UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

Dear State Title I Director: JUN 24 2013

I am writing to share information in response to a question that the U.S. Department of Education (ED) received with respect to the across-the-board decrease in fiscal year 2013 (school year 2013–2014) funds for Title I, Part A of the Elementary and Secondary Education Act of 1965, as amended (ESEA). This was the result of the passage of Public Law (PL) 113-6, the Consolidated and Further Continuing Appropriations Act, 2013. Because of PL 113-6, the amount of Title I, Part A funds available to most States and many local educational agencies (LEAs) beginning July 1, 2013 will be reduced. In some cases these decreases could be significant. ED understands that some LEAs have indicated a willingness to make up the difference, in whole or in part, with local funds in order to continue to provide a high-quality Title I program. However, many LEAs are concerned that they might violate the prohibition against supplanting if they replace the local contribution with Title I, Part A funds in a subsequent year.

Section 1120a(b) of the ESEA requires an LEA to use Title I, Part A funds only to supplement the funds that would be made available from non-Federal sources for the education of students participating in Title I targeted-assistance programs and not to supplant such funds in the absence of Title I funds. To determine if supplanting exists, ED employs three presumptions, the second of which presumes that supplanting has occurred if Title I, Part A funds are used for activities that were supported in the prior year(s) with non-Federal funds. As a result, if an LEA uses Title I, Part A funds in the subsequent year to replace the local contribution that the LEA provided to its Title I program in response to sequestration, it might raise the presumption of supplanting.

ED does not believe that using Title I, Part A funds in a subsequent year to replace an LEA's use of local funds to support its Title I program in the face of sequestration would constitute supplanting. Rather, the local contribution would merely serve to provide the same or similar level of Title I services pre sequestration — that is, the local funds would help implement the LEA's Federal Title I program. Absent the local contribution, the LEA's Title I program would be less robust. To ensure that a local contribution does not raise the presumption of supplanting, an LEA should document that the local funds are, in fact, being used to support the Title I program. As expected, the continued use of local funds would need to meet all applicable Title I requirements.

If you have any questions, please do not hesitate to contact Todd Stephenson of my staff at: todd.stephenson@ed.gov or (202) 205-1645.

Sincerely,

Monique M. Chism

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Director
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