Title I-A Supplement not Supplant in ESSA

Background
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. Since its inception, the general rule has, in general, remained the same, yet the test differs across the specific federal grant programs. The supplement not supplant provision is that federal grant funds must add to (or supplement) and not replace (or supplant) other funds in providing general educational services.

The Every Student Succeeds Act (ESSA) passed in 2015, retained the SNS provision however, ESSA changed the way in which a local educational agency (LEA) 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 at the school level. According to ESSA 1118(b), “a local educational agency shall demonstrate that the methodology used to allocate State and local funds to each school receiving assistance under this part ensures that such school receives all of the State and local funds it would otherwise receive if it were not receiving Title I funds.”

Methodology
The funding methodology referenced in the legislation is the manner in which a LEA distributes state and local funds to all schools. Schools must be funded in a “Title I” neutral manner, meaning the LEA does not make state and local funding decisions based on the Title I funds that schools will receive. In fact, LEAs must distribute state and local funds to all schools as if no Title I funds were available to any schools in the LEA. The funding methodology that a LEA uses must also provide sufficient state and local funds to provide an adequate general education program in all schools.

Specific funding methodologies to distribute state and local funds are not mandated by federal legislation. However, LEAs must annually demonstrate that a funding methodology has been adopted and utilized to award state and local funds to all schools as a prerequisite for receiving Title I funds*. Acceptable funding methodologies can be based on student enrollment, student/teacher ratios, student characteristics, or a combination of these factors.

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 LEA’s funding methodology; items supported by Title I in a targeted or school-wide program are deemed to be supplemental. Thus, complying with supplement not supplant for Title I schools becomes a funding test, not an expenditure-by-expenditure test.
It is important to note that the three question, traditional, specific cost test for SNS remains for Title I funds set aside and expended for district-level instructional initiatives. Generally speaking, **Title I funds set aside at the district level may not be used to fund:**

1. state-mandated activities or requirements,
2. positions, initiatives, or other expenditures funded with state and local dollars in non-Title schools, or
3. positions, initiatives, or other expenditures funded with non-Title dollars in the preceding year.

**Exceptions**

There are exceptions to this three-pronged, traditional test for district-level expenditures. These exceptions, if applicable, should be part of a LEA's methodology and should be discussed with your assigned CPM regional consultant prior to implementation to determine allowability and to review required documentation. Exceptions include the following:

- Budget elimination – school board has voted to eliminate a currently funded program/position (must be supported with board minutes, sign-in sheets etc.)
- District-wide Title I - 100% schools in the district are Title I eligible AND served
- “Title I-like” activities – district provides additional funding (above the provided funding methodology) to fund activities that are deemed “Title I-like” across all schools. In other words, the district is providing supplemental funding for academic enrichment.

**Other Considerations and Program Requirements**

The Title I supplement not supplant requirements may seem similar to comparability as both look at how LEAs distribute state and local funds and/or resources to schools. However, they are separate tests that measure different things.

- Comparability is a test to ensure that services provided from State and local funds, taken as a whole, are comparable between Title I and non-Title I schools.
- SNS requires LEAs to demonstrate that state and local funds are distributed to all schools in a “Title I neutral” manner.

Most importantly, LEAs must continue to meet other Title I requirements such as school eligibility, student eligibility, maintenance of effort, comparability, consistency with the intent and purpose of Title I, and federal cost principles. Materials and services funded by Title I must be reasonable, allocable, necessary, and appropriately documented.

For additional information please contact your assigned CPM Regional Consultant.

* NOTE: Single-school LEAs and LEAs with only one school per grade span are exempted from the test.