

This is a notice to all districts regarding federal Maintenance of Equity (MOEquity) requirements for Local Education Agencies (LEAs) that are receiving Elementary and Secondary School Emergency Relief (ESSER) funds under the American Rescue Plan Act of 2021. **ISBE has published updated guidance for fiscal year 2023 implementation.** LEA staff can register to view the [FY 2023 LEA Requirements Webinar](#). All MOEquity guidance is available at <https://www.isbe.net/Pages/covid19.aspx> under Federal Funding - ESSER. Resources are available now to support LEAs in making use of available budget and spending information, including the most recent FY 2022 Site-Based Expenditure Reporting data.

MOEquity is a fiscal requirement for State Education Agencies and LEAs that are receiving ESSER III funds. MOEquity specifies that LEAs receiving ESSER III funds must protect certain high-poverty schools from disproportionate reductions in state and local funding and staffing in fiscal years 2022 and 2023, as determined by federal guidelines. This requirement is intended to ensure that schools serving large proportions of low-income students receive an equitable share of state and local funds. LEAs should also be aware that the Certification of Exception is available for FY 2023 for LEAs that will not implement an aggregate reduction in combined state and local per-pupil funding (i.e., are not facing overall budget reductions). MOEquity requirements are waived in FY 2023 for all LEAs submitting this certification.

ISBE used data from the Entity Profile System this year to pre-identify LEAs for exemption, per certain statute-defined criteria. Specifically, an LEA is exempt from MOEquity if it has home enrollment of fewer than 1,000 students, operates a single school, or serves all students within each grade span in a single school (e.g., one school each for K-5, 6-8, and 9-12). All LEAs should verify their exemption status by reviewing the exemption report located at [ISBE's Covid-19 webpage](#), which identifies all LEAs as exempt or non-exempt. After viewing the report:

1. If ISBE has accurately pre-identified an LEA as exempt, no further action is required in FY 2023.
2. All other LEAs must complete the [FY23 LEA MOEquity Exception Survey](#). The survey will support LEAs in determining additional steps to comply with MOEquity in FY 2023, including whether an LEA is eligible for the Certification of Exception waiver. Additionally, an LEA that believes that there is an error in ISBE's list of LEAs pre-identified for exemption can request a revision in the survey.

**The [FY 2023 LEA MOEquity Exception Survey](#) is due no later than Sep. 12.** Most LEAs should be able to complete the survey in 10 minutes. LEAs that determine they are neither exempt nor eligible for a waiver will be provided with further instructions within the survey, including steps and timelines for conducting the fiscal and staffing equity tests required by MOEquity. Non-exempted LEAs are encouraged to conduct this analysis prior to finalizing FY 2023 budgets in order to ensure compliance with MOEquity.

Additional resources and guidance can be found at <https://www.isbe.net/Pages/covid.aspx> under Federal Funding – ESSER. Questions not answered by the guidance may be sent to [ARPMOEquity@ISBE.net](mailto:ARPMOEquity@ISBE.net).