

TITLE I-A GUIDANCE MANUAL

SUPPLEMENT NOT SUPPLANT



IDAHO STATE DEPARTMENT OF EDUCATION
FEDERAL PROGRAMS | TITLE I-A BASIC EDUCATION

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Supplement Not Supplant for Title I-A

PURPOSE OF THE DOCUMENT

This document provides user-friendly guidance and practical examples to help define and explain the Supplement Not Supplant requirement for the Title I-A program under the Every Student Succeeds Act (ESSA).¹

ABOUT SUPPLEMENT NOT SUPPLANT (SNS)

Under ESSA's Supplement not Supplant (SNS) requirements, a local educational agency (LEA) may use Title I-A funds only to supplement the funds that would, in the absence of those Title I-A funds, be made available from state and local sources for the education of students participating in Title I-A programs, and not to supplant such funds. ESSA maintains the SNS requirements for Title I-A funds that were in place under No Child Left Behind (NCLB), but fundamentally changes the way compliance is tested.

To understand the difference between the Title I-A supplanting requirements under NCLB and the new Title I-A supplanting requirements under NCLB as reauthorized by ESSA, it is important to review the different tests in effect under both versions of the law. The *Before* and *After* SNS tests are described in the next section.

Supplement Not Supplant Before ESSA

Under NCLB, Supplement Not Supplant was typically tested by analyzing an individual Title I-A cost and applying the three presumptions of supplanting. A presumption of supplanting existed where federal funds were used for any of the following:

1. An activity is required by federal, state, or local law.
2. An activity that was paid for with state or local funds in the prior year.
3. The same services for Title I-A students that state and local funds support for non-Title I-A students.

¹ ESSA was signed into law on December 10, 2015. ESSA went into effect on July 1, 2017.

These presumptions could be rebutted by demonstrating that the services would not have been provided if the federal funds were not available or that there were no non-federal resources available in the given year.

Supplement Not Supplant After ESSA

Under ESSA, compliance with SNS is no longer tested through individual Title I-A costs, so *the previous three presumptions no longer apply* for both Schoolwide and Targeted Assistance Programs.

The new Title I-A supplanting test focuses on methodology rather than identification of individual costs. Under ESSA, LEAs must demonstrate that the **methodology** used to allocate state and local funds to each school receiving Title I-A funds ensures that each school receives all of the state and local funds it would otherwise receive if it were not receiving Title I-A funds. LEAs are not required to identify individual costs or services as supplemental or provide services through a particular instructional method or in a particular instructional setting to demonstrate compliance.

Another important fact to remember is that **allocability is still a requirement** for both Title I-A programs: Schoolwide and Targeted Assistance. Title I-A funds must still be used to serve the original purpose of Title I-A which is to provide all children significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps. Generally, charges to Title I-A must be necessary, reasonable and allocable. *See* 2 CFR 200.403(a). However, there is one important exception: if a Schoolwide school fully consolidates federal, state and local funds, there are no federal constraints on Title I-A funds included in the consolidated funding pool.²

² See ESSA Section 1114(a)(3); see also ED's Non-Regulatory Guidance, Title I Fiscal Issues (Feb. 2008).

Brief Summary of SNS requirements before and after ESSA

Before (NCLB)

| Before (NCLB) | Targeted Assistance | Schoolwide |
|----------------------|---|---|
| SNS requirement | <i>Activities</i> must be supplemental. | Title I-A <i>funds</i> must be supplemental. |
| SNS test | Three (3) presumptions. Supplanting occurred if: <ol style="list-style-type: none"> 1. An activity is required by federal, state, or local law. 2. An activity that was paid for with state or local funds in the prior year. 3. The same services for Title I-A students that state and local funds support for non-Title I-A students. | Supplanting occurred if: A Title I-A school did not receive all of its state and local funds it would otherwise receive if it was not receiving Title I-A funds. |
| Allocability | Title I-A funds must be used to serve the purpose of Title I-A. | Title I-A funds must be used to serve the purpose of Title I-A unless full consolidation with nonfederal funds. |
| Who may be served? | Only Title I-A students may receive benefits from Title I-A funds. | All students. |

After (ESSA)

| After (ESSA) | Targeted Assistance | Schoolwide |
|-----------------------------------|---|--|
| SNS requirement | Title I-A <i>funds</i> must be supplemental. Three previous presumptions no longer apply. | Unchanged. Three previous presumptions still don't apply. |
| SNS Test | Supplanting occurs if: A Title I-A school does not receive all of its state and local funds that it would otherwise receive if it was not receiving Title I-A funds ³ . | Supplanting occurs if: A Title I-A school does not receive all of its state and local funds it would otherwise receive if it was not receiving Title I-A funds. |
| How is the compliance determined? | Through the methodology. | Through the methodology. |
| Allocability | Title I-A funds must be used to serve the purpose of Title I-A. | Title I-A funds must be used to serve the purpose of Title I-A unless full consolidation with nonfederal funds. |
| Who may be served? | Only the Title I-A students may receive benefits from Title I-A funds. | All students. |

³ ESSA, Section 1118 (b)(2)

SUPPLEMENT NOT SUPPLANT METHODOLOGY

LEAs must describe the methodology used to ensure that Federal funds are supplemental. The LEA must describe how the distribution of its general, state and local funds to each school is neutrally determined.

Methodology Examples

The State Department of Education (SDE) cannot prescribe a particular methodology (process, method, logic, etc.). However, several Idaho LEAs have shared their methodology with the SDE. We are sharing the examples below as suggested approaches, but are not mandating that LEAs implement either sample methodology.

Methodology example based on enrollment and grades

The basic allocation is based on total enrollment counts for each school, as if the state and local funds are the only monies that each school is receiving. Each school is given additional allocations for other needs (technology, supplies, etc.). See the table below. As a result, all schools are treated the same whether or not these schools are Title I-A served. Please note: The schools are grouped by grade span (Elementary & Secondary) in this example. Each span may have a different per student amount, but schools in each group are treated equally.

Local Education Agency(LEA) with six (6) schools. The total amount of state and local funds \$4,562,766

| School | School Enrollment | All staff FTEs (salaries & benefits) Administration and Instruction* | Professional Development | Technology and Supplies | Additional Necessary Costs | Total |
|---------------|-------------------|--|---|---|--|--------------------|
| | | \$4,300 per each elementary student \$4,200 per each secondary student | \$20 per each student-all schools Plus \$500 per each building | \$50 per each student-all schools Plus \$400 per each building | (i.e., lunch, library supplies, athletic supplies, utility costs, transportation) \$1408 per each student | |
| A ELEMENTARY | 105 | \$451,500 | \$2,600 | \$5,650 | \$147,840 | \$607,590 |
| B ELEMENTARY | 100 | \$430,000 | \$2,500 | \$5,400 | \$140,800 | \$578,700 |
| C ELEMENTARY | 115 | \$494,500 | \$2,800 | \$6,150 | \$161,920 | \$665,370 |
| D JUNIOR HIGH | 108 | \$453,600 | \$2,660 | \$5,800 | \$152,064 | \$614,124 |
| E JUNIOR HIGH | 169 | \$709,800 | \$3,880 | \$8,850 | \$237,952 | \$960,482 |
| F HIGH SCHOOL | 200 | \$840,000 | \$4,500 | \$10,400 | \$281,600 | \$1,136,500 |
| TOTAL | 797 | \$3,379,400 | \$18,940 | \$42,250 | \$1,122,176 | \$4,562,766 |

Methodology example based on enrollment and subgroups of students

Another example is based on the distribution of state and local funds which include extra considerations for particular subgroups of students.

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 receives \$2,509,500 in state and local funds based on the following calculations:

A school. All schools in an LEA follow the same model.

| Category Allocation | School Enrollment | Allocation per student | Total Calculation |
|---------------------|-------------------|------------------------|-------------------|
| All Students | 450 | \$5,500 | \$2,475,000 |

Additional state and local funding for subgroups of students

| Category Allocation | School Enrollment | Allocation per student | Total Calculation |
|--|-------------------|------------------------|--------------------|
| Students from low-income families | 200 | \$25 | \$5,000 |
| English Learners | 100 | \$50 | \$5,000 |
| Students with disabilities | 50 | \$150 | \$7,500 |
| Preschool students | 20 | \$850 | \$17,000 |
| The total allocation for school | | | \$2,509,500 |

Exclusion of “Title I-A like” Supplemental state and local funds from the methodology

LEAs may *exclude* supplemental state and local funds used for any program that meets the intent and purpose of Title I-A. In other words, although an LEA may not reduce its allocation of general, state and local funds to a Title I-A school because the school receives Title I-A money, ESSA requirements allow for a degree of flexibility when it comes to *supplemental* state and local funds.

What are Supplemental state and local funds?

For the SNS methodology purposes, state and local funds are considered *Supplemental* if they are used to pay for a “Title I-A like⁴” activity or program. A program or activity is considered to be “Title I-A like” if it:

EITHER

- Is implemented in a school with at least 40 percent poverty;

⁴ ESEA Sections 1113(b)(1)(D) and 1113(c)(2)(B)

- Is designed to promote schoolwide reform and upgrade the entire educational operation of the school;
- is designed to meet the educational needs of all students in the school, particularly those who are not meeting state standards; and
- Uses the state’s assessment system to review the effectiveness of the program.

OR

- Serves only students who are failing, or most at risk of failing, to meet state standards;
- Provides supplementary services to participating students designed to improve their achievement; and
- Uses the state’s assessment system to review the effectiveness of the program.

Below are several examples of when state and local funds may be excluded from the SNS methodology determination:⁵

Example 1: An LEA offers after-school tutoring for any student who scores below proficient on the state’s mathematics assessment. Paying for eligible students in a schoolwide program school with Title I-A funds and eligible students in a non-Title I-A school with local supplemental funds would not violate the schoolwide program Supplement Not Supplant requirement.

This is true even though the schoolwide program would not receive its share of the local supplemental funds to provide tutoring to eligible students. Rather, the local funds to provide tutoring in the non-Title I-A school would qualify for the exclusion because they are supplemental and benefit students who, by virtue of being non-proficient in mathematics, are failing to meet the state’s mathematics standards.

Example 2: An SEA identifies in its ESEA flexibility request all “F” schools in the state as priority schools. An LEA will not violate the schoolwide program Supplement Not Supplant requirement if it uses Title I-A funds to implement interventions consistent with the turnaround principles in its Title I-A priority schools and uses supplemental non-Federal funds to provide the same interventions in its non-Title I-A priority schools.

Example 3: The exclusion of supplemental state and local funds from the SNS methodology applies even if the activity is required by state or local law. For example, state law requires all third-grade students to meet the state’s proficient achievement standard in reading/language arts to be promoted to fourth grade. Any student who is not proficient at the start of third grade must be provided 90

⁵ ED NAFEP A Presentation, March 2017.

minutes of supplemental services designed to improve his/her reading proficiency. An LEA will not violate the schoolwide program Supplement Not Supplant requirement if it uses Title I-A funds to implement the required-by-law reading services in a schoolwide program school and uses supplemental non-Federal funds to provide the same services in its non-Title I-A schools.

Non-Federal funds to provide the reading services would qualify for the exclusion because they are supplemental and benefit only students who are failing to meet the state's reading/language arts standards. This is true even though the schoolwide program school would not receive its share of non-Federal funds to meet the state law requirement.

Practical examples of funds that may be used to pay “Title I-A like” programs:

Example #1. Which of these Idaho state-funded programs is supplemental?

| Questions | Literacy Proficiency funds based on IRI | Remediation funds based on ISAT |
|-----------|---|---------------------------------|
|-----------|---|---------------------------------|

EITHER

| | | |
|---|--|---|
| Do these funds pay for a program implemented in a school with at least 40 percent poverty? | Yes (in this example). If “No”, go to the second “OR” category. | No (in this example). If “No”, go to the second “OR” category. |
| Do these funds pay for a program that is designed to promote schoolwide reform and upgrade the entire educational operation of the school? | Yes | ↓ |
| Do these funds pay for a program that is designed to meet the educational needs of all students in the school, particularly those who are not meeting state standards? | Yes. State distribution to the LEA is based on K -3 students who scored basic or below basic on the statewide reading assessment. The program designed by the LEA serves the purpose of funding, and it is a “Title I-A like” program. | ↓ |
| Will you use the state’s assessment to review the effectiveness of the program? | Yes | ↓ |
| Are these funds obligated to a certain school building? | No | ↓ |
| Is it a supplemental program in terms of determining the SNS methodology? | Yes | ↓ |

OR

| Questions | Literacy Proficiency funds based on IRI | Remediation funds based on ISAT |
|---|--|---|
| If these funds pay for a program implemented in a school with less than 40 percent poverty, does this program serve only students who are failing, or most at risk of failing , to meet state standards? | No need to use this table. It has already been determined that it is a supplemental program based on the first five (5) questions. | Yes |
| Do these funds pay for a program that provides supplementary services to participating students designed to improve their achievement? | No need to use this table. It has already been determined that it is a supplemental program based on the first five (5) questions. | Yes. state distribution to the LEA is based on students that did not meet proficiency on the ISAT. The program designed by the LEA serves the purpose of funding, and it is a “Title I-A like” program. |
| Will you use the state’s assessment system to review the effectiveness of the program? | No need to use this table. It has already been determined that it is a supplemental program based on the first five (5) questions. | Yes |
| Is it a supplemental program in terms of determining the SNS methodology? | Yes | Yes |

Example #2. Which of these Idaho state-funded programs is supplemental?

| Questions | State EL (former LEP) funds | General, state and local funds |
|---|---|--|
| EITHER | | |
| Do these funds pay for a program implemented in a school with at least 40 percent poverty? | No (in this example). If "No", go to the second "OR" category. | Yes |
| Do these funds pay for a program that is designed to promote schoolwide reform and upgrade the entire educational operation of the school? | ↓ | Yes |
| Do these funds pay for a program that is designed to meet the educational needs of all students in the school, particularly those who are not meeting state standards? | ↓ | No. This is a general distribution to all schools K-12 based on the LEA's methodology (enrollment, grades, FTEs, etc..). |
| Will you use the state's assessment to review the effectiveness of the program? | ↓ | ↓ |
| Are these funds obligated to a certain school building? | ↓ | ↓ |
| Is it a supplemental program in terms of determining the SNS methodology? | ↓ | No |

OR

| Questions | State EL (former LEP) funds | |
|---|---|-----------|
| If these funds pay for a program implemented in a school with less than 40 percent poverty, does this program serve only students who are failing, or most at risk of failing , to meet state standards? | Yes | No |
| Do these funds pay for a program that provides supplementary services to participating students designed to improve their achievement? | Yes. State distribution to the LEA is for EL students identified based on ACCESS 2.0 assessment. The program designed by the LEA serves the purpose of funding, and it is a "Title I-A like" program. | ↓ |
| Will you use the state's assessment system to review the effectiveness of the program? | Yes | ↓ |
| Is it a supplemental program in terms of determining the SNS methodology? | Yes | No |

Methodology Exceptions

1. **Single school LEA:** An LEA is not required to demonstrate methodology if it has only one school (building)⁶.
2. **All Title I-A schools:** An LEA is not required to demonstrate methodology if all schools (buildings) are Title I-A served⁷.

DISTINCTION BETWEEN SCHOOL-LEVEL AND LEA-LEVEL EXPENDITURES

ESSA's new approach to demonstrating SNS compliance under Title I-A is at the school level. The U.S. Department of Education still applies a specific cost test for LEA-wide expenditures. For example, an LEA would like to implement an LEA-wide initiative and reserves a portion of its general, state and local funds at the LEA level (\$6,000 in this example). The LEA still has to prove that it is using its reservation of \$6,000 in a neutral way to its Title I-A schools (see Q&A, question 5, scenario 2, with an example of supplanting at the LEA level).

As mentioned earlier, supplemental state and local funds may be excluded from this methodology if used for the "Title I-A like" programs.

HOW THE SDE WILL MONITOR ESSA'S NEW APPROACH TO DEMONSTRATING SNS COMPLIANCE

Transition Year

LEAs that are monitored during the 2018-19 school year will be asked to provide significant progress towards putting their methodology process (practice, not the policy) in writing. The LEA's methodology will have to describe how the distribution of its general, state and local funds to each school is neutrally determined.

- Methodology based on enrollment and grades
- Methodology based on enrollment and subgroups of students
- Other - Please describe (i.e., based on FTE's, combination of grades and subgroups of students)

The State Department of Education (SDE) cannot prescribe a particular methodology (process, method, logic, etc.). However, several Idaho LEAs have shared their methodology with the SDE. We are sharing

⁶ 2018 Combined Federal Programs Meeting. December 6-7, 2018. <https://apps1.seiservices.com/cfpm2018/>

⁷ 2018 Combined Federal Programs Meeting. December 6-7, 2018. <https://apps1.seiservices.com/cfpm2018/>

the examples as suggested approaches, but are not mandating that LEAs implement either sample methodology.

Implementation Year

LEAs that are monitored during the 2019-20 school year will be asked to provide their methodology process (practice, not the policy) in writing. The LEA's methodology will have to describe how the distribution of its general, state and local funds to each school is neutrally determined.

In addition, the LEA will be asked to provide evidence that the LEA not only has its methodology in writing, but it is actually distributing its general, state and local funds in a neutral way to its Title I-A schools. The State Department of Education (SDE) cannot prescribe a particular standard document or report. The LEA will decide at the LEA level of what documentation to provide. In preparation for this manual, several Idaho LEAs shared their documentation with the SDE in a pilot program. For example, one of the documents shared was an Excel spreadsheet that included budgeted monies to each school (only general, state & local funds) and clearly showed that all schools were treated the same regardless if they were Title I-A or not.

Depending on the size of an LEA and complexity of its methodology, the LEA might be asked to share after-the-fact expenditures per building. The State Department of Education (SDE) cannot prescribe a particular standard document or report. The LEA will decide at the LEA level of what documentation to provide. The SDE Federal Programs Department is in the process of determining what data could be used to review after-the-fact expenditures. An LEA may use per-pupil expenditures data as a method of demonstrating compliance, although, there could be other methods. More guidance is forthcoming.

Methodology Exceptions

1. **Single school LEA:** An LEA is not required to demonstrate methodology if it has only one school (building)⁸.
2. **All Title I-A schools:** An LEA is not required to demonstrate methodology if all schools (buildings) are Title I-A served⁹.

⁸ 2018 Combined Federal Programs Meeting. December 6-7, 2018. <https://apps1.seiservices.com/cfpm2018/>

⁹ 2018 Combined Federal Programs Meeting. December 6-7, 2018. <https://apps1.seiservices.com/cfpm2018/>

QUESTIONS AND ANSWERS: CAN I USE TITLE I-A FUNDS TO PAY FOR THIS?

Question 1: A Title I-A schoolwide school paid for a reading software program *last year* using local funds. *This year*, the school uses Title I-A funds (\$20,000) to pay for the same reading software program. Is this supplanting?

Answer: Applying the methodology test, if we assume that the methodology used by the LEA to distribute state and local funds is neutral, this would not be supplanting. Once we determine that this is not supplanting, we must consider whether the cost is allowable. To make that determination, consider whether the cost is allocable and meets other allowability requirements (reasonable, necessary, proper procurement procedures followed, etc.).

The examples below demonstrate how variations in an LEA’s approach to distributing state and local funds can lead to different outcomes on the supplanting methodology test:

| Additional Questions | Scenario 1 Schoolwide | Scenario 2 Schoolwide | Scenario 3 Schoolwide |
|---|--|--|---|
| Did you use state and local funds to pay for this program last year? Is this program required by federal, state, or local law? | Yes, or No ¹⁰ . See the footnote. | Yes, or No. See the footnote. | Yes, or No. See the footnote. |
| Are you buying the same software for non-Title I-A schools using state and local funds? | Yes, or No. See the footnote. | Yes, or No. See the footnote. | Yes, we are using our supplemental state and local funds. |
| Is this program included in schoolwide plan? | Yes | Yes | Yes |
| Will this school receive \$20,000 less in its general, state and local funds than it would otherwise receive if it was not receiving Title I-A funds? | Yes. We would like to reduce this school’s general, state and local funds and use \$20,000 at the LEA level. | No. \$20,000 will stay in this school and will be spent on something else. | The school will not receive \$20,000 less in its general, state and local funds. The school will receive \$20,000 less in its supplemental state and local funds. |
| Who will be served? | All students will be using this software. | All students will be using this software. | All students will be using this software. |
| Is it supplanting? | Yes. This school will receive \$20,000 less in its general, state and local funding it would otherwise receive if it was not receiving Title I-A funds. | No. This school will still receive its regular state and local funding it would otherwise receive if it was not receiving Title I-A funds. | No. This school may exclude its supplemental state and local funding from its SNS methodology. |
| Is it allowable? | No | Yes | Yes |

¹⁰ Under ESSA, compliance with SNS is no longer tested through individual Title I-A costs, so the previous three presumptions no longer apply for both Schoolwide and Targeted Assistance Programs.

Question 2: A Title I-A targeted assistance program paid for a reading software program last year using local funds. This year, the school uses Title I-A funds (\$20,000) to pay for the same reading software program. Is this supplanting?

Answer: Applying the methodology test, if we assume that the methodology used by the LEA to distribute state and local funds is neutral, this would not be considered supplanting. Once we determine that this is not supplanting, we must determine whether the cost is allowable. To make that determination, consider whether the cost is allocable and meets other allowability requirements (reasonable, necessary, proper procurement procedures followed, etc.).

The examples below demonstrate how variations in an LEA’s approach to distributing state and local funds can lead to different outcomes on the supplanting methodology test:

| Additional Questions | Scenario 1 Targeted Assistance | Scenario 2 Targeted Assistance | Scenario 3 Targeted Assistance |
|--|---|---|--|
| Did you use state and local funds to pay for this program last year? Is this program required by federal, state, or local law? | Yes, or No ¹¹ . See the footnote. | Yes, or No. See the footnote. | Yes, or No. See the footnote. |
| Are you buying the same software for non-Title I-A schools using state and local funds? | Yes, or No. See the footnote. | Yes, or No. See the footnote. | Yes, we are using our supplemental state and local funds. |
| Is it based on needs assessment? | Yes | Yes | Yes |
| Will this school (building) receive \$20,000 less in its general, state and local funds than it would otherwise receive if it was not receiving Title I-A funds? | Yes. We would like to reduce this school’s general, state and local funds and use \$20,000 at the LEA level. | No. \$20,000 will stay in this school and will be spent on something else. | The school will not receive \$20,000 less in its general, state and local funds. The school will receive \$20,000 less in its supplemental state and local funds. |
| Are you serving only eligible students AND only a proportionate share is paid out of Title I-A funds? | Yes | No. All students will use this software. | Yes |
| Is it supplanting? | Yes. This school will receive \$20,000 less in its state and local funding it would otherwise receive if it was not receiving Title I-A funds. | No. This school will still receive its share of state and local funding it would otherwise receive if it was not receiving Title I-A funds. | No. This school may exclude its supplemental state and local funding from its SNS methodology. |
| Is it allowable? | No | No. Only Title I-A students may benefit from this software. | Yes |

¹¹ Under ESSA, compliance with SNS is no longer tested through individual Title I-A costs, so the previous three presumptions no longer apply for both Schoolwide and Targeted Assistance Programs.

Question 3: May our targeted assistance school set up an after-school tutoring program? It will use its Title I-A funds for identified Title I-A students, and local funds for other participating students. The estimated cost will be \$10,000.

Answer: Applying the methodology test, assuming the LEA distributes state and local funds in a manner that is neutral as to whether schools receive Title I-A funding, this would not be considered supplanting. Once we determine that this is not supplanting, we must determine whether the cost is allowable. To make that determination, consider whether the cost is allocable and meets other allowability requirements (reasonable, necessary, proper procurement procedures followed, etc.).

The examples below demonstrate how variations in an LEA’s approach to distributing state and local funds can lead to different outcomes on the supplanting methodology test:

| Additional Questions | Scenario 1 Targeted Assistance | Scenario 2 Targeted Assistance | Scenario 3 Targeted Assistance |
|---|---|--|---|
| Did you use state and local funds to pay for this program last year? Is this program required by federal, state, or local law? | Yes, or No ¹² . See the footnote. | Yes, or No. See the footnote. | Yes, or No. See the footnote. |
| Are you funding non-Title I-A schools using state and local funds for the same program? | Yes, or No. See the footnote. | Yes, or No. See the footnote. | Yes, we are using our supplemental state and local funds. |
| Is it based on needs assessment? | Yes | Yes | Yes |
| Will this school receive \$10,000 less in its general, state and local funds than it would otherwise receive if it was not receiving Title I-A funds? | Yes. We will use Title I-A money to save \$10,000 in state and local funds and will give \$10,000 to a non-Title I-A school because of the state and local funds shortage. | No. Even though we are going to use Title I-A funds, \$10,000 in state and local funds will stay in this building and will be spent on something else. | The school will not receive \$10,000 less in its general, state and local funds. The school will receive \$10,000 less in its supplemental state and local funds. |
| Are you serving only eligible students AND only a proportionate share is paid out of Title I-A funds? | Yes | Yes | Yes |
| Is it supplanting? | Yes | No | No. This school may exclude its supplemental state and local funding from its SNS methodology |
| Is it allowable? | No | Yes | Yes |

¹² Under ESSA, compliance with SNS is no longer tested through individual Title I-A costs, so the previous three presumptions no longer apply for both Schoolwide and Targeted Assistance Programs.

Question 4: Our LEA’s practice is to use an average teacher-to-student ratio: 1 teacher for 30 students within a grade. One of our elementary schools has 90 students in third grade and three third grade teachers. It works better for us if one of our teachers is paid with Title I-A funds and the remaining two paid with local funds. The teachers’ average cost will be \$50,000/school year. Is it supplanting? Is it allowable?

Answer: Applying the methodology test, assuming the LEA distributes state and local funds in a manner neutral as to whether schools receive Title I funding, this would not be considered supplanting. Next, we consider whether the cost is allowable. To make that determination, consider whether the cost is allocable and meets other allowability requirements (reasonable, necessary, proper procurement procedures followed, etc.).

The examples below demonstrate how variations in an LEA’s approach to distributing state and local funds and components of the schoolwide plan/targeted needs assessment can lead to different outcomes on the supplanting methodology test:

| Additional Questions | Scenario 1 Schoolwide school | Scenario 2 Non-Title School | Scenario 3 Schoolwide |
|--|---|--|--|
| Did you use state and local funds to pay for this teacher’s salary last year? | Yes, or No ¹³ . See the footnote. | Yes, or No. See the footnote. | Yes, or No. See the footnote. |
| Is this 3 rd -grade teacher required by federal, state, or local law? | Yes, or No. See the footnote. | Yes, or No. See the footnote. | Yes, or No. See the footnote. |
| Is this 3 rd -grade teacher a part of a Title I-A schoolwide plan? | Yes | No. We are serving high schools only. | Yes |
| Will the remaining two 3 rd grade teachers be paid out of state and local funds? | Yes | Yes | Yes |
| Will this school (building) receive \$50,000 less in its general, state and local funds than it would otherwise receive if it was not receiving Title I-A funds? | Yes. We will use Title I-A money to save \$50,000 in state and local funds and will spend \$50,000 at the LEA level. | No. Even though we are going to use Title I-A funds, \$50,000 in state and local funds will stay in this school and will be spent on something else. | No. Even though we are going to use Title I-A funds, \$50,000 in state and local funds will stay in this building and will be spent on something else. |
| Who will be served? | All students | All students | All students |
| Is it supplanting? | Yes | No | No |
| Is it allowable? | No | No. This school is not Title I-A served, and this cost is not included in the SW plan. | Yes |

¹³ Under ESSA, compliance with SNS is no longer tested through individual Title I-A costs, so the previous three presumptions no longer apply for both Schoolwide and Targeted Assistance Programs.

Question 5: Please note, this is an LEA-Level initiative.

May an LEA implement an LEA-wide initiative to cover the costs of advanced placement exams for low-income students? The LEA will set aside \$6,000 at the LEA level and then will use its Title I-A funds to pay the costs for students attending a Title I-A school, and local funds to pay the costs for students attending non-Title I-A schools.

Answer: No. Because this is an LEA-wide initiative, the presumptions of supplanting apply. The LEA’s initiative would provide the same service to non-Title I-A students with nonfederal funds as it would to Title I-A students with Title I-A funds. Accordingly, the \$6,000 reservation for the LEA-level initiative is not being allocated in a way that is Title I-A neutral because Title I-A schools will receive less local funding than non-Title I-A schools.

The examples below demonstrate how variations in an LEA’s approach to distributing state and local funds can lead to different outcomes on the supplanting methodology test:

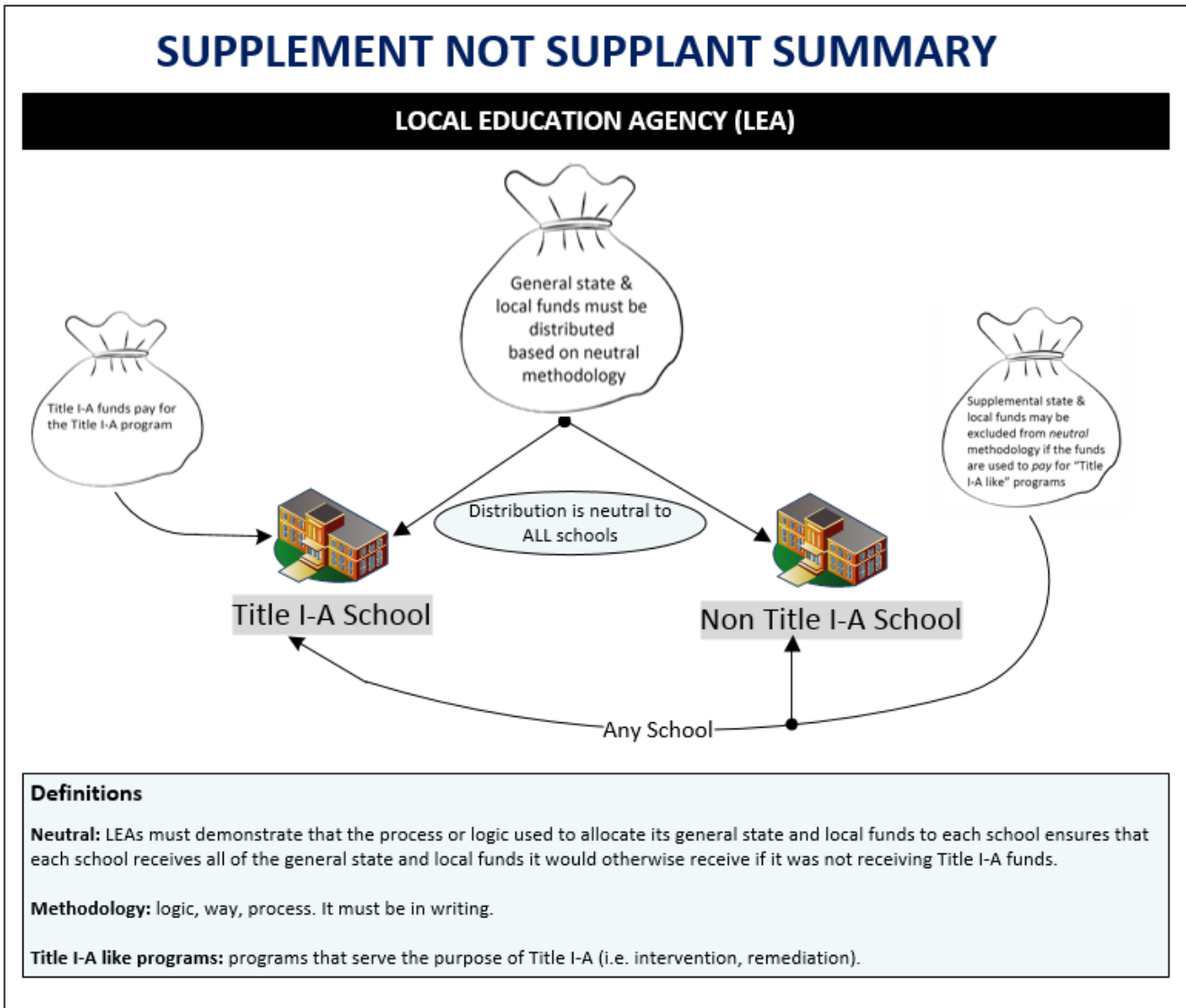
| Additional Questions | Scenario 1 LEA-level initiative | Scenario 2 LEA-level initiative |
|---|--|---|
| Did you use state and local funds to pay for advanced placement exams last year? Is it required by federal, state, or local law? | Yes, or No ¹⁴ . See the footnote. | Yes, or No. See the footnote. |
| Since the LEA set aside \$6,000 at the LEA level, will the LEA be able to justify that it will use its \$6,000 in a neutral way to all schools? | Yes. \$6,000 will be equally split between all three high schools (assuming the same enrollment for all schools) based on a number of low-income students. Title I-A school will exhaust its \$2,000 first and then will shift to its Title I-A funds. | No. Out of three high schools, only one is a Title I-A school. We will split \$6,000 between two non-Title I-A schools. Our Title I-A school will use its Title I-A money to cover the cost. |
| Is it supplanting? | No. The LEA proved that it is allocating its LEA level general, state and local resources in a neutral way to its schools (\$2,000/school) | Yes. The LEA did not distribute local funds in a way that is neutral to the Title I-A school. |

¹⁴ Under ESSA, compliance with SNS is no longer tested through individual Title I-A costs, so the previous three presumptions no longer apply for both Schoolwide and Targeted Assistance Programs.

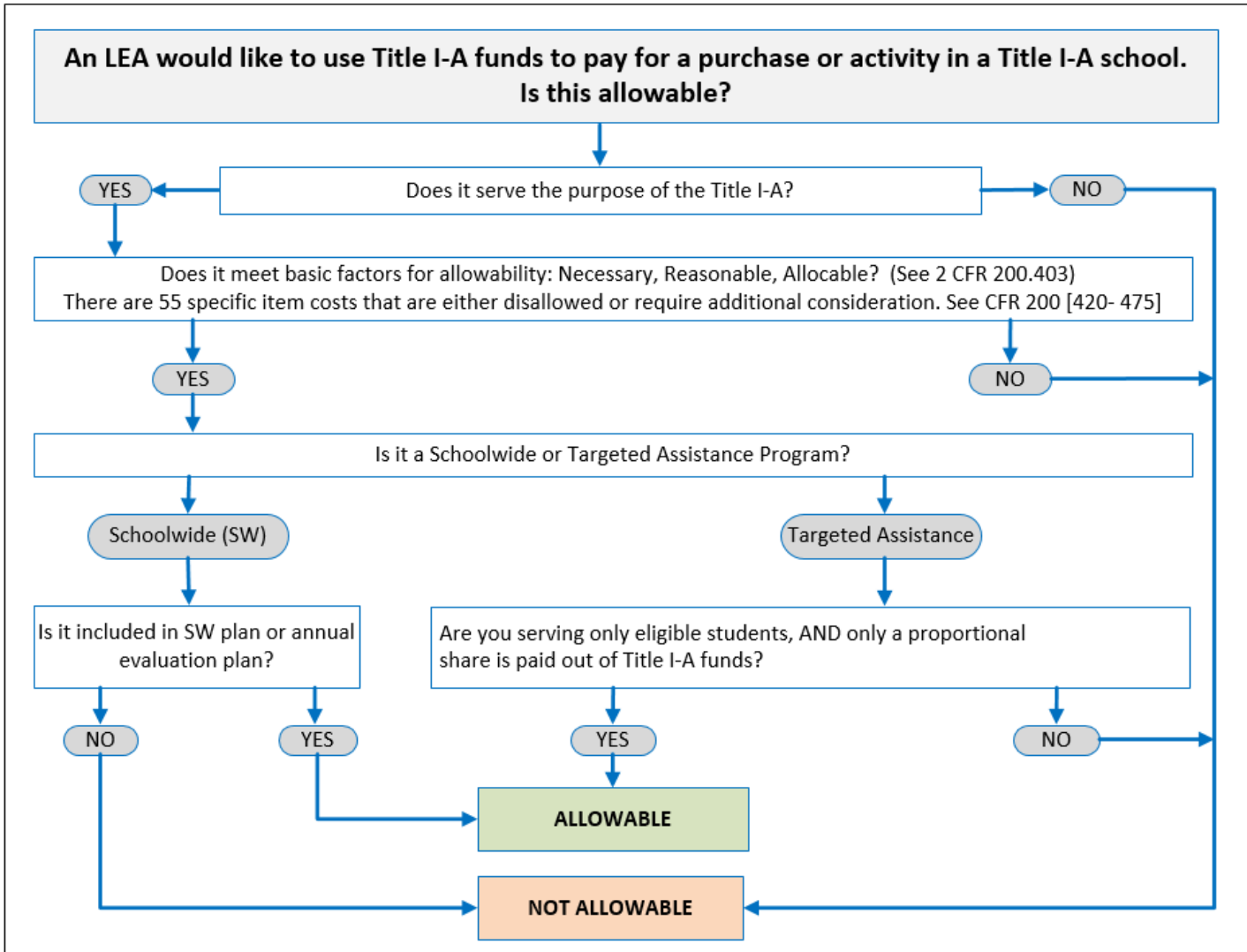
Question 6: Our LEA practice is to have one Child Nutrition Specialist per building and three bus drivers per building. Can we use Title I-A funds to pay one bus driver and one Child Nutrition Specialist from the Title I-A schoolwide school? We will make sure that the LEA is still receiving the same amount of its state and local funds it would otherwise receive if it was not receiving Title I-A funds.

Answer: No. The cost is not allocable. Unless the schoolwide school consolidates state, local and federal funds, allocability is still a requirement for both Title I-A programs: Schoolwide and Targeted Assistance. Title I-A funds must be used to serve the purpose of the Title I-A program. The costs associated with the bus driver and Child Nutrition Specialist do not serve the purpose of the Title I-A program, and therefore do not meet allocability requirements. If the Title I-A schoolwide school has full consolidation (both federal and nonfederal funds) and the costs are within the schoolwide plan, then the costs are allowable.

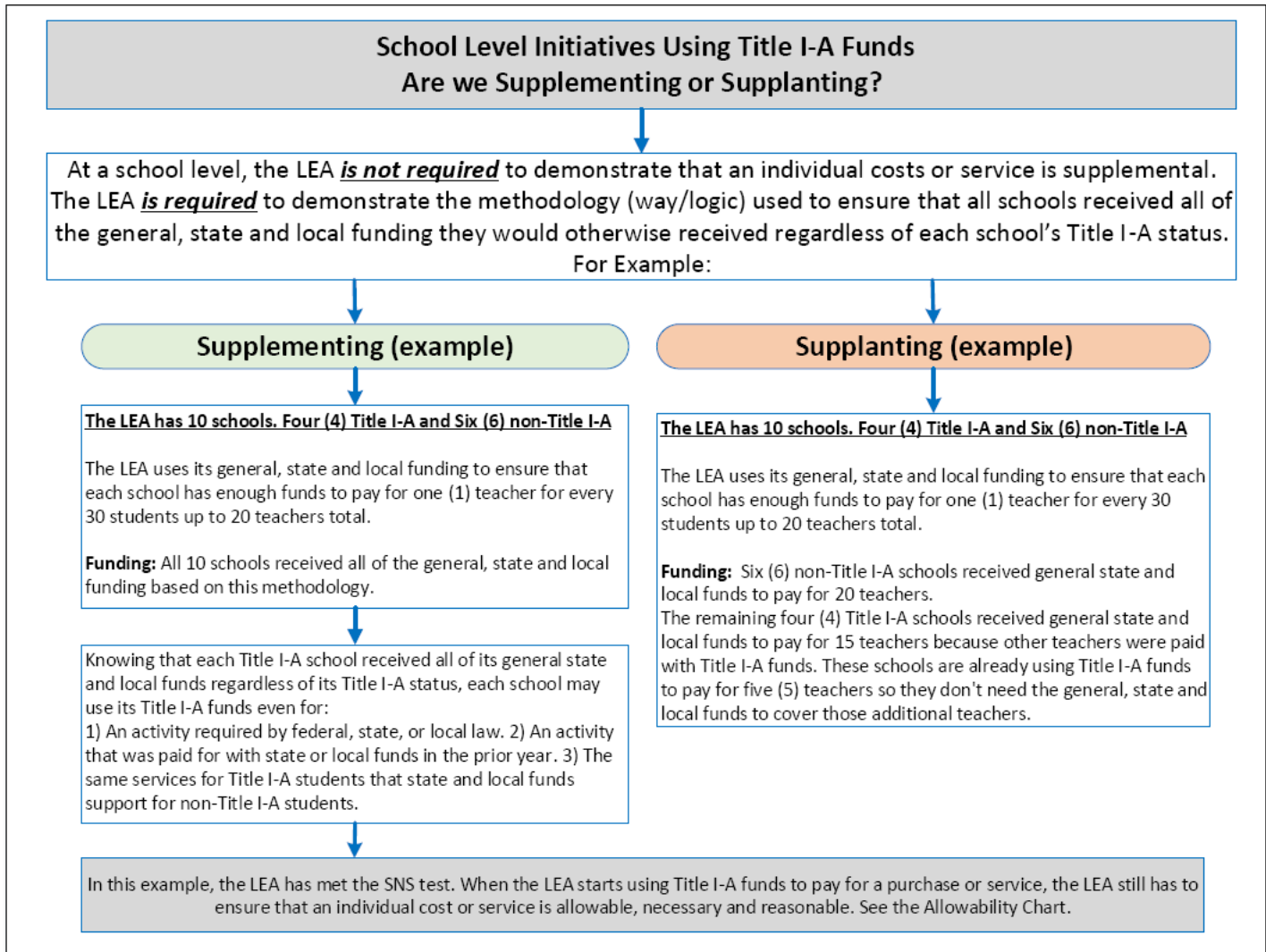
SNS METHODOLOGY CHART



ALLOWABILITY CHART



SCHOOL LEVEL SNS TEST



LEA LEVEL SNS TEST

