maintenance of Equity Requirements

Please submit this certification to your state education agency (SEA) if the local education agency (LEA) claims that it should be exempted from the local maintenance of equity requirements under section 2004(c)(2) of the American Rescue Plan (ARP) Act due to such certifications for the fiscal year 2023.

LEA Name: _____

State: _____

On behalf of my local educational agency (LEA), I

_____ **(name),**

_____ **(title),** certify that for the:

2022-2023 school year (the fiscal year 2023)

the LEA will not implement an aggregate reduction in combined State and local per-pupil funding for the relevant fiscal year(s). By signing this certification, I hereby confirm that I am the authorized representative, with the fiscal and legal authority, to certify on behalf of this school district. In addition, to the best of my knowledge and belief, all the information in this certification is true and correct.

Signature: _____