

*NEVADA DEPARTMENT OF EDUCATION
GUIDANCE DOCUMENT FOR
Title I, Part A*



SUPPLEMENT, NOT SUPPLANT

Created by the Nevada Department of Education
Title I Team

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¹This guidance supersedes any previous NDE guidance on this topic and will remain in effect until further notice from NDE.

Table of Contents

Table of Contents.....	2
Supplement, not Supplant.....	3
1. What is Supplement not Supplant?	3
2. Highlights of Supplement, not Supplant Changes: NCLB vs ESSA	3
3. How Supplement, not Supplant (SNS) is tested under ESSA:.....	3
4. LEA Exemption	5
5. LEA SNS Documentation Timeline.....	5
6. Resources Not Allocated to Schools	5
7. Exclusion of Supplemental State and Local Funds	6
8. NDE Overview for SNS LEA Approach and Recommendation.....	6
9. Suggested Supplement, not Supplant Components	6
APPENDIX: EXAMPLES AND RESOURCES	8
EXAMPLES	8
1. Targeted Assistance (SNS) vs Schoolwide (SNS) Examples	8
2. Test your SNS Understanding	9
3. Statement of Supplement, not Supplant Exemption	10
Methodology Example #1-.....	11
Methodology Example #2-.....	12
Methodology Example #3-.....	12
RESOURCES:	12
Secretary DeVos: Final "Supplement, not Supplant" Guidance	Error! Bookmark not defined.
SUPPLEMENT NOT SUPPLANT Non-Regulatory Informational Document June 2019	12

Supplement, not Supplant

1. What is Supplement not Supplant?

ESEA section 1118(b)(1) requires that an LEA use the Title I, Part A funds it receives from its SEA only to supplement the funds that would, in the absence of Title I, Part A funds, be made available from State and local sources for the education of students participating in a Title I program. “Non-Federal funds,” means only public “State and local funds.” Accordingly, other non-Federal funds, such as private contributions, fundraising, and parent fees, need not be part of determining compliance with the Title I, Part A supplement not supplant requirement, unless the State or LEA requires that they be included.

Federal Grant funds must NOT replace:			
	Federal Funds	State Funds	Local Funds
Title I, Part A		✓	✓

2. Highlights of Supplement, not Supplant Changes: NCLB vs ESSA

Under NCLB, supplement not supplant was typically tested by analyzing an individual Title I-A cost’s compliance with three presumptions of supplanting:

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

The SNS rule itself did not change under ESSA; the change was made regarding how a local educational agency (LEA) must demonstrate compliance with the rule. Under ESSA, Compliance with SNS will no longer be tested through individual Title I-A costs, so these three presumptions no longer apply.

3. How Supplement, not Supplant (SNS) is tested under ESSA:

Under ESSA, compliance with SNS will no longer be tested through individual Title I-A costs, so the three presumptions no longer apply. Instead, LEAs must demonstrate that the methodology they use to allocate state and local funds to schools provides each Title I-A school with all of the state and local money it would receive if it did not participate in the Title I-A program. The ESSA SNS methodology and implementation was required of LEAs at the start of 2018-2019 school year. It applies to all Title I served campuses but does not apply to district-level activities or other ESSA programs.

ESEA section 1118(b)(2) requires LEAs to determine and then annually submit documentation to demonstrate the methodology utilized to distribute State and local funds. The LEA must document that the method(s) used to allocate State and local resources to all schools is “Title I neutral”, meaning that the methodology does not account for or consider the Title I funds that school will receive. A Title I neutral methodology ensures that State and local funds to a Title I school are not reduced based on the school receiving Title I, Part A funds. Allocating State and local funds to Title I schools through a neutral methodology maintains Title I, Part A funds as

supplemental to State and local funds. The LEA has flexibility in the methodology design and may use a combination of methodologies for the allocation of State and local funds to schools used for the education of students. This demonstration of state and local funds allocation is in addition, not in lieu of, the annually submitted comparability calculations. It is important to note that Title I spending must still meet other requirements such as school eligibility, student eligibility, consistency with the purpose of Title I, and federal cost principles. Materials and services funded by Title I must still be reasonable, allocable, necessary, and documented. Additionally, the LEA should revisit its methodology at least annually, before campus allocations are made for each school year, to determine that the description in the methodology is accurate and that the resulting allocations are fair and equitable. The LEA's methodology must be uploaded into the initial Consolidated Application as instructed by the State Title I Director.

There are two exceptions to the neutral methodology and allocating State and local funds to Title I Schools. One, an LEA can allocate more State and local funds to a Title I School because it is a Title I School. Secondly, supplemental State and local funds that meet the intent and purpose of the Title I, Part A as defined in ESEA section 1118(d).

The LEA must allocate State and local funds for activities required by Federal, State or local regulation or law. Through the allocation methodology for all schools, a Title I school must be allocated State and local funds for the activity comparable to non-Title I schools.

ESEA section 1118(b)(2) requires an annual demonstration of compliance for the supplement not supplant methodology (as identified in section 1118(b)(1)). The LEA must provide this evidence for one point in time, not continuously through-out the school year. This evidence must be uploaded into the desk-top monitoring instrument by the identified due date. The LEA must maintain methodology and calculations documentation to demonstrate allocation results per ESEA section 8306(a)(6)(B) and 34 C.F.R. 76.730-76.732 for program compliance and audit requirements.

The Per-Pupil Expenditures data required for each school's report card represents a review and analysis of how funds were spent by a school. The compliance methodology requirement for supplement not supplant determines how funds are allocated to schools. Although, the two requirements are connected, each serve different purposes and are distinct.

Title I spending must still meet other requirements such as school eligibility, student eligibility, consistency with the purpose of Title I, and federal cost principles. Materials and services funded by Title I must be allowable reasonable, and necessary. The type of Title I program determines whether a cost is allowable: schoolwide (ESEA section 1114(a)(1)), targeted assistance program (ESEA section 1115(a)), and funds for district-level activities (ESEA section 1115(a)). For the targeted assistance program and district-level activities, Title I, Part A funds must be used to serve only the students who are failing, or most at risk of failing, to meet the State's challenging academic standards.

No other ESEA programs' supplement not supplant requirements are modified by ESEA section 1118(b).

4. LEA Exemption

An LEA does not need to have a methodology for allocation of State and local funds to schools (section 1118(b)(2) for compliance if:

- a. One school;
- b. Only Title I schools; or
- c. A grade span that contains only: a single school, non-Title I schools, or Title I schools (i.e., no methodology is required for this grade span).

Although such an LEA need not have a methodology to comply with ESEA section 1118(b)(2), it does not relieve the LEA of its requirement under ESEA section 1118(b)(1). LEAs that are exempt from the methodology still need documentation of why they are exempt. Instead of a methodology to distribute State and local funds, the LEA must have a formal Statement of SNS Exemption.

The LEA's Statement of Exemption must include the following elements:

- i. Statement of statute;
- ii. Reference to the exemption claimed from TEA guidance (i.e., single campus; single campus per campus category, with no grade duplication); and
- iii. Statement of exemption.

The LEA is responsible for updating its exemption status in the event that a change in its campus structure warrants. Additionally, the LEA should revisit its methodology at least annually, before campus allocations are made for each school year, to determine that the description in the methodology is accurate and that the resulting allocations are fair and equitable.

5. LEA SNS Documentation Timeline

The LEA rationale of the SNS methodology must be uploaded with the submission of the LEA's Title I, Part A, application to obtain NDE substantial approval status. Documentation will be submitted through the ePAGE Consolidated Application, in the LEA Document Library, under the applicable school year via the Federal Programs, Title IA, Supplement not Supplant folder. The LEA SNS methodology and supporting calculations will be monitored through the Title I desktop monitoring tool.

6. Resources Not Allocated to Schools

An LEA does not typically allocate all of its State and local funds to schools through its methodology. Some State and local funds are retained at the district level and are used to provide "districtwide" services or activities that benefit various schools or all schools. ESEA section 1118(b)(2) requires an LEA to demonstrate compliance with the supplement not supplant requirement by having a methodology that ensures that its allocation of State and local funds to schools is Title I neutral so that Title I, Part A funds used in Title I schools are supplemental. For districtwide services or activities, there is no similar compliance test for State and local funds. However, the supplement not supplant requirement in ESEA section 1118(b)(1) applies to all State and local funds. The LEA must ensure a Title I neutral approach that does not take into account a school's Title I status for all districtwide services and activities, including State and or local law.

7. Exclusion of Supplemental State and Local Funds

Supplemental State and local funds for programs that meet the intent and purposes of Title I, Part A may be excluded from the supplanting determination (ESEA section 1118(d)). The Title I regulations at 34 C.F.R. § 200.79 define when a program supported with supplemental State or local funds meets the intent and purposes of Title I, Part A. When using supplemental State and local funds, an LEA may consider a school’s Title I status in a non-Title I neutral manner (ESEA section 1118(d)). “Supplemental State or local funds” are not defined in statute; however, supplemental funds are typically appropriated for a specific purpose over and above what an LEA needs to provide free public elementary and secondary education; not required by State law; and funds to provide interventions in comprehensive support and improvement schools. To qualify for the exclusion, funds must be supplemental State or local funds; and the funds must be used for services or activities that meet the intent and purposes of Title I, Part A.

If an LEA elects to use the exclusion, it must identify whether State and local funds expended on a particular program are supplemental, and whether the program meets the intent and purposes of Title I, Part A pursuant to 34 C.F.R. § 200.79(b) in writing to the State’s Title I Director prior to submission of the initial Consolidated Application. This letter must also be uploaded in the LEA related document section for the current fiscal year.

8. NDE Overview for SNS LEA Approach and Recommendation

LEAs must describe the methodology used to ensure that Federal funds are supplemental and describe how the distribution of state and local funds to each school is determined. In other words, an LEA may not reduce its allocation of state and local funds to a Title I-A school because the school receives Title I-A funds. The State Department of Education cannot prescribe a particular methodology (process, method, logic, etc.). However, there are several ways LEAs can comply with this new requirement.

The Nevada Department of Education is offering the following suggestions for districts to use to ensure that all of the state and local funding allocations guarantees that Title I funds are supplemental (see Methodology examples below). Districts have a choice to use an alternative method; however, prior to implementation, it must be approved by the Nevada Department of Education.

9. Suggested Supplement, not Supplant Components

- Statement of methodology: In its description of the methodology, LEA must-
 - state whether the allocation of State and local funds was determined on a districtwide basis or by campus category
 - state the type of methodology used (per-pupil, weighted per-pupil, or personnel and non-personnel costs).
 - include a restatement of the statute/purpose of the SNS requirement: [i.e., The SNS methodology described is used for the fair and equitable distribution of State and local funds to ensure that each Title I campus receives all of the State and local funds that it would receive in the absence of Title I funds.]
- Components of the Methodology: The LEA’s description of its SNS methodology must

include the criteria used to distribute State and local funds to campuses

- District per pupil
 - Weights, if any
 - Classes of personnel, if applicable
 - Other (specify)
- Mathematical calculation formula: The LEA should provide the math formula showing how the calculations were made to determine the allocation of State and local funds each campus. Otherwise, the auditor will determine his own calculation of the LEA's methodology.

APPENDIX: EXAMPLES AND RESOURCES

EXAMPLES

1. Targeted Assistance (SNS) vs Schoolwide (SNS) Examples

Title I, Part A

Title I SNS Requirements

- **The test:** *For Title I, compliance with SNS is no longer measured by looking at particular Title I expenditures. Instead, SNS compliance is measured by whether the district has a written methodology to ensure that each Title I school receives all of the state and local funds that it would have received if it were not a Title I school.* Title I funds therefore may be spent for any allowable expenditure regardless of what funds were used to pay for it in the past or whether state or local funds pay for the same expenditure in non-Title I schools. For example, if a district paid a stipend for a school’s family engagement coordinator with local funds the prior year, it may use Title I funds to pay the stipend this year if 1) the school received all of its state and local funds without regard to its Title I status, and 2) the expense is necessary, reasonable, and allowable under Title I (as indicated by the district’s needs assessment and included in the district’s plan).
- **Evidence of compliance:** Districts must demonstrate that the methodology they use to allocate state and local funds is “Title I neutral.” The methodology must provide 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. In other words, a school may not be shortchanged state and local funds simply because it receives Title I funds. Evidence of compliance could include district and school budgets, policies, and supporting materials, or procedures for distributing resources to schools based on staffing positions or supply levels (i.e., one teacher per 25 middle school students; one assistant principal per 200 elementary students, one technology specialist per school, etc.) or some variation of weighted student funding (i.e., a formula allocating funding based on student needs).
- **Targeted assistance schools:** Because SNS is no longer measured on an expense-by-expense basis for Title I, a district with a targeted assistance school is not required to show *for SNS* that it is using Title I funds to provide additional services that would not otherwise be provided to identified children, as long as state and local funds are allocated to that school through a Title I neutral methodology. However, to be *allowable*, expenses need to support services for those students targeted for assistance.

Notes: ESSA does not prohibit districts from varying resources or funding among its schools (i.e., differing funding based on grade span or student needs). Rather, it prohibits basing such variation on the fact that a school will receive Title I resources. Also, districts, when making a supplanting determination, may exclude *supplemental* non-federal funds expended in any school for programs that meet the intent and purposes of Title I.

Acknowledgment: Special thanks to Brustein & Manasevit, PLLC and Federal Education Group, PLLC, and the Massachusetts Department of Education, whose materials informed some of the content in this document.

Title I: Maintenance of effort and comparability. How does SNS fit in?

Maintenance of effort: Requires districts to have a consistent base of state and local funding for public education from year to year.

Comparability: Requires that state and local funds are used, as a whole, to provide services that are comparable among Title I and non-Title I schools.

Supplement not supplant: Requires that districts distribute state and local funds to schools without regard to whether a school receives Title I funds.

2. Test your SNS Understanding

Test your understanding: Do these scenarios meet supplement not supplant requirements?

1. A district was paying for an elementary school's digital learning software with Title I, A funds, but wants to use those funds for math intervention this year. If the district uses Title IV, A funds to pay for the digital learning software, is it supplanting? *No. This switch would not be supplanting and would be allowable assuming other Title IV, A requirements are met. For Title I, A, supplanting applies only to replacing state and local funds.*
2. Assume that the digital learning software funded by Title I, A in the previous example was for English learners, could the district use Title III, Part A funds to pay for the program this year? *No. This switch would raise the presumption of supplanting and may be a violation of Title III supplement not supplant requirements.*
3. A targeted assistance school wants to buy math enrichment software for all students using Title I funds. Is this supplanting? Is it allowable under Title I? *No, this purchase would not be supplanting as long as the school received state and local funds without regard to its receipt of Title I funds. However, since the school has elected to target services only to its highest need students (as opposed to running a schoolwide program), the expenditure is not allowable. This is because, targeted assistance schools may use Title I funds "only for programs that provide services to eligible children...identified as having the greatest need for special assistance." Section 1115).*
4. A district wants to use Title I funds to help pay and administrator the Brigance screener and Measures of Academic Progress (MAP) growth assessments. Both assessments are Read by Grade Three (RBG3) requirements under State law. Is this supplanting? *Yes. Because both of these assessments are required by state law, it is not considered supplemental.*
5. A State law requires all third-grade students to meet the State's proficient achievement standard in reading/language arts in order to be promoted to fourth grade. The State does not provide funds to meet this mandate. The State law requires that any student who is not proficient at the start of third grade must be provided 90 minutes of supplemental services designed to improve his/her reading proficiency. An LEA uses Title I, Part A funds to provide the requisite reading services in a Title I school and, through its methodology, allocates supplemental local funds only to non-Title I schools to provide the requisite reading services. Is this supplanting? *No. This example would not violate the supplement, not supplant requirement. Although the District is taking into account Title I status when allocating local funds through its methodology by only allocating to non-Title I schools the local funds to provide supplemental reading services to meet State law, the supplemental reading services are designed to meet the needs of third-grade students who are failing, or most at risk of failing, to meet State academic achievement standards in reading. Therefore, the local funds supporting reading services qualify for the exclusion because the program is supplemental and meets the intent and purposes of Title I, Part A pursuant to 34 C.F.R. § 200.79(b), even though the services are required by State law.*
6. A district has been paying for a Title I middle school's math enrichment software using local funds. Could the district use Title I, A funds to fund the math enrichment software this year without violating SNS? *Yes. If the district has distributed all its state and local funds to the school in a Title-I neutral way, it may use its Title I, Part A funds for any expense allowable under Title I.*
7. A district allocates State and local funding only to non-Title I schools to support after-school tutoring for any student who scores below proficient on the State's mathematics assessment. In its Title I schools, the LEA uses Title I, Part A funds to support after-school tutoring for any student who scores below proficient on the State's mathematics assessment. Is this supplanting? *No. This example would not violate the supplement, not supplant requirement. Although the LEA is taking into account Title I status when allocating State and local funds through its methodology by only allocating to its non-Title I schools, the State and local funds for the tutoring program, tutoring is a supplemental program and it benefits students who, by virtue of being nonproficient 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 pursuant to 34 C.F.R. §200.79(b).*

Acknowledgment: Special thanks to Brustein & Manasevit, PLLC, Federal Education Group, PLLC, and the Massachusetts Department of Education, whose materials helped to inform some of the content in this document.

3. Statement of Supplement, not Supplant Exemption

LEA STATEMENT OF SNS EXEMPTION <School Year>

<Insert LEA NAME> Every Student Succeeds Act (ESSA) Title I Supplement/Not Supplant Compliance Requirement

Under ESSA Title I, Part A, the LEA must either demonstrate a Supplement/Not Supplant Methodology that is used to allocate State and Local funds to campuses and that the allocation process is equitable or have a Statement of Exemption.

Title I Part Statute: Section 1118(b)(1)

All LEA shall use Federal funds received under this part only to supplement the funds that would, in the absence of such Federal funds, be made available from State and local sources for the education of students participating in programs assisted under this part, and not to supplant such funds.

NDE Guidance on Supplement/Not Supplant

Districts that have one campus per campus category with no duplication of grades, will not be required to demonstrate a methodology for Supplement/Not Supplant, per NDE.

Statement of Exemption

[Note: This statement should be modified to address the LEA's specific reason for exemption.]

<Insert LEA Name> will not be required to demonstrate a methodology for Supplement/Not Supplant because the district has <two> campuses with no duplication of grades or campus categories.

- <Insert Name> High School Grades <7-12>
- <Insert Name> Elementary Grades <PK-6>

Printed Name and Title of Authorized Official _____

Signature of Authorized Official with Date: _____

The LEA must maintain this completed Statement of Exemption on file, subject to request by an auditor or by NDE staff.

[NOTE: This is a sample compliance statement and must be customized to the individual LEA.]

Methodology Example #1-

Basic allocation based on total enrollment counts

The basic allocation is based on total enrollment counts for each school, as if the state and local funds are the only monies that 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.

Additionally, the LEA may consider the prior year’s state and local actual per student expenditures or a total (aggregate) amount. This approach is also known as “Maintenance of Effort” (MOE). In other words, the LEA’s upcoming school year budget should not be less than the prior year’s actual expenditures.

**EXAMPLE: Local Educational Agency
Total Amount of State and Local Funds \$192,469**

Basic Allocation	Professional Development	Technology & Supplies
Per Student - \$42.00 Elementary	Per Student - \$5.00 All Schools	Per Student - \$8.00 All Schools
Per Student - \$45.00 Secondary	Plus, additional \$500.00 Amount per Building	Plus, additional \$400.00 Amount per Building

School	School Enrollment	Per Student X Total Enrollment	Per Student X Total Enrollment Plus \$500 per Building	Per Student X Total Enrollment Plus \$400 per Building	Total
A ELEMENTARY	360	15,120	2,300	3,280	20,700
B ELEMENTARY	500	21,000	3,000	4,400	28,400
C ELEMENTARY	255	10,710	1,775	2,440	14,925
D JUNIOR HIGH	701	31,545	4,005	6,008	41,558
E JUNIOR HIGH	790	35,550	4,450	6,720	46,720
F HIGH SCHOOL	677	30,465	3,885	5,816	40,166
TOTAL	3283	144,390	19,415	28,664	192,469

Methodology Example #2-

Distribution of State and Local funds with consideration for subgroups

Another example is based on distribution of state and local funds which includes extra consideration for 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 \$349,500 in state and local funds based on the following calculations:

ABC School with Additional Funding for Subgroups of Students

Category Allocation	School Enrollment	Allocation per Student	Total Calculation
All Students	450	\$700	\$315,000
Students from low-income families	200	\$25	\$5,000
English Learners	100	\$50	\$5,000
Student with disabilities	50	\$150	\$7,500
Preschool students	20	\$850	\$17,000
Total allocation for school			\$349,500

Methodology Example #3-

Per-Pupil Allocations for State and Local Funds

A district can distribute state and local funds to its schools according to a consistent district wide per-pupil formula, such that:

- 2.1.1. Students with characteristics associated with educational disadvantage, including students living in poverty, English learners, students with disabilities, and other groups the district determines are associated with educational disadvantages, generating additional funding for their school.
- 2.1.2. Each Title I school receives, for its use, off of the funds to which it is entitled under the formula for allocating state and local funds (see Table).
- 2.1.3. The per-pupil allocations are not limited to instructional funding for the school but rather the total per-pupil allocations are the district level.

Example #3	School A	School B
Total Number of students	500	375
Per Pupil Allocation (State and Local Funds)	\$5000	\$5000
Total Base Per Pupil Funding	\$2,500,000	\$1,875,000
Number of students in an educationally disadvantaged subgroup	80	100
Additional per pupil funding for educationally disadvantaged students	\$500	\$500
Total Additional Funding for Educationally Disadvantaged Students	\$40,000 (80 students x \$500)	\$50,000 (100 students x \$500)
Total	\$2,540,000 (Sum of bolded cells above)	\$1,925,000 (Sum of bolded cells above)

RESOURCES:

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