

Changes under the Every Student Succeeds Act (ESSA)

Background

Prior to ESSA, supplement not supplant was typically tested by analyzing an individual Title I cost's compliance with "three presumptions of supplanting." Under ESSA, compliance with SNS will no longer be tested through individual Title I costs, so these three presumptions no longer apply. Under NCLB and previous versions of ESEA, a Title I supplanting violation was presumed if Title I, Part A paid for:

- An activity required by federal, state, or local law,
 - An activity that was paid for with state or local funds in the prior year, or
 - The same services for Title I students that state and local funds support for non-Title I students.
- ESSA, Section 1118(b)(3)(A)

Changes

In response to concerns regarding SNS, Congress changed the way SNS must be tested in Title I, Part A under the Every Student Succeeds Act of 2015 (ESSA). This change shifts the review of Title I, Part A expenses and forgoes the three presumptions test. **Alternatively, the SNS test under the ESSA focuses on and requires demonstration of the district's methodology used to allocate State and local (non-Federal) funds to each school receiving Title I assistance to ensure that it is receiving the same amount it would have regardless of whether the school received Title I assistance.** In other words, the updated SNS test reviews the manner in which districts allocate State and local funds to schools to ensure Title I schools receive all of the funds they would have received had they not participated in Title I.

This shift moves away from the review of individual Title I expenses and toward a review of how districts allocate State and local funds. Under the ESSA, no district shall be required to identify that an individual cost or service supported under Title I, Part A is supplemental, nor is the district required to provide Title I, Part A services through a particular instructional method or in a particular instructional setting in order to demonstrate such agency's compliance.

Methodology: Defined

The term "methodology" refers to the manner in which State and local (non-Federal) funds are allocated to schools. Under the ESSA, districts must demonstrate to DEED 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 of the State and local funds it would otherwise receive if it were not receiving Title I, Part A assistance. In other words, districts must demonstrate that the method for allocating funds must be Title I neutral and give no consideration to whether a school receives Title I assistance or not when allocating State and local funds.

DEED has recognized the following methodologies that districts may select from during the demonstration process:

- a) Distribution of State and local (non-Federal) resources based on the characteristics of the students;
- b) Distribution of State and local (non-Federal) resources based on staffing and supplies;
- c) Distribution of State and local (non-Federal) resources based on a combined approach, or,
- d) Other, as adopted by the district.

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Note: ESSA permits the district to exclude State and local (non-Federal) funds expended in any school for programs that meet the intent and purpose of Title I, Part A. For example, if the district utilizes State and local (non-Federal) funds to provide a schoolwide program in a non-Title I school, these funds may be excluded from the supplanting determination.

DEED does not require that the district implement a specific methodology to allocate State and local funds to its schools, as long as the methodology selected and implemented is neutral in regard to the Title I status of the schools and is implemented consistently among all schools in the district.

The U.S. Department of Education is not authorized or permitted to prescribe the specific methodology a district uses to allocate State and local funds to each school receiving assistance under Title I, Part A.

Methodology: Examples

To assist districts in determining which description best fits the district’s methodology for allocating State and local (non-Federal) funds to schools, please see examples below. Please note that although the examples provided are derived from the 2015 guidance provided by the U.S. Department of Education referencing the use of Federal funds to supplement school reform in schoolwide programs under the No Child Left Behind Act (NCLB), officials from the U.S. Department of Education have indicated that these examples *should* meet the methodology requirements for targeted assistance programs under the ESSA.

Example 1: Distribution of State and Local (non-Federal) Resources Based on the Characteristics of the 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 calculation:

Category	Calculation	Amount
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
Additional allocation/preschool student	20 x \$8,500	\$170,000
		\$3,495,000

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In this example, the district 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 2: Distribution of State and Local (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
Instructional materials and supplies	450 x \$825	\$371,250
		\$2,051,250

In this example, the district 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 a Combined Approach

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.

Assume:

- ✓ 1 principal/school (\$120,000)
- ✓ 1 librarian/school (\$65,000)
- ✓ 2 guidance counselors/school (\$65,000/guidance counselor)
- ✓ 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)

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 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

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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
		\$3,640,000

In this example, the district 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: Other, as Adopted by the District

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

[Comparability and Supplement, not Supplant](#)

While comparability and supplement, not supplant requirements both examine how the district distributes State and local funds and/or resources to schools, they are separate tests and are intended to measure different aspects of the supplemental nature of Title I, Part A funds. As such, the demonstration requirements for comparability may not be used to meet the demonstration requirements for supplement, not supplant, or conversely. The following examples provide scenarios where districts may satisfy the requirements of one while violating the requirements of the other.

Example 1: Supplement, Not Supplant compliance is met, but Comparability is violated

The district demonstrates compliance with supplement, not supplant because it can demonstrate that it did not consider the Title I status of schools when distributing State and local funds to schools, however the district does not satisfy comparability requirements because the district’s non-Title I schools have lower student/instructional staff ratios than its Title I schools.

Example 2: Comparability compliance is met, but Supplement, Not Supplant is violated

The district demonstrates compliance with comparability through student/instructional staff ratios, however the district does not satisfy supplement, not supplant requirements because additional State/local funding is provided to non-Title I schools for technology purchases but not to Title I schools because the district expects the Title I school to pay for those technology purchases with Title I, Part A funds.