

Allison Seils 0:03

Good afternoon. Thank you for joining today's webinar, which will cover Part Two maintenance of equity requirements as mandated by the USED under ARP ESSER III. For those of you that may be joining us for the first time, I'm Allison Seils. I'm joined by my colleague Mark Manganiello, as well as Acting Administrator, Aaron Fuchs, and the director of Learner Support, McKenzie Snow in hosting today's session. As done with Part I's session, we are recording today's webinar, and a copy of the recording along with the accompanying transcription and PowerPoint slides will soon be provided through our website.

In the event of questions, we'll also be providing a listing of Q&A's, and we'll alert everyone via email when these materials are available for your review. I would like to outline the reason behind today's webinar. As mentioned in Part I, you were all introduced to the fact that there would be a "Part II," which would delve and more heavily towards the MOEq tracking requirements across district. I want to thank each of you for helping us to meet our deadline of October 5, and providing your high poverty classification schools. This is very important because it is a requirement mandated by the US Department of Education and maintaining compliance with this new provision. We really want to thank you all in working with us to get us the necessary information as requested. The reason behind today's webinar is to outline for each of you how each district's school level high poverty, fiscal year 2022 classifications will impact our budgeting considerations and maintaining MOEq compliance. What we're going to be doing today is reviewing a template, which has been created for each qualifying district, that is going to aid each of you in maintaining the MOEq tracking requirements.

I will say that today we are going to delve in more to the numbers and what this compliance measure means. So again, this template has been uniquely crafted for each district, it was not something that the State of New Hampshire has received from the Department of Education. We want to really walk you through how this information is being provided and what it is, each of you is going to have to provide back to us in the meantime, at some point in the near future. In considering how the maintenance of equity provision influences districts, we will need to understand what the law says as a condition of receiving these ARP ESSER III funds over 2022 and 2023 fiscal years.

Allison Seils 3:54

As I mentioned, the districts are going to need to track ARP ESSER funds at the school level for fiscal years 22 and 23. And there are actually two very important components of this funding test that have been devised through the MOEq provision. The first part of the test looks at per pupil funding, which basically says that districts are not allowed to reduce per pupil funding from combined state and local funds in their high poverty schools more than the rate that may be reduced across all schools in fiscal years 22 and 23. So here in order to get that rate for per pupil funding, what we do is we take the total reduction and divide that by total district enrollment across each year. So if you remember what you guys did during Part One, we looked at the highest 25% of schools within the district classified by pulling in enrollments, and free and reduced lunch counts for the top 25% of the schools within the district as a percentage of high poverty students served. The second part of the test is going to look at full time equivalent staffing levels. This part of the test establishes the fact that districts may not reduce full time equivalent staff in high poverty schools, more than the rate that may be reduced across all schools in fiscal years 22 and 23. So again, for the staffing component, we take as our established rate, the total district wide reduction divided by the total LEA or district enrollment for that year. And as I mentioned, during part one, we discuss how districts may become exempted from this MOEq compliance measure. I did mention that unfortunately,

those of you that have been invited to attend the part one and part two webinars, are not exempted from MOEq requirements, at least in the first of the three, as established by the provisional requirements, which basically say that those districts that have 1,000 students or more, or those that operate more than one school, or those that serve, all students within each screen span that don't have a single school, are unfortunately, not exempted. We did talk a little bit last time about the exceptional or uncontrollable circumstance, or the waiver that Secretary Cardona had put forward through his Dear Colleague letter which was introduced to each of us on October or, excuse me, August 6th, where the Department of Education does foresee few uncontrollable or exceptional circumstances which might preclude and MOEq exemption. We will be exploring more on the waiver requests as we continue to navigate towards through fiscal year 22 and we are within a better position to really analyze those expenditures across the 22 year.

Allison Seils 8:26

In meeting the spending, and staffing tests for each district's protected schools, we will be looking at estimates and projections for fiscal year 22 in place of actual expenditures, and doing so will be necessary in monitoring our compliance. This means that districts will have to continuously project their financial and staffing data due to the delays and timing of us receiving that information at the state level. For example, budgeting for 2023 will occur before 2022 is final. I do want you to know that 2023 will be compared against the 2022 baseline. But the exact 2022 baseline is not going to be known at the time of us allocating funding. Therefore, what I want to recommend is that districts that find themselves in this situation where they may be struggling with this a bit should work with us in understanding how we can best leverage our budget tool which we will be reviewing in order to navigate this particular challenge.

The budget tool is going to be released to each district within the coming weeks. As I mentioned, I am within the process of finalizing this information for each of you. It has been built and I will be emailing a copy to you as time permits. The good news is right now we really do not have anything that each of you will have to provide back to us as we did for Part I, immediately. But once we get further ahead in the presentation, you guys will be able to see and understand that it will be very important that you utilize this tool and that you maintain and track your expenditures consistently. Because we will be in a position at some point down the road where USED is going to ask to see our allocations and our high poverty expenditures across each district. In that event, we need you guys to understand how it works so that we can be prepared when being faced with that request. How are we going to track MOEq? As I mentioned, each of the protected or high poverty schools have to meet a spending and a staffing test.

This means that those district-deemed high poverty schools cannot experience a decline in per pupil spending, or staff per pupil reductions over the next two fiscal years, being 22 and 23, as compared to the previous fiscal year. If we are looking at 22, we're going to be using 21 as our baseline or 23 will utilize 22 as its baseline. This means that really, we are going to be administering the test for each of the high poverty schools through the construction of this budget tool individually. I want to talk a little bit about what this test involves. We did discuss it within a prior slide, but in districts that are experiencing flat or increasing revenues per pupil,

Allison Seils 12:54

each of the district's high poverty classified schools need to meet those two tests that we outline; both the fiscal test and the staffing test. So the first part of the equation is going to look at School A in this sample,

state and local 22 fiscal year 22 funding dividing by the number of projected pupils, which we have those estimates already provided, and tied in through the budget tool, which each of you will be receiving. We will be going through this in more detail shortly. If School A's state and local funding for fiscal year 22, and then 23, divided by the number of pupils recorded for each fiscal year, is greater than or equal to the school's state and local 21 or 22 funding divided by the number of pupils for the prior year, then we're fine because we're not reducing the financials received at that high poverty school level year over year. That is part one of our test and maintaining or maintenance of equity compliance.

Part two [of this test], as I mentioned, looks at staffing. Again, this is going to take the number of School A's school based staff and contractors for fiscal year 22 as well as fiscal year 23 divided by the number of pupils recorded for fiscal year 22 and 23. If that value is greater than or equal to School A's school-based staff and contractors for the prior fiscal year, whether it be 21 or 22, divided by the number of pupils for the prior year. Then again, we are within compliance of meeting those MOEq requirements for the fiscal year 22 or 23 years. As I mentioned, we did in identifying those highest poverty schools across each district, take the number of schools within the district, divided by the number of students enrolled and aggregate and multiplied by 25%. In designating the number of schools that were required across each district and maintaining this high poverty compliance measure. There are a couple of things that districts are going to need to keep in mind as they continue to navigate through the 2022 school year and as they begin budgeting for 23. We are encouraging highly, that districts familiarize themselves with the LEA Budget Tool that you will soon each be in receipt of as you work through tracking your actual expenditures by school throughout the 2022 year.

Allison Seils 16:42

School fiscal year 2021 actuals have already been input across school for each search within this tool and in meeting the maintenance of equity requirements, districts are going to need to ensure that they're meeting the spending and staffing test for years 22 and 23. Now right now, we are going to work through 22. Because you know, as I mentioned, we are finalizing 2022 information, kind of at the same time that we are budgeting for 23. The year is, is in progress. What this is going to mean is we don't really have the actual expenditures just yet by school for the school year that is essentially ongoing, right? As districts are building their 2023 budgets, they should be considering what schools are anticipated to have the highest enrollment and free and reduced lunch count reductions and whether those high poverty classifications that were provided recently on October 5 for 2022, may need to be adjusted for the 23 fiscal year. High poverty confirmations by each district's required number of schools are going to soon be requested for 2023. So keep an eye out. At some point here soon, we will be sending you much as we did for Part I, a listing to identify your high poverty schools for 2023.

You guys have done this for 2022, but we will have to go that go through that process again for 2023. If you guys do not expect, or anticipate to see any changes across your high poverty assignments, in 23 versus 22, i.e. your placements are the same, you don't anticipate there to be fluctuations in terms of reductions and enrollments and free and reduced lunch counts year over year; then you can simply confirm no change to the placements at the time that the information is requested from each of you. If you have two schools that you don't expect to change in terms of the assignments year over year, then you can just say, "our schools that we expect to be high poverty are going to remain the same for 2023 as they are first 2022." With that we will be reviewing the budget tool shortly. And as I mentioned, you guys will be receiving that information within the coming days. As we're working through and finalizing the school fiscal year for 2022, I want to remind you of the exemption for waiver request. I think that this is

definitely going to be something that will be much easier for us to assess each districts position for exemption once we get through the year once we have expenditure information available across each school. Because, if we are in a position to where there is a special or uncontrollable circumstance that might need to be cited as to the reason why a district was unable to maintain equity for 2022, then those reasons maybe best analyzed at the time of finalizing the 2022 year. Keep that in the back of your mind as you're working through the tool and analyzing each high poverty school's performance. Before we delve in to the budget tool, and we switch from PowerPoint to Excel,

Allison Seils 21:40

I'd like to clarify for each of you how the New Hampshire Department of Education has input the data that will be provided to each district. What we have done here is in putting together this information for you that we are about to walk through; we are looking at three distinct data sets. We touched upon this briefly in Part I's session. I did want to spend a little bit more time here helping you guys to understand where this information comes from, because I think there was a little bit of confusion just with how the regulation is crafted. So for the first data set, which concerns student data, we are allowed per regulation to lag one year for student enrollment information. What this means is due to the pandemic and the declaration of emergency that was issued during March of 2020, most districts have encountered decreases and n enrollments in 2021 versus 2020, prior to that declaration being issued.

What we are going to do is (on the student piece on the enrollment side for students), for fiscal year 2021, we are actually taking enrollment data, which is on behalf of 2020. As such for 2021, our student data will be applied for 2022. In looking at the 2022 baseline information in terms of student enrollments, we will be using 2021's enrollment information because that data does lag one year due to adequacy lags. For 2021 we'll look at 2020 student enrollment and for 2022 we'll look at 2021 student enrollment. Now in terms of collecting the state and local data on the financial piece, this data is not going to include special revenue, because that special revenue is considered as federal revenue.

We're looking at 2021 financial data that's taken from the DOE25 that will be applied to 2021. And as such 2022 financial data, as per the DOE25 will be applied to 2022. On the staffing data side, again, the 2021 staffing data is going to be used for the fiscal year 21 measurement and the same for 2022; we will be using 2022 staffing data to comply with the fiscal year 2022 measurements. The only measure that kind of differs a little bit due to those adequacy lags being one year will relate to the student data. I would like to go ahead now and switch from our PowerPoint to our Excel file, which this is a demo version of the information that you guys are going to be receiving in the coming weeks here. What I have done is I incorporated instructions, which will tell you a little bit more about what we've discussed today. Again, if you guys have questions after going through this webinar, and you do not wish to watch the webinar, you can always defer to your budget file, which will have more information in terms of the timeline, what Part II's maintenance of equity tracking is going to be covering. A couple of screenshots in terms of how this calculation is going to be performed for Part II is also included.

Allison Seils 26:33

We did touch upon this within the PowerPoint, but it's here for you guys again, in case you'd like to refer to the fiscal and staffing level tests that we have built in through the budgeting tool. And then, also, what you guys should be examining as you work through tracking your actuals for 2022 or providing

projections on behalf of the incomplete 2022 year. I'd like to walk you through the actual tool itself. This budgeting tool should look very similar to part one's tool that you each confirmed in emailed back to me. This tool has been created to assist each district in monitoring its high poverty classified schools. In measuring MOEq compliance, as financial data concerning actual expenses becomes available at the school level throughout each district for 2022, this information here will need to be provided to the USED by the New Hampshire Department of Education. If districts would like to enlist the assistance of the New Hampshire DOE and tracking their school level MOEq compliance for 2022, you guys can aim to provide your 2022 actual projections or estimates to me directly.

We are going to walk through what it is you'll need to be providing, as we kind of work through each of these columns and give you guys an outline of what we're tracking here. But I do want to know that you guys can, for those of you that that might have projections considered for 2022 in terms of meeting the staffing and financial tasks, what you'll be doing then, is you can be providing those projections to me, for each of your schools by completing columns P and columns T. For Column T, we're hoping to maybe have this information available very soon. But we don't have it just yet. If you guys know something we don't and are able to provide your full time equivalent staff for each of the schools within your district or at least your estimates or projections for 2022, you can then put those projections within Column T and then also what you are projecting each school's state and local support to be, which would normally be incorporated through the DOE25 for each school listed. It's these columns in yellow columns P and T on the local LEA budgeting tool tab. The information that exists currently within each column here is actually the same as what we have provided under 2021, which obviously, is going to need to be updated for 2022. Just because we may expect various tax increases or cost of living adjustments to be tied in year over year, that might not always be the case. But for now, we have just kind of defaulted 2022 information using 2021's baseline data, but we will need to have these productions updated in the event that the US Department of Education actually asks to see it.

Allison Seils 31:19

While the 2022 actual projections might be very difficult to provide, as of now, districts will need to track this information at the school level over the duration of fiscal year 22. In addition, we will need to eventually do the same thing for 2023. As doing so is really going to enable your district to confirm whether it is meeting that staffing and financial test that we describe within the PowerPoint slides. Through tracking compliance, through using the budget tool that we have outlined here, the districts are going to be able to confirm funding allocations across each high poverty school outlined here and whether those spending reductions or increases against each poverty or high poverty school will result in satisfactory spending across those high poverty schools, compared to the prior year. Districts may reduce allocations to those schools not deemed high poverty for fiscal years 2022 and 2023. So long as they are not reducing funding to their high poverty designated schools in comparison to the prior year. Actual expenditures, or in this case, projected actuals should be recorded across all schools within the district, as done so here.

Allison Seils 33:22

However, districts will need to pay close attention in monitoring equity across those high poverty schools that are designated through your listing to ensure that funding reductions do not exist across each high poverty classified school year over a year. So with all of that considered, what I would like to do now is

go through this tool and what exactly it is showing us. In our sample district, we have five schools outlined and we can see here that this district is not going to be exempted from the first of the three exemption criteria outlined via the regulation. Now we have taken this sample district's high poverty classifications as received by October 5, and have input them into this listing. Out of five schools this district had to classify as high poverty, they ended up designating a grade span one to four and a grade span five to eight as their two highest poverty schools. We take the enrollment information certified by each district on behalf of fiscal year 21 for enrollment and have input it into column G. Local and state support as certified by each district for 2021 outlined within Column H.

As I mentioned before, to confirm the student level enrollment numbers here that you're seeing for 2021 are actually 2020s enrollments due to that adequacy lag of one year. But the state and local support by school listed, these are 2021 datum that are being put forward on behalf of 2021. And as such, to add Column I for the per pupil funding for each school. What we do here and looking at 2021 baseline data is we are simply taking the state and local support by each school and dividing it by the number enrolled for 2021, which uses 2020s enrollments. So then, in Column J, we can see that the district wide per pupil state and local funding for this district comes to just over \$15,000 for 2021. And up here in Column G, I have a total outlining an aggregate the number of enrolled students for 2021, as well as the total amount of state and local support received for 21.

Allison Seils 46:58

Moving forward, we are looking then, at the full time equivalent staff for each school for 21. What this is doing, this is actually taken from the information that is certified across the district. It actually is put into one of our statistical programs that we were then able to pool for each of you on behalf of 2021. These are the numbers for this particular district that were returned and we were then able to come up with the full time equivalent per pupil for each school using this number of staff by school. We just simply took the number of staff and divided it against the number of enrolled students in order to get the full time equivalent per staff for each school listed. And because we also through the MOEq tracking requirements have to track the district wide full time exempt per pupil value, we were able to do that, given the information that we had available just simply by taking the full time equivalent stuff for each school and dividing it by the total enrollments.

Now, we get into the number of students enrolled in each school for 2022. Again, this information is actually made available to us already because as I mentioned, and looking at students, we have a 22 we're using 2021 as our baseline, those numbers have already been certified by each district and analyzed and thus incorporated into this model. So we know for a fact that the districts either they have 1000 or more students enrolled within their district or any that have maintained less than 1000 would technically have met that exemption criteria. In this particular case, none of you did. So this particular district has more than 1000 students enrolled; and this is just confirming for DOE purposes. Now we get into the information or one of the pieces of information that will need to be received by your district and now this is going to be a projection, because we likely do not know this information at this particular point in time. However, I would recommend if you guys can really start thinking about what you're going to be receiving in terms of state and local support across each of your schools, as we continue to make our way through 2022, we will have to have this information certified from each of you, because the USED is going to require it. In maintaining their tracking of compliance across state, this is a data point that that will need to be completed at some point. Now if you guys already know that, you are confident in terms of what your projected state and local support across each school within your district is going to be. Feel

free to complete this information within Column P as well as Column T, and send that back to me, I did actually include a copy of my contact information under the instructions.