

Dear Colleague,

We are reaching out regarding the calculation of State maintenance of effort (MOE) under section 317 of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) and section 2004(a)(1) of the American Rescue Plan Act of 2021 (ARP Act). Under these provisions, a State must maintain effort for elementary and secondary education and for higher education in fiscal years (FYs) 2022 and 2023 at least at the proportional levels of the State's support for elementary and secondary education and for higher education relative to the State's overall spending averaged over FYs 2017, 2018, and 2019 (baseline years).

In reviewing State requests for a waiver of MOE requirements, we have noticed that some States may appear to fail to maintain effort because they have compared the proportional levels in FY 2022 or FY 2023 and the baseline years using several decimal places. When comparing the FY 2022 and FY 2023 proportional levels by which a State must maintain effort to the baseline years, the State, at its discretion, may round the difference to the nearest whole number using standard rounding procedures. For example, a difference between proportions of less than 0.5% would round down to 0%, and a difference of 0.5% or greater would round up to 1%.

State Examples:

Baseline Years: State support for higher education as a proportion of overall State spending, average for FYs 2017, 2018, and 2019.	12.90%
Fiscal Year 2022: State support for higher education as a proportion of overall State spending.	12.48%
Difference between baseline years and FY 2022:	0.42%

In this State example, because the difference between the average of the baseline years and the FY 2022 proportional level is 0.42% (i.e., less than 0.5%), the State, at its discretion, may round the difference down to 0%. As a result, the State demonstrates that it met the MOE requirement.

Baseline Years: State support for higher education as a proportion of overall State spending, average for FYs 2017, 2018, and 2019.	12.90%
Fiscal Year 2022: State support for higher education as a proportion of overall State spending.	12.22%
Difference between baseline years and FY 2022:	0.68%

In this State example, because the difference between the average of the baseline years and the FY 2022 proportional level is 0.68% (i.e., more than 0.5%), the State would need to round the difference to 1.0%. Rounding would not demonstrate that the State met the MOE requirement.

If your State has requested a waiver of one or more of the CRRSA and ARP Act MOE requirements and you believe your State would not require a waiver if it applied standard rounding procedures as described above, please notify your program officer through your State mailbox, [State].OESE@ed.gov, as soon as possible. Thank you for your continuing attention to the MOE requirements.

In partnership,

The Office of State and Grantee Relations