

Chapter 9 - Supplement vs. Supplant

Federal law requires that all federal funds be used to SUPPLEMENT the regular educational initiative and programs of the local school district. The provision of federal and state funded programs provides that only supplemental costs may be charged. Use of federal funds to support costs incurred by the district as a part of regular educational initiative(s) would be SUPPLANTING.

Local districts are required to maintain, in each eligible attendance area, a level of expenditure which is at least equal to the level of expenditure that would be maintained if federal/state funds were not being expended in that area.

A. Targeted Assistance Buildings:

In targeted assistance buildings, this means that federal funds may not be used to provide or support any costs that are a required part of the regular educational offering within that district.

- a. No project or activity can be approved which proposes to provide a service required by State law. (EX: Response to Intervention, special education programming/services).
- b. For example, any project to provide special education for children with disabilities singly cannot be approved because special education is required by State law with special funds appropriated to pay for it.
- c. In like manner, basic kindergarten programs cannot be approved for the same reason.
- d. In most cases, compensation for supervisory personnel (including Superintendents of Schools, Directors of Education, Supervisors of Instruction in regular curriculum areas, and Principals) falls within the category of expenses that would be incurred if a school were not participating in a federal/state funded program. This would not be eligible for reimbursement unless additional administrative personnel are necessary and hired specifically for that purpose. Extreme care should be taken in determining the applicability of the charges to the federal/state program.

B. The Supplement, Not Supplant Tests

For current targeted assistance schools, when determining whether a fiscal expenditure supplements and not supplants, school districts must run these three tests.

- a. Test I: Required – Is the program or activity that the district wants to fund required under state, local, or another federal law? If it is, then it is supplanting. If it is not, go to Test II.
- b. Test II: Equivalency – Were state or local funds used in the past to pay for this program or activity? If they were, it is supplanting. If they were not, go to Test III.
- c. Test III: Non-Title I Programs – Are the same programs or activities being implemented in other schools that do not receive Title I funds AND are these programs and activities being paid for with state or local funds? If yes, then this is supplanting. If no, this is not supplanting.

If an expenditure does not pass all of the above tests, then it is presumed that use of Title I funds for the expenditure would be supplanting state or local funds. Expenditures must pass all three tests to be truly supplemental. ***Any supplanting issue could result in an auditor's finding that could include but not be limited to a return of funds used for supplanting.***

Examples

1. A district used Title I funds to provide services required by federal and/or state law (such as Special Education and Response to Intervention).

This is supplanting. Title I funds must be supplementary to the regular educational initiative, which automatically includes any required services. Stated another way, if a district must do some activity, then the activity cannot be paid for with funds designated to provide supplemental services.

2. A district used Title I funds to pay for a Reading Coach that was previously paid through non-Federal funds.

This is supplanting. The district would be using Title I funds to replace non-Federal funds to pay for the same position.

1. A district offers services (such as extended day or full-day kindergarten) funded by Title I in Title I schools and provides the same services in non-Title I schools using state and local funds.

This is supplanting. All schools should receive services paid for by “generic” state or local funds, and in this case, the Title I schools would not be receiving any of the state or local funds. Viewed another way, the state or local funds the Title I schools should receive are being replaced by Title I funds. The only defense a district would have is the district can demonstrate that it would not have provided the services in any of the schools if the federal funds had not been available originally.

2. A local district hired a Reading Director as a K-12 administrative position for all 12 schools in the district. However, only 9 of the schools (8 elementary and 1 middle school) receive Title I services. The district wanted to charge 75% of the Reading Director’s salary to Title I.

This would be supplanting because, as a K-12 position, this employee is responsible for the reading program of all students in the district regardless of whether a student is in a Title I school. No supplemental services are provided by the Director, and the services provided by the position serve all students, Title and non-Title students alike.

3. A local district provides half-day kindergarten to all students. The district uses Title I funds to provide an extended-day kindergarten program for students identified as at-risk of failing in reading and math.

This is acceptable use of Title I funds since the funds are being used to provide supplemental programming to an identified group of students. If the same teacher teaches both sessions of the kindergarten program, then 50% of the teacher’s salary could be charged to Title I and the remaining 50% could be charged to local funds.

C. Schoolwide Buildings using Flexibility

Schoolwide flexibility increases the flexibility in use of these funds to support comprehensive reform work as described in the Title I, Part A schoolwide program plan.

D. Background:

- A schoolwide program is a comprehensive reform strategy designed to upgrade the entire educational program in a Title I, Part A school.
- Its primary goal is to ensure that all students, particularly those who are low achieving, demonstrate proficient and advanced levels of achievement relative to the state’s academic achievement standards.

E. Flexibility:

- Once the district establishes that all schools in the district receive an equitable base amount, the traditional supplement not supplant test is replaced with a more flexible method of determining if expenditures are allowable, allowing for a truly comprehensive reform strategy to be put in place within a schoolwide building.
- All children in the schoolwide building may participate in activities funded (consistent with the school's comprehensive schoolwide program plan), *and the school does not need to demonstrate that those activities are supplemental to ones that would otherwise be provided by the school.*
- Instead, the expenditures under this flexibility would be governed by the cost principles in (1) the reasonable and necessary test, (2) does the expenditure meet the intent and purpose of the law and is aligned with the schoolwide plan, and (3) does the school **receive at least as much state and local resources as non-Title I schools.**

Examples

1. Title I, Part A funds must still be used to ensure that all students, particularly those who are low achieving, demonstrate proficient and advanced levels of achievement relative to the state's academic achievement standards.
2. Therefore, extraneous costs (football fields, excessive travel, etc.) would still be prohibited, but schools would be able to maximize the usefulness of consolidated funds to meet its schoolwide reform goals.
3. **However, there would no longer be a prohibition against using Title I, Part A funds for activities related to state-mandated initiatives (e.g., Common Core, RtI, textbooks), provided those activities and costs align with the schoolwide plan.** A district must be able to show that every building in the district is receiving an equitable allocation of local and state funds BEFORE the supplement vs. supplant test changes and the schools will no longer need to demonstrate that the Title I (and/or consolidated Title II) funds are supplementary. Its method for allocating state and local funds must be neutral with regard to Title I funds and not reduce state and local allocations in light of Title I funds.

F. Where can districts go to apply for this flexibility?

NCLB Consolidated Application Schoolwide page allows a district to invoke this flexibility.

- The district will mark listed schoolwide buildings using this flexibility.
- The district must first affirm that ALL schools will receive an equitable amount of state and local funds by:
 - a. Entering the amount of state and local resources **ALL** buildings will receive in order to ensure Title I schoolwide buildings are receiving at least as much, AND
 - b. Describing the process for calculating this base amount in the notes section at the bottom of the schoolwide page.

G. Asking the right questions:

It is always good to measure proposed expenditures against intended outcomes. These questions provide a way of doing this. Will the proposed use of funds:

- Drive results for students who are failing, or most at risk of failing, to meet State academic achievement standards?

- Increase educators' long-term capacity to improve results for Title I students?
- Accelerate reform and advance SEA, district, or participating Title I school improvement objectives and reform goals?
- Foster continuous improvement and include approaches to measure and track implementation and results and create feedback loops to modify or discontinue strategies that evidence indicates are ineffective in improving achievement of Title I students?

H. Use of Funds Examples:

Title I, Part A funds may be used for any activity that supports the needs of students, particularly the lowest-achieving students, in the school that are identified through a comprehensive needs assessment and included in the schoolwide plan. While not a comprehensive list, here are some examples:

- Hire additional teachers to serve all students (or use state or local funds to support previously paid for Title I teacher or aides, thus, freeing up Title I funds for other purposes that meet the intent of the law and avoiding TRS requirements).
- Hire specialist to coach teachers in how to better serve low-achieving students (or use state or local funds to support previously paid for Title I coaches, thus freeing up Title I funds for other purposes that meet the intent of the law and avoiding TRS requirements).
- Implement a Response to Intervention (RtI) framework to improve educational outcomes of all students but particularly those most at-risk.
- Upgrade the curriculum for the entire school (including alignment and professional development related to Common Core).
- Increase participation of low-achieving students in advanced coursework.
- Provide intensive summer school classes for low-achieving students, including high school students, to prepare them for the rigor of taking advanced courses.
- Provide afterschool tutoring.
- Develop and use formative and interim assessments to track progress of low-achieving students and train teachers in their use.
- Purchase or develop supplemental instructional materials aimed at improving achievement of low-achieving students, including Students with Disabilities and English Learners.
- Conduct needs assessments.
- Implement an early warning system to identify low-achieving students or students at risk of dropping out.
- Extend the school day or school year.
- Reorganize class schedules to increase teacher planning time.
- Revamp the school's discipline process to improve achievement of low-achieving students.
- Reorganize classes to promote personalized learning for low-achieving students.
- Implement career academies to assist low-performing students prepare for college and careers.
- Implement school safety programs to improve the achievement of low-achieving students.
- Provide professional development to ensure effective teachers and leaders to serve low-achieving students.
- Engage in activities to improve school climate designed to improve the achievement of low-achieving students.

Spend Title II funds to:

- Train evaluators as part of a teacher and leader evaluation system
- Provide incentives to attract highly qualified and effective teachers to a low-performing school

Remember: Federal funds must always support activities that are necessary and reasonable to accomplish the Federal program's purpose (Title I and Title II).