



To the Administrator Addressed

DATE:	March 24, 2022
SUBJECT:	HB 1525 Implementation Maintenance of Effort and Equity for Federal Money Related to COVID-19 Pandemic
CATEGORY:	Funding Implications, Reporting Requirements
NEXT STEPS:	Share with business and finance staff

House Bill (HB) 1525, passed by the 87th Texas Legislature and signed into law by Governor Abbott on June 6, 2021, provides additional Foundation School Program (FSP) funding to local educational agencies (LEAs) to ensure compliance with federal requirements regarding maintenance of effort and state-level maintenance of equity (MOE equity).

Background

HB 1525 added Texas Education Code (TEC), Section 48.261, authorizing the commissioner to increase a school district's or open enrollment charter school's entitlement under TEC Chapter 48 as necessary to ensure compliance with requirements regarding MOE equity under Section 317, Coronavirus Response

Please note that as the amount of statewide average daily attendance (ADA) fluctuates, an LEA's designation as "high needs" or "high poverty" could change from the preliminary designation as of March 2022.

See the link below for USDE's FAQ regarding MoEquity:

[Maintenance of Equity updated FAQs \(12/29/2021\)](#)

Estimated Allocations, Timeline, and Reporting

For school year 2021-2022, MOEquity funding is now part of Other Programs on line 45 of the Summary of Finances (SOF) reports. The estimated statewide MOEquity funding for school year 2021-2022 is currently \$111 million for 153 LEAs. LEAs can see their amounts on line 16 of the Other Programs Detail Report, and a detail report is also accessible from this line showing the calculations.

MOEquity funding will begin flowing to districts with the March 2022 schedule of monthly FSP payments. These amounts are subject to fluctuations during the fiscal year all the way through "near-final" and "final" settle-ups as actual attendance and tax collections are incorporated into the SOF reports. It is possible that MOEquity amounts for an individual LEA are reduced to zero and vice versa as the agency continues to update data relevant to the calculations, so it is important for LEAs to monitor the SOF reports closely each month, and through settle-