

April 2017

**Methodology for Distributing State and Local Funds to meet Supplement Not Supplant Compliance under Title I, Part A**

Districts must ensure that the use of their federal education funds supplement, not supplant (SNS) the state and local resources used for education. Generally, the compliance test for districts meeting SNS is based on three presumptions of supplanting:

1. Federal funds are used to provide services required under other federal, state or local laws
2. Federal funds are used to provide services provided with nonfederal funds in the prior year
3. Federal funds are used to provide services to eligible students while those same services are provided to non-eligible students with nonfederal funds

These three presumptions still apply to all programs with the exception of Title I, Part A. The Every Student Succeeds Act (ESSA) modified the compliance test for Title I, Part A. Below is a description of the new Title I, Part A SNS requirements.

**ESSA Section 1118(b): Supplement, Not Supplant**

- A State educational agency or local educational agency (LEA) shall use Federal funds received under Title I, Part A 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 Title I, Part A, and not to supplant such funds.

Provision	New Description
Title I SNS Compliance:	To demonstrate compliance a LEA shall demonstrate that the methodology used to allocate State and local funds to each school receiving assistance under Title I, Part A ensures that such school receives all the State and local funds it would otherwise receive if it were not receiving assistance under Title I, Part A.
Title I, SNS Special Rule	No LEA shall be required to identify that an individual cost or service supported under Title I, Part A is supplemental or provide services under Title I, Part A through a particular instructional method or in a particular instructional setting in order to demonstrate such agency’s compliance
Timelines	<ul style="list-style-type: none"> <li>• A LEA shall meet the compliance requirement not later than 2 years after the date of enactment of ESSA</li> <li>• LEA may demonstrate compliance with the requirement before the end of such 2-year period using the method such LEA used on the day before enactment of ESSA</li> </ul>
Prohibition	The United States Department of Education (USDOE) is not authorized or permitted to prescribe the specific methodology a LEA uses to allocate state and local funds to each school receiving assistance under Title I, Part A

## Methodology Requirement for Districts

Currently, the USDOE has not promulgated regulations for meeting the Title I, Part A SNS requirements. It is unknown if or when there will be Title I, Part A SNS regulations. This means that states and districts will need to meet the statutory requirements without regulations. While there are multiple ways a LEA might distribute non-Federal funds among its schools, including its Title I schools, that would comply with federal requirements, the Ohio Department of Education (ODE) will require that all districts, starting in school year (SY) 2017-18, agree to select from one of the two methodological examples provided below prior to receiving any Title I, Part A funds. This will provide consistency and compliance with federal requirements. The district's selected written methodology must be available upon request by ODE and/or auditors.

## Example Methodologies for Equitable Distribution of Non-Federal Funds

### **Please note:**

- *Although the examples below are from 2015 USDOE guidance referencing the use of federal funds to supplement school reform in schoolwide programs under No Child Left Behind, USDOE officials have indicated that these examples should meet the methodology requirement of Title I, Part A for targeted assistance programs under ESSA. The 2015 USDOE guidance referencing these methodological examples may be on pages 9-10 [here](#).*
- *Districts should be aware that ESSA requires that each state periodically review resource allocations to support school improvement for those districts with a significant percentage or number for school identified for comprehensive or targeted support and improvement. Awareness of this requirement is particularly important for districts that select the example #2 methodology (distribution of non-federal resources on staffing and supplies).*

**Example 1: Distribution of non-Federal resources based on characteristics of students** (This form of equitable distribution is generally referred to as a "weighted per pupil" funding formula.)

Assume:

- 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
- Additional allocation/preschool student = \$8,500

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 would be expected to receive \$3,495,000 in non-Federal resources based on the following calculations:

Category	Calculation	Amount
Allocation/student	450X\$7,000	\$3,150,000
Allocation/student from low-income family	200 x \$250	\$50,000
Allocation/English Learner	100 x \$500	\$50,000

Allocation/student with a disability	50 x \$1,500	\$75,000
Allocation/preschool student	20 x \$8,500	\$170,000
		\$3,495,000

To meet the supplemental funds test, a LEA would need to distribute non-Federal funds according to the assumptions above to all of its schools, regardless of whether a school receives Title I funds.

**Example 2: Distribution of non-Federal resources based on staffing and supplies**

Assume:

- 1 teacher per 22 students (\$65,000/teacher)
- 1 principal/school (\$120,000)
- 1 librarian/school (\$65,000)
- 2 guidance counselors/school (\$65,000/guidance counselor)
- \$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 calculation:

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
21 teachers	21 x \$65,000	\$1,365,000
Materials, supplies	450 x \$825	\$371,250
		\$2,051,250

To meet the supplemental funds test, a LEA would need to distribute non-Federal resources according to the assumptions above to all of its schools, regardless of whether a school receives Title I funds. This example does not, however, suggest that non-Federal funds must be used to support the activities in the table above; rather, Title I funds may be used to support any activity identified by the comprehensive needs assessment and articulated in the comprehensive plan.