

## Title I, Part A Supplement Not Supplant Information

Generally, federal funds allocated to districts through the Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA) should be supplemental to other funds (public state and local funds) available to schools and districts. ESSA funds may not be used to supplant (take the place of) other funds; the requirement to use federal funds to add to, rather than replace state and local funds is commonly referred to as “supplement, not supplant” or SNS. The purpose of the SNS requirement is to make sure that federal dollars have a meaningful impact on the students the program is designed to serve. The requirements to demonstrate compliance with SNS vary by program across ESSA.

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### SNS Presumptions

Prior to ESSA, all Title programs evaluated each individual cost using the following three presumptions. Supplanting was presumed if program funds were used for:

- An activity required by another federal program or those required by state or local law.
- An activity that was paid for with state or local funds in the prior year.
- The same services for Title I students that state and local funds support for non-Title I students.

These requirements were determined to be too restrictive for Title I, Part A program implementation. Congress changed the way SNS must be tested in Title I, Part A under ESSA. Although other ESSA programs such as Title II, Part A, Title III, Part A and Title IV still utilize the presumptions tests, Title I, Part A has separate and unique SNS requirements at the school and district levels. The new SNS test for Title I, Part A is intended to be simpler and more objective.

Districts are no longer required to apply the three presumptions to identify that an individual cost or service is supplemental.

### Title I, Part A SNS Requirements

Supplement not supplant is one of the three fiscal requirements of Title I, Part A, along with maintenance of effort and comparability. (See ESSA 1118). The SNS requirements for Title I, Part A are outlined in ESSA 1118(b). Per ESSA 1118(b)(2), districts show compliance with the Title I, Part A SNS requirements by **“demonstrating that the methodology used to allocate state and local funds to each school receiving assistance under this part [Title I, Part A] ensures that such school receives all of the state and local funds it would otherwise receive if it were not receiving assistance under this part.”** In other words, districts must be able to show through the methodology that each school receives all the state and local funds to which it is entitled, whether or not it also receives a Title I allocation. Any federal funds such as Title II, Part A or the Individuals with Disabilities Education Act (IDEA) funds a district or school may receive are not taken into account for the purposes of SNS.

The shorthand often used to describe the requirement is “Title I neutral.” A Title I neutral methodology ensures that the total amount of state and local funds allocated to a Title I school is not reduced based on its Title I status. The change to Title I SNS requirements is intended to allow districts to demonstrate compliance in a less burdensome way that still clearly shows that federal funds are supplemental to state and local funds. Additional information is available in the U.S. Department of Education (USED) [Supplement Not Supplant Non-Regulatory Informational Document](#).

Although Title I, Part A SNS requirements no longer examine each individual cost, it is important to remember that all Title I, Part A purchases must be allowable. Allowable expenditures are:

- Reasonable – Not excessive in cost (see [2 CFR 200.404](#))
- Allocable – Aligned with the program’s intent, proportionately benefiting the program (see [2 CFR 200.405](#))
- Necessary – Essential for carrying out program implementation (see [2 CFR 200.403\(a\)](#))

Individual expenditures may be examined to determine if they meet allowability requirements. Refer to the Kentucky Department of Education (KDE) [Allowable Cost Checklist and Procedures for Title I, Part A Funds](#) for additional information on allowability.

### Funds to be Excluded from the Title I, Part A SNS Determination

Title I SNS is focused on the distribution of state and local funds distributed to all schools by the district for the purpose of providing all students with free elementary and secondary education. The following funds are not taken into consideration when determining SNS compliance:

- Resources not allocated to schools, such as a portion of state and local funds retained at the district level for use on personnel and non-personnel services that benefit multiple/all schools. It can often be difficult or not feasible to appropriate districtwide activities to individual schools (such as services provided to all schools by a social worker on an as-needed basis). Funds used for these types of services are not included in the SNS methodology calculation; however, all districtwide activities must be conducted in a Title I-neutral manner. Using the example of a districtwide social worker: a school's Title I status should not be taken into consideration when that employee provides services.
- Any federal funds under programs such as Title II, Part A and the Individuals with Disabilities Education Act (IDEA).
- Non-federal funds such as private contributions, fundraising and parent fees are not included when determining SNS compliance. These are not funds allocated to schools by the district and are not considered in the SNS methodology.
- Supplemental state and local funds for programs that meet the intent and purpose of Title I, Part A per ESSA 1118(d). For example, a district may decide to allocate additional state and local funds to provide interventions in schools identified for comprehensive support and improvement. These funds are supplemental to the state and local funds allocated to all schools and they are being used for a program that aligns with the intent and purpose of the Title I, Part A program. Additional information about this exclusion is provided on p. 5.

### Written Methodology

Methodology refers to the manner in which state and local funds are allocated to schools. The methodology used may include the allocation of state and local dollars and/or the allocation of resources backed by state and local funds, such as the allocation of full-time teaching positions.

The written methodology is a narrative describing the manner(s) in which the district will distribute state and local funds. The narrative should clarify the allocation steps, but it does not have to be lengthy. The district should be able to provide calculations using actual numbers and supporting documentation that the methodology is being followed at each school.

Districts must account for the distribution of all state and local funds for staffing, professional development, technology, etc. when developing the SNS methodology. This includes state funds such as Support Education Excellence in Kentucky (SEEK) funds, Kentucky Education Technology Systems (KETS) funds and any other funds required by the General Assembly. The methodology and documentation of calculations supporting its implementation should be completed by Sept. 30 of each school year. Districts are not required to submit the written methodology and supporting calculations to KDE unless they are selected for Title I, Part A monitoring (desk monitoring or consolidated monitoring), however the documentation must be kept on file at the district. Please note that unless the district changes how state and local funds are allocated to schools, the narrative may not need to be updated annually. However, the

calculations showing the methodology was followed at each school must be documented every year.

The format of the methodology may vary from district to district; however, the following information should be included in the narrative:

- A brief explanation of what is included in the district's methodology (certified and classified staffing, instructional funds, KETS funds)
- An explanation of how funds are distributed. For example, certain funds may be allocated on a rotational basis or are combined and assigned through a per pupil amount.
- The school year (SY) of the enrollment data being used in the calculations (if not clearly labeled).
- An affirmation that funds and staff were distributed according to the methodology.

There is no federal requirement that the district post the methodology on its website, however doing so could be useful to stakeholders such as parents and families. Question 14 of USED's informational document states that SNS compliance is demonstrated at only one point during the year as the law supposes an annual allocation of state and local funds. Districts are not required to continuously demonstrate compliance throughout the school year.

### Exceptions to the SNS Methodology Requirement

Please note, some districts are exempt from the supplement, not supplant methodology. Please see question 26 (p. 20) of USED's SNS informational document for information on exemptions. In these cases, an SNS methodology would not be required:

- A district with only one school (The district would be exempt as a whole.);
- A grade span with a single school (The single-school grade span would be exempt.); or
- A district which serves all schools with Title I allocations (The district would be exempt as a whole if every school is served. If all schools within a grade span are served, that grade span would be exempt.).

### SNS and Districtwide Activities

The SNS methodology requirement in ESSA 1118(b)(2) is specifically related to the distribution of state and local funds at the school level. However, not all state and local funds are allocated to schools; some are kept at the district level for districtwide activities. There is no similar compliance test for state and local funds reserved for districtwide activities.

The general SNS requirement of ESSA 1118(b)(1) applies to all state and local funds (not just those allocated to schools). This means that the district must conduct districtwide activities in a manner that does not take a school's Title I status into account.

Exception:

Under ESEA section 1118(d), a local education agency (LEA) may exclude from a supplanting determination the *supplemental* state and local funds for programs that meet the intent and purposes of Title I, Part A. There is no statutory definition of “supplemental state or local funds.” However, one indication that funds are supplemental is that they are appropriated for a specific purpose over and above what an LEA needs to provide free public elementary and secondary education—e.g., funds to provide full-day kindergarten not required by state law; funds to provide preschool programs not required by state law, either for all students or only at-risk students; and funds to provide interventions in comprehensive support and improvement schools. Supplemental local funds might be funds an LEA earmarks for a specific purpose and does not allocate through its methodology under ESEA section 1118(b)(2) because they likely do not go to all schools; rather, they might go to a subset of schools—i.e., those with specific needs the funds are designed to address.

Therefore, at the LEA’s discretion, a school’s Title I status may be taken into account when expending *supplemental* state and local funds as permitted by the exclusion. In other words, it is not required that the allocation or use of *supplemental* state and local funds be Title I-neutral. The reason for this exception is to encourage districts to use their state and local funds to provide Title I-like services without having to worry about supplanting (Manasevit, Winters Kessler, & Tosh Cowan, 2016). As mentioned above, the program must meet the intent and purposes of Title I, Part A. To meet the intent and purpose of Title I, the expenditure must

- Be implemented in a school where at least 40% of the children are from low-income families;
- Be designed to promote schoolwide reform and upgrade the entire educational operation of the school to support student achievement toward meeting the state’s challenging academic standards;
- Be designed to meet the educational needs of all students in the school, particularly the needs of children who are failing, or most at risk of failing, to meet the state’s challenging academic achievement standards; and
- Use the state’s ESEA assessment system to review the effectiveness of the program.

OR

- Serve only students who are failing, or most at risk of failing, to meet the state’s challenging student academic achievement standards;
- Provide supplementary services designed to meet the special educational needs of students who are participating in the program to support their progress toward meeting the state’s high academic standards; and
- Use the state’s ESEA assessment system to review the effectiveness of the program.

34 CFR § 200.79

In summary, being supplemental state or local funds would not be sufficient to qualify for the exclusion from the SNS methodology. The funds must also be used for activities that meet the intent and purposes of Title I, Part A, as described previously.

Refer to p. 23 of USED's [SNS informational document](#) for information on resources not allocated to schools.

### Kentucky Requirements for Distribution of State Funds

Kentucky funding regulation [702 KAR 3:246](#) outlines the distribution of funds to schools. The regulation is divided into the following sections:

- Section 3: Funds the district may reserve for district expenses.
- Section 4: Allocation of certified staff to schools within the district.
- Section 5: Allocation of classified staff to schools within the district.
- Section 6: Allocation of instructional funds based on the SEEK funds. School-based decision making (SBDM) councils shall receive a minimum allocation of 3.5% of the statewide guaranteed base funding level for SEEK based on the prior year's final average daily attendance (ADA).
- Section 7: Any remaining funds after sections 3-6 have been allocated. Possible methods for the distribution of these funds are established in 702 KAR 3:246(7).

### Staffing Allocations

After the local board of education notifies the school of available funds, the school council determines the number of people to be employed in each job classification within the parameters of the total available funds. When creating staffing allocations and policies, local boards of education must adhere to the guidelines established in [KRS 157.360](#) and [702 KAR 3:246](#).

The number of allocated positions for certified staff at each school must be funded sufficiently to meet class size caps and pupil contact hours.

- 24:1 for primary grades
- 28:1 for grade 4
- 29:1 for grades 5-6
- 31:1 for grades 7-12
  - Grades 7-12 have an additional requirement that includes a maximum of 150 per-pupil hours.

School councils are not bound by these maximum class size limits once the school receives the staffing allocation. The council determines, within the number of staff allocated, the job classifications for each of the positions. Each school must have an instructional leader and at

least some part of a media specialist ([KRS 158.102](#)). The staffing allocation for classified staff must include kindergarten classroom assistants at a 24:1 ratio. All other staff are supplemental and not a requirement of statute or regulation.

Staffing allocation policy or guidelines are sent to KDE's SBDM consultant for review only when changes are made. If a district does not report any staffing allocation updates in a five-year period, KDE will reach out to confirm that no changes have been made. A district may choose to include the staffing allocation as a component of its SNS methodology; however, the staffing allocation alone is not sufficient to meet SNS methodology requirements.

The following staffing allocation resources are available on KDE's [SBDM Technical Documents webpage](#): SBDM Staffing Allocations Information, Staffing Allocation Worksheet, Staffing Allocation Webinar and SBDM Request for Resources Section 7 Funds.

### Methodology Flexibility

The district can use multiple methodologies to demonstrate compliance with the supplement not supplant requirement, provided they are Title I neutral and used consistently. For example, one methodology may be used for elementary schools and another methodology may be used for middle and high schools. Or the district may use the same methodology across all grade spans but a factor such as the base allocation for students or the average cost of instructional materials varies depending on the grade range.

### Methodology Examples

USED does not require districts to use a specific methodology. Two example methodologies are available in its [SNS informational document](#) (see p. 12-13).

- Example 1 reflects an allocation of state and local funds based on student characteristics, commonly referred to as "weighted student funding." This methodology allocates state and local funds using a standard formula based on objective student characteristics. There is a base allocation for each student as well as additional allocations for students from low-income families, English learner students, students with a disability, etc.
- Example 2 reflects an allocation of state and local funds based on estimated average costs of staffing and supplies. Each staffing position generates a set amount of funds for the school and there is also a per student amount for instructional materials, supplies and technology.

An [example methodology](#) incorporating Kentucky's staffing allocation is available on the Title I, Part A Documents and Resources webpage. Please note that these are examples and districts may choose a methodology (or multiple methodologies) that do not follow these examples, as long as it demonstrates that each school receives all the state and local funding to which it is entitled, regardless of whether it receives Title I funds.

### Title I, Part A SNS Knowledge Check

Test your knowledge of Title I SNS requirements in the following scenarios.

**Scenario 1:** A Title I school used some of its state funds to purchase a reading intervention program during the previous school year. Would it be supplanting if the school purchased the same reading intervention program using Title I, Part A funds for the upcoming school year?

*There is no supplanting at the school level because supplanting is dependent on how the district allocates state and local funds, not on how the school chooses to spend them. The school could purchase the same program the following year using its Title I funds. Schools can use Title I, Part A funds for any allowable expense regardless of what funds were used previously.*

**Scenario 2:** A non-Title I school uses local funds to pay for math manipulatives. Could a Title I school use Title I, Part A funds to purchase the same math manipulatives or would that be considered supplanting?

*Again, there is no supplanting at the school level (see Scenario 1 above). Schools can use their Title I, Part A funds for an allowable expenditure even if other schools pay for the same item with local dollars.*

**Scenario 3:** A district serves all five elementary schools with Title I, Part A funds but does not serve its two middle schools or one high school. Is this district required to develop an SNS methodology?

*No. the elementary school grade span is exempt because all schools are served by Title I, Part A. The middle school grade span is exempt because neither school is served by Title I, Part A. The high school is exempt because there's only one school in the grade span.*

**Scenario 4:** A district typically allocates \$70,000 in state funds for one instructional coach at each elementary school, but it doesn't allocate funds to Title I schools because they can use Title I funds to pay for the instructional coach. Is this supplanting?

*Yes, in this scenario state and local dollars are not being distributed in a Title I neutral manner. The district is allocating less state and local funds to the Title I schools because they receive Title I funds.*

**Scenario 5:** The district has selected a new diagnostic assessment to use at all 10 elementary schools (five Title I and five non-Title I). The district retains a portion of state and local funds at the district level to cover the expense at the non-Title I schools. The Title I schools must use a portion of their Title I allocation to cover the cost. Is this supplanting?

*Yes, it is supplanting because Title I funds are being provided on the basis of Title I status. In this example, Title I schools are having to use their own funds to pay for a service that district-level state and local dollars are providing to non-Title I schools. Note that even if supplanting were not a concern the district still would have to make sure the diagnostic assessment is an allowable purchase which meets the intent and purposes of Title I, Part A (see the criteria for intent and purpose on p. 5).*

**Scenario 6:** The district allocates state and local funding in non-Title I schools to support after-school tutoring for students scoring below proficient on the state’s math assessment. The district uses Title I funds to support tutoring for students scoring below proficient on the state’s math assessment in its Title I schools. Is this supplanting?

*No, this is not supplanting because the tutoring is a supplemental program which meets the intent and purpose of Title I, Part A (refer back to the “Exception” section on p. 5 for further information). Although the district uses the Title I status of the schools to determine which schools receive the funding, it is supplemental and it benefits students who, by virtue of being non-proficient in mathematics, are failing to meet the state’s mathematics standards. Therefore, the state and local funds supporting tutoring qualify for the exclusion because the program is supplemental **and** meets the intent and purposes of Title I, Part A.*

**Scenario 7:** A non-Title I school uses funds from private contributions and fundraising to purchase new science lab equipment. A Title I school purchases the same science lab equipment using Title I funds. Is this supplanting?

*No. SNS applies to public “state and local funds” which do not include private contributions, fundraising and parent fees.*

**Scenario 8:** The district allocates an additional \$5,000 of state and local funds to each school operating a Title I program. Is this supplanting?

*No. Supplanting occurs when the amount of state and local funds a school receives is reduced because of that school’s Title I status. Districts may opt to allocate additional state and local funds to Title I schools at their discretion.*

**References:**

*Manasevit, L., Winters Kessler, T., and Tosh Cowan, K. 2016. ESSA: Moving toward a well-rounded Title I. Palm Beach Gardens, FL: LRP Publications.*

*U.S. Department of Education, 2019. Supplement not supplant under Title I, Part A of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act: Non-regulatory informational document.*