



Supplement not Supplant Guidance for Title I

Updated: Due to finalized non-regulatory guidance in June 2019, additional LEAs are exempt from the methodology requirements. Added language is represented in **red**. Beginning for the 2019-2020 school year, due to updated federal guidance, the following are exempt from complying with the methodology requirements as outlined in ESEA section 1118(b)(2):

- 1) LEAs with one school for the entire school corporation (e.g. charters). This refers to the legal configuration of the one school and not whether multiple legal schools are located within one physical building.
- 2) LEAs where all grade spans have a single school, **non-Title I schools, or Title I schools** (i.e., no methodology is required for this grade span). For example, a school corporation that has one K-5 elementary school, one 6-8 middle school, and one 9-12 high school would be exempt. This exemption is similar to the current comparability exemption.

The addition of the “non-Title I schools or Title I schools” to the grade span exemption means that many more LEAs will be exempt from complying with the methodology requirements. See the examples in Appendix A for further information. LEAs who are now exempt will not be required to update methodologies upon future Title I submissions nor demonstrate compliance during the auditing process.

- 3) LEAs with only Title I schools. This applies only if all schools within the LEA are Title I. LEAs with a combination of grade spans where all schools are Title I but some grade spans are non-Title I must still comply with the methodology requirements.

In order to oversee local implementation of the supplement not supplant requirement as required by Section 1118(b) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). Beginning in the 2018-2019 school year, your Local Educational Agency (LEA) must demonstrate a methodology used to allocate State and local funds to each school receiving Title I allocations and ensure that the schools receive all of the State and local funds it would otherwise receive if it were not receiving Title I funds.

Once an LEA has adopted a methodology, then it is no longer required to identify individual costs or services supported by Title I as supplemental. The chart below outlines the change in thinking regarding supplement not supplant from No Child Left Behind (NCLB) to ESSA:

No Child Left Behind (NCLB)	Every Student Succeeds Act (ESSA)
Title I Program Administrator asks if each activity, personnel, program is supplemental (programmatic test)	The LEA’s Chief Financial Officer will enact and demonstrate compliance with a locally-determined methodology to ensure Title I schools receive all of the state and local funds they would otherwise receive (fiscal test)
Presumptions of supplanting: Paying for an activity that was required by state or local law, or supported with state or local funds. Paying for the same services for eligible students that state and local funds support for non-eligible students	Ask the questions: Is it designed to improve student achievement? Will it benefit eligible students/schools? Is it consistent with Title I required plans and federal spending rules?
Example: LEA would like to fund instructional coaches with Title I funds at Title I buildings and then use general funds to pay for instructional coaches at non-Title I buildings (not allowable)	Same scenario would be considered allowable, based on the answers to the supplanting questions listed above.

No longer applicable

Effective starting 2018-2019 school year

Examples of Displaying Compliance:

Example #1: Using Form 9 to Document Projected Per-Pupil Expenditures (PPE)

In 2015, the Every Student Succeeds Act (ESSA) was signed into law, and with it came a requirement that all states report per-pupil expenditures down to the school level on district and school report cards. In Indiana, spending has been typically tracked and reported statewide at the *corporation*-level. The new federal financial transparency clause calls on states to publicly report spending *by school*, which results in Form 9 Financial Data reporting changes for Indiana LEAs. The federal, and now state requirement, will allow all of us an opportunity to view never-before-available school-level financials easily accessible to communities and school systems.

Although the format may be different, the IDOE’s Form 9 may resemble the following display of data to show compliance of the Supplement not Supplant methodology as a projected per-pupil expenditure example. The example illustrates the projected expenditures of a Title I school (school A) as compared to a non-Title I school (school B):

Projected Per-Pupil Expenditures for Corporation #1234		School A (Title I)	School B	Corporation Total
Federal	Instructional	\$1,128.66	\$878.80	\$1,040.85
	Other instructional	\$219.76	\$0.00	\$142.53
	Instructional Shared Expenditures	\$1.92	\$1.92	\$1.92
	Operational	\$0.00	\$0.00	\$0.00
	Operational Shared Expenditures	\$0.71	\$0.71	\$0.71
Total Federal		\$1,351.05	\$881.43	\$1,186.00
State/Local	Instructional	\$6,088.83	\$5,799.13	\$5,987.01
	Other instructional	\$1,235.47	\$0.00	\$801.25
	Instructional Shared Expenditures	\$58.10	\$58.10	\$58.10
	Operational	\$1,108.76	\$1,607.58	\$1,284.07
	Operational Shared Expenditures	\$552.68	\$552.68	\$552.68
Total State/Local		\$9,043.84	\$8,017.49	\$8,683.13
Total	Instructional	\$7,217.49	\$6,677.93	\$7,027.86
	Other instructional	\$1,455.23	\$0.00	\$943.78
	Instructional Shared Expenditures	\$60.02	\$60.02	\$60.02
	Operational	\$1,108.76	\$1,607.58	\$1,284.07
	Operational Shared Expenditures	\$553.40	\$553.40	\$553.40
Total Per Student Expenditures		\$10,394.90	\$8,898.93	\$9,869.13

In this example, by utilizing Form 9, this School Corporation assures the IDOE that the state/local PPE average of Title I schools shall not be less than the average of non-Title I schools. This example also represents an LEA that utilizes per-pupil expenditures as the foundation for planning a school’s allocation. The LEA needs to utilize the state/local figure only as a supplement not supplant test measured before federal funding is allocated to schools. Furthermore, other Form 9 methodologies may be appropriate to show compliance.

If an LEA uses Form 9 to demonstrate compliance, it must show that the district utilized per-pupil spending as an up-front allocation method to ensure equity rather than solely relying upon an after-the-fact analysis of expenditures.

Example #2: Distribution of State and Local (non-Federal) Resources Based on Staffing and Supplies

This example would be most effectively used by an LEA with a predictable student population at each school and wants to emphasize consistent class-sizes.

- Assume the figures below are based upon the total available funds and student needs of an LEA:
- ✓ 1 teacher per average of 20 students per classroom (\$65,000/teacher)
 - ✓ 1 principal/school (\$120,000)
 - ✓ 1 librarian/school (\$65,000)
 - ✓ 2 guidance counselors or social workers/school (\$65,000/guidance counselor or social worker)

- ✓ \$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 calculations:

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
20 teachers	20 x \$65,000	\$1,300,000
Instructional materials and supplies	400 students x \$825	\$330,000
Total		\$1,945,000

In this example, the LEA must distribute non-Federal resources according to the assumptions above to all of its schools, regardless of whether a school receives Title I, Part A funds. However, actual expenditures within each school after the distribution of resources may vary.

Example #3: Distribution of State and Local (non-Federal) Resources Based on Student Characteristics (Weighted Student Funding)

This example allocates State and local funds to schools based on a standard formula through which an LEA allocated dollar amounts based on objective student characteristics.

Assume the figures below are based upon the total available funds and student needs of an LEA:

- ✓ Base allocation per student (\$7,000)
- ✓ Additional allocation per student from a low-income family (\$250)
- ✓ Additional allocation per English learner (\$500)
- ✓ Additional allocation per student with a disability (\$1,500)
- ✓ Additional allocation per preschool student (\$8,500)

In a school of 400 students, including 200 students from low-income families, 100 English learners, 50 student with disabilities, and 20 preschool students, the LEA would allocate to the school \$3,145,000 in State and local funds based on the following calculations:

Category	Calculation	Amount
Allocation per student	400 X \$7,000	\$2,800,000
Additional allocation per student from a low income family	200 x \$250	\$50,000
Additional allocation per English learner	100 x \$500	\$50,000
Additional allocation per student with a disability	50 x \$1,500	\$75,000
Additional allocation per preschool student	20 x \$8,500	\$170,000

Total		\$3,145,000
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In this example, the LEA must distribute non-Federal resources according to the assumptions above to all of its schools, regardless of whether a school receives Title I, Part A funds. However, actual expenditures within each school after the distribution of resources may vary.

Example #4: Distribution of State and Local (non-Federal) Resources Based on a Combined Approach

This example is a representative of an LEA with a dynamic student population that varies often and wants to emphasize building-specific needs based upon the makeup of the student population.

This form of equitable distribution includes characteristics of the two previous examples, distribution of State and local (non-Federal) resources based on the characteristics of the students and the staffing and supplies needs of the schools. The allocation per student characteristic is determined by the LEA.

Assume the figures below are based upon total available funds and student needs of the LEA:

- ✓ 1 principal/school (\$120,000)
- ✓ 1 librarian/school (\$65,000)
- ✓ 2 guidance counselors or social workers/school (\$65,000/guidance counselor or social worker)
- ✓ Allocation/student (\$7,000)
- ✓ Additional allocation/student from a low-income family (\$250)
- ✓ Additional allocation/English learner (\$500)
- ✓ Additional allocation/student with a disability (\$1,500)
- ✓ Alternate factors (such as IREAD 3rd grade class sizes) might cause an LEA to add additional factors that will be applied across all schools, notwithstanding Title I status

In a school of 450 students, including 200 students from low-income families, 100 English learners, and 50 students with disabilities, the school would be expected to receive \$3,640,000 in non-Federal resources based on the following calculations:

Category	Calculation	Amount
1 principal	1 x \$120,000	\$120,000
1 librarian	1 x \$65,000	\$65,000
2 guidance counselors or social workers	2 x \$65,000	\$130,000
Allocation/student	450 X \$7,000	\$3,150,000
Additional allocation/student from a low income family	200 x \$250	\$50,000
Additional allocation/ English learner	100 x \$500	\$50,000

Additional allocation/student with a disability	50 x \$1,500	\$75,000
Total		\$3,640,000

In this example, the LEA must distribute non-Federal resources according to the assumptions above to all of its schools, regardless of whether a school receives Title I, Part A funds. However, actual expenditures within each school after the distribution of resources may vary.

Example #5: Other, as Adopted by the LEA

This form of equitable distribution does not necessarily fit within the parameters provided in the other three examples; however, the LEA assures that this methodology is neutral in regard to the Title I, Part A status of each school. The LEA has adopted this methodology and will provide a description during the demonstration process.

Demonstration Process

IDOE is responsible for verifying that each LEA is in compliance with the demonstration requirements regarding supplement not supplant under the ESSA. To ensure all LEAs in Indiana meet these requirements, each LEA will be required to submit the following through its Title I application, starting in the 2018-2019 school year:

- (a) An assurance stating the LEA is in compliance with the provisions of section 1118(b) of the ESSA;
- (b) An indication of the type of methodology the LEA has adopted and is implementing in regard to the allocation of State and local (non-Federal) funds to all schools; and,
- (c) A narrative description of the methodology *or* a reference to the LEA’s Financial Transparency document in which the methodology is described.

The LEA is required to provide the demonstration requirements to IDOE through desktop or onsite monitoring one time for the duration of the Title I, Part A program under ESSA. The LEA must provide alternate documentation if the LEA adopts or implements a revised methodology for allocating State and local (non-Federal) resources. The LEA must monitor whether it complies with the local methodology on an ongoing basis to ensure that the methodology is put into practice.

Timeline

IDOE has implemented the following timeline with regard to the SNS requirements:

- ✓ LEAs will demonstrate compliance with the SNS requirements, through the demonstration process outlined above, by submitting the methodology as part of the FY 20 Title I application.

- ✓ If an LEA is exempt from demonstrating methodology, the LEA must provide the rationale for exemption rather than a description of the methodology being used on the District Information page.

Upon submitting the required materials, IDOE will verify the information provided to ensure the LEA is in compliance with the ESSA requirements.

Appendix A: Additional Grade Span Exemption Scenarios

LEA: Johnson District					
Grade Span	Name of Schools (Title I Status)	Single School	All Title I	All Non-Title I	Methodology <u>Exempt</u> for this Grade Span? (If any Yes, then exempt for this grade span)
K-5	Allen Elementary (Title I), Smith Elementary (Title I), and Lake Elementary (Title I)	No	Yes	No	Yes
6-8	Middle Central (Non-Title I), North Central (Non-Title I)	No	No	Yes	Yes
9-12	Big High School (Non-Title I)	Yes	No	Yes	Yes
Is this LEA as a whole exempt? (Are all of their grade spans exempt?): Yes.					

LEA: Williamson District					
Grade Span	Name of Schools (Title I Status)	Single School	All Title I	All Non-Title I	Methodology <u>Exempt</u> for this Grade Span? (If any Yes, then exempt for this grade span)
K-5	Adis Elementary (Title I), Marshall Elementary (non-Title I), and Tracie Elementary (Title I)	No	No	No	No
6-8	Franklin Central (Non-Title I), Anderson Central (Non-Title I)	No	No	Yes	Yes
9-12	Cole High School (Non-Title I)	Yes	No	Yes	Yes
Is this LEA as a whole exempt? (Are all of their grade spans exempt?): No. They must provide a methodology for the elementary K-5 grade span alone, as the 6-8 and 9-12 grade spans are exempt.					

Appendix B: Supplement Not Supplant for Other ESSA Programs

The prior information describes the supplement not supplant provisions for Title I, A. The supplement not supplant provisions for other programs remain unchanged and are described in detail below. Please note that the provisions vary by program.

Title I, Part C Migrant Education Program

Rule: *Title I, Part C* funds must be used to supplement, and not supplant, any state, local, and federal funds that would otherwise be used for migrant students. In other words, activities must be in addition to what would be supplied or carried out through state, local or other federal funds, including Title I Part A and Title III funds.

Scenario: *Allowable:* As reasonable and necessary, *Title I, Part C* funds may be used to provide or extend summer school and after school programs for migrant students, after all other summer school and after school programs are made available to migrant students on an equal basis as all other children.

Not allowable: Using *Title I, Part C* funds to purchase the same technology for migrant students that are purchased for non-migrant students from other state, local, or federal funds.

Title I, Part D Children and Youth Who Are Neglected, Delinquent, or At-risk

Rule: *Title I, Part D* funds must be used supplement, not supplant, those services that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds. A program under Subpart 1 that supplements the number of hours of instruction students receive from State and local sources shall be considered to comply with the supplement, not supplant requirement without regard to the subject areas in which instruction is given during those hours.

Scenario: *Allowable:* As reasonable and necessary, *Title I, Part D* funds may be used to hire transitional aides and classroom aides who help students develop academic and life skills and provide counseling services for youth who are returning to their home communities and schools.

Not allowable: Using *Title I, Part D* funds to pay for a security guard or law enforcement to support safety regulations, security issues, and facilities management.

Title II, A Supporting Effective Instruction

Rule: *Title II, Part A* funds must be used to supplement, and not supplant, any non-Federal funds that would otherwise be used for authorized *Title II, Part A* activities. In other words, activities must be in addition to what would be supplied or carried out through state/local funds.

Scenario: Allowable: As reasonable and necessary, *Title II, Part A* funds may be used to pay for substitute teachers if, and only if, (a) those regular classroom teachers they are replacing were hired with *Title II, Part A* funds to reduce class size, or (b) the teachers are participating in *Title II*-funded “programs and activities that are designed to improve the quality of the teacher force, such as...innovative professional development programs...” [Section 2123(a)(5)(A)]. LEAs also must ensure that the hiring of these substitutes supplements, and does not supplant, the use of local and State funds they would otherwise be spending for such substitutes.

Not allowable: Using *Title II, Part A* funds to pay for the substitute teacher for (a) any teacher not hired with *Title II, Part A* funds to reduce class size, or (b) to cover a PD that is not a *Title II, Part A* funded PD activity.

Title III, A Language Instruction for English Learners and Immigrant Students

Rule: *Title III, Part A* funds available under this support shall be used so as to supplement the level of Federal, State, and local public funds that, in the absence of such availability, would have been expended for programs for English learners and immigrant children and youth and in no case to supplant such Federal, State, and local public funds. In other words, activities for English learners must be in addition to what would be supplied or carried out through all other funding, including federal, state, and local.

Scenario: Allowable: *Title III, Part A* funds may be used to pay for specific supplemental professional development events, related to the education of English learners, for English learner staff, general education teachers, and administrators.

Not allowable: Using *Title III, Part A* funds to pay for the *Lau 1974* required core English learner services that must be provided to all English learners and paid for from state and local funds only. After the general education services (1st layer) and the first dose of EL services (2nd layer) are provided, only then may Title III be used for staffing for supplemental support (3rd layer).

Title IV, A Student Support and Academic Enrichment

Rule: *Title IV, Part A* funds made available under this subpart shall be used to supplement, not supplant, non-federal funds that would otherwise be used for activities authorized under this subpart. In other words, activities must be in addition to what would normally be supplied or carried out through state/local funds.

Scenario: *Allowable:* As reasonable and necessary, *Title IV, Part A*, funds may be used to support the creation and enhancement of STEM-focused schools, or to pay for school-based mental health or counseling services.

Not allowable: Using *Title IV, Part A*, funds to pay for behavioral services that are written into a student's Individual Education Plan (IEP). Once local or state special education funds are utilized for this purpose, then *Title IV, Part A* may supplement these supports for students with disabilities.

Title IV, Part B (21st Century Community Learning Centers)

Rule: *Title IV, Part B* funds must supplement and not supplant regular school day requirements. In other words, 21st Century funds must not be used to support regular school day activities and may only support out-of-school time learning.

Scenario: *Allowable:* As reasonable and necessary, *Title IV, Part B* funds may be used to expand or enhance current out-of-school time activities, such as summer school or after school programs.

Not allowable: Using *Title IV, Part B* funds to pay for regular school day staff, such as grade-level teachers, or to pay for after school programs at a school site with no approved 21st Century programs.

Charter School Program (CSP)

Rule: Although CSP does not have an explicit supplement not supplant provision, the nonregulatory guidance contains a similar provision that requires the funding to be used on initial or expansion operational costs that cannot be met from state or local sources.

Scenario: *Allowable:* A new charter school can fund a principal with *CSP* funding up until the first day of school because the principal would be facilitating initial implementation activities. After the first day of school, a principal would now be a part of ongoing operations and would not qualify as an allowable expense for *CSP* funding.

Not allowable: Using *CSP* funds to pay for regular school day staff once the school year has begun, such as grade-level teachers, English learner staff, special education teachers, and front office staff.