

GUIDANCE

TITLE I, PART A: SUPPLEMENT – NOT SUPPLANT
PROVISIONS OF THE EVERY STUDENT SUCCEEDS ACT (ESSA)



New York State Education Department

Office of ESSA-Funded Programs

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Provisions of the Every Student Succeeds Act (ESSA)

INTRODUCTION

This guidance reflects the requirements in Title I, Part A, section 1118 Fiscal Requirements (20 U.S.C. 6321) of the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA). The examples provided should not be regarded as exhaustive or limiting, LEAs may develop alternative approaches that are consistent with the Title I statute and better align with their particular needs and circumstances.

Overview

Supplement not supplant (SNS) is a statutory provision across numerous federal grant programs. This provision has been part of the Elementary and Secondary Education Act (ESEA) and other federal grant programs since 1970 and is maintained in the Every Student Succeeds Act (ESSA).

The purpose of the Supplement Not Supplant provision is to ensure that federal funds are utilized to benefit the intended population in the statute and not being used to fund the basic education that the district would have provided in the absence of federal funds. The supplement not supplant provision requires that federal grant funds must add to (or supplement) and not replace (or supplant) other state/local funds in providing general educational services.

Since its inception, the rule has generally remained the same with variations in the how the requirement was tested. However, the Every Student Succeeds Act (ESSA) changed the way in which a district demonstrates compliance with SNS for Title I. The change in demonstrating compliance was intended to simplify the test and to move away from the expenditure-by-expenditure analysis (specific cost test) at the school level.

As part of ESSA, LEAs are now responsible for developing a methodology to distribute state and local funds to schools. LEAs must be able to demonstrate that the methodology they use to allocate state and local funds to schools provides each Title I school with all of the state and local money it would receive if it did not participate in the Title I program. Districts must distribute state and local funds to all schools as if no Title I funds were available to any schools in the district. The funding methodology that a district uses must also provide sufficient state and local funds to provide an adequate general education program in all schools.

Developing a Methodology for Distributing Funds to Schools

To demonstrate compliance with the Title I, Part A supplement not supplant provision for school-level expenditures, districts must annually provide the methodology used to allocate state and local funds to each Title I school. This ensures that each Title I school receives all of the state and local funds it would otherwise receive if it were not a Title I school.

Specific funding methodologies to distribute state and local funds are not mandated by federal legislation or by the state education agency. However, districts must annually demonstrate that a funding methodology has been adopted and utilized to distribute state and local funds to all schools as a prerequisite for receiving Title I funds.

IMPORTANT NOTE:

LEAs have broad flexibility when developing the methodology for the equitable distribution of State and Local funds to schools

Some options could include, but are not limited to:

- A weighted student funding formula that provides additional resources based on student characteristics or demographics and ensures that each Title I school receives all of the actual funds to which it is entitled under that system;
- A formula that allocates resources, including staff positions and non-personnel resources, directly to schools and that ensures each Title I school gets all of the funding it is entitled to, as measured by the sum of: 1) the number of personnel in the school multiplied by the district’s average salaries for each staff category; and 2) the number of students in the school multiplied by the district’s average per-pupil expenditures of non-personnel resources;

Once the supplement not supplant provision is met through the funding methodology and evidence is provided that each Title I school received its “fair share” based on the district’s funding methodology, items supported by Title I in a targeted or school-wide program are deemed to be supplemental. Complying with supplement not supplant for Title I schools becomes a funding test, not an expenditure-by-expenditure test. School-level expenditures are allowable – provided they are reasonable, allocable, necessary, and appropriately documented – once the district has provided a “Title I neutral” funding methodology for schools.

Examples of Allowable Methodologies

Example 1: Distribution of non-Federal resources based on characteristics of students (This form of equitable distribution is generally referred to as a "weighted per pupil" funding formula.)

Assume:

Allocation/student = \$7,000

Additional allocation/student from a low-income family = \$250

Additional allocation/English Language Learner = \$500

Additional allocation/student with a disability = \$1,500

Additional allocation/preschool student = \$8,500

In a school of 450 students, including 200 students from low-income families, 100 English Learners, 50 students with disabilities, and 20 preschool students, the school would be expected to receive \$3,495,000 in non-Federal resources based on the following calculations:

Category	Calculation	Amount
Allocation/student	450 x \$7,000	\$3,150,000
Allocation/student from low-income family	200 x \$250	\$50,000
Allocation/English Language Learner	100 x \$500	\$50,000
Allocation/student with a disability	50 x \$1,500	\$75,000
Allocation/preschool student	20 x \$8,500	\$170,000
		\$3,495,000

To meet the supplemental funds test, an LEA would need to distribute non-Federal funds according to the assumptions above to all of its schools, regardless of whether a school receives Title I funds.

Example 2: Distribution of non-Federal resources based on staffing and supplies

Assume:

- 1 principal/school (\$120,000)
- 1 librarian/school (\$65,000)
- 2 guidance counselors/school (\$65,000/guidance counselor)
- 1 teacher per 22 students (\$65,000/teacher)
- \$825/student for instructional materials and supplies (including technology)

In a school of 450 students, the school would be expected to receive \$2,051,250 in non-Federal resources based on the following calculation:

Category	Calculation	Amount
1 principal	1 x \$120,000	\$120,000
1 librarian	1 x \$65,000	\$65,000
2 guidance counselors	2 x \$65,000	\$130,000
21 teachers	21 x \$65,000	\$1,365,000
Materials and supplies	450 x \$825	\$371,250
		\$2,051,250

To meet the supplemental funds test, an LEA would need to distribute non-Federal resources according to the assumptions above to all of its schools, regardless of whether a school receives Title I funds. This example does not, however, suggest that non-Federal funds must be used to support the activities in the table above; rather, Title I funds may be used to support any activity identified by the comprehensive needs assessment and articulated in the comprehensive Title I plan.

Note: The methodology does not mean that each school will necessarily receive the same staffing levels or funding amounts per student. Instead, the annual Comparability survey is the fiscal test used to ensure that services provided from state and local funds are, when taken as a whole, are comparable between Title I and non-Title I schools. The key for the SNS analysis is that the LEA can document and explain that Title I, Part A was not a factor in how state and local resources were distributed.

QUESTIONS AND ANSWERS

Q1: Are Supplement Not Supplant requirements the same as Comparability requirements?

A1: No. While both comparability and Supplement – Not Supplant look at how LEAs distribute State and local funds and/or resources to schools, they are separate tests that measure different things. Comparability requires that State and local funds are used to provide services that, taken-as-a-whole, are comparable between Title I and non-Title I schools. Supplement – Not Supplant requires LEAs to distribute State and local funds to schools without taking in to account a school’s participation in the Title I program. Though the source of funds for both fiscal tests are similar (i.e. State and local), situations may occur where the LEA satisfies the requirements within one while failing those of the other. For this purpose, it would not be proper to use comparability results to meet the SNS demonstration requirement.

Q2: I’m a Federal Program Administrator – who should I talk to in my district to find the methodology for allocating State and local funds?

A2: LEA Federal Program Administrators may not have specific knowledge related to the allocation of State and local funds and should connect with the LEA’s Business Official and/or Finance Director, or similarly situated person(s), for more information. District’s can also contact the New York State Education Department (NYSED or “the Department”) for assistance in developing a methodology by calling (518)-473-0295.

Q3: Has NYSED prescribed a standard methodology to demonstrate compliance with the supplement not supplant requirement?

A3: In order to allow LEAs maximum flexibility in developing a methodology that accommodates the unique characteristics of the LEA, NYSED has not prescribed a standard methodology.

Q4. Are there any situations where an LEA’s use of Title I funds would not be supplemental?

A4. There are two situations in which an LEA's use of Title I funds would likely not be supplemental even if the LEA distributes non-Federal funds according to the examples above. As a result, the LEA would not be able to use Title I funds to operate a schoolwide program. These situations are:

- 1) An LEA does not have sufficient non-Federal funds to provide even the most basic education program in all its schools. In this situation, if Title I funds are used to provide part of the basic level of education funding, they would not be supplemental because an LEA is charged with providing a basic level of funding for all its students. If, however, the LEA can provide a basic education program in all its schools with nonfederal funds, the LEA may use Title I funds to operate a schoolwide program in an eligible school.

- 2) An LEA is required by State or local law to provide funding for a specific purpose for all students. To the extent that an SEA or LEA provides funds to schools to meet a legal obligation, a Title I school must receive its fair share of those resources. For example, if State law provides funding for an LEA to deliver prekindergarten to all four-year-old students, a Title I school would need to receive sufficient State and/or local funds to meet that mandate.

Q5. What schools are included in the methodology?

A5. The LEA should include ALL schools in its methodology; Title I and non-Title I.

Q6. Are there any costs that do not get included in the methodology?

A6. Yes, the following may be excluded from the methodology:

- Centrally administered resources: employee-related compensation, curriculum purchases, etc.
- Costs that are Title I, Part A allowable only in limited circumstances:
 - Maintenance & Utilities
 - Student transportation
 - Costs that are never allowed under Title I, Part A, either through ESSA or the Uniform Grants Guidance: debt service, capital expenditures, building repair costs, bus depreciation, and costs for school breakfast/lunch program. It will also exclude costs already obligated for building repairs through locally approved capital levies and bonds.

Q7. Does this mean that all costs are now allowable if they meet supplement not supplant?

A7. No, Title I costs must still be allowable under the Title I program. At a minimum this means:

- Costs must still be necessary and reasonable.
- Costs must be permissible under Title I and ESSA generally. For example, a school operating a schoolwide program should be able to demonstrate that a Title I cost is consistent with the school's needs assessment and schoolwide plan.
- Costs still must only benefit eligible students (all students are eligible students in a schoolwide program and identified students in a targeted assistance program).

Q8. If an LEA meets supplement not supplant does it still need to meet maintenance of effort?

A8. Yes, an LEA must also comply with Title I's maintenance of effort as well as the comparability requirements. Together, these requirements ensure Title I serves as a supplemental resource for Title I program schools.

Q9. Are there any instances where an LEA would not have to develop a methodology?

A9. LEAs with one school and LEAs serving single grade spans (no grade span duplication) are not required to develop a methodology. If an LEA is exempt from Comparability, then it is exempt from the written methodology requirement.

Q10. If the district is only serving (with Title I funds) one grade span (e.g., K-4), does the written methodology have to address middle and high school?

A10. Yes; unless your district has only one school OR only one school per grade span, districts must submit a written methodology for all schools in the district, even if only one school is being served with Title I funds. Additionally, districts must provide a methodology for all schools if there are multiple elementary schools and only one middle school and one high school.