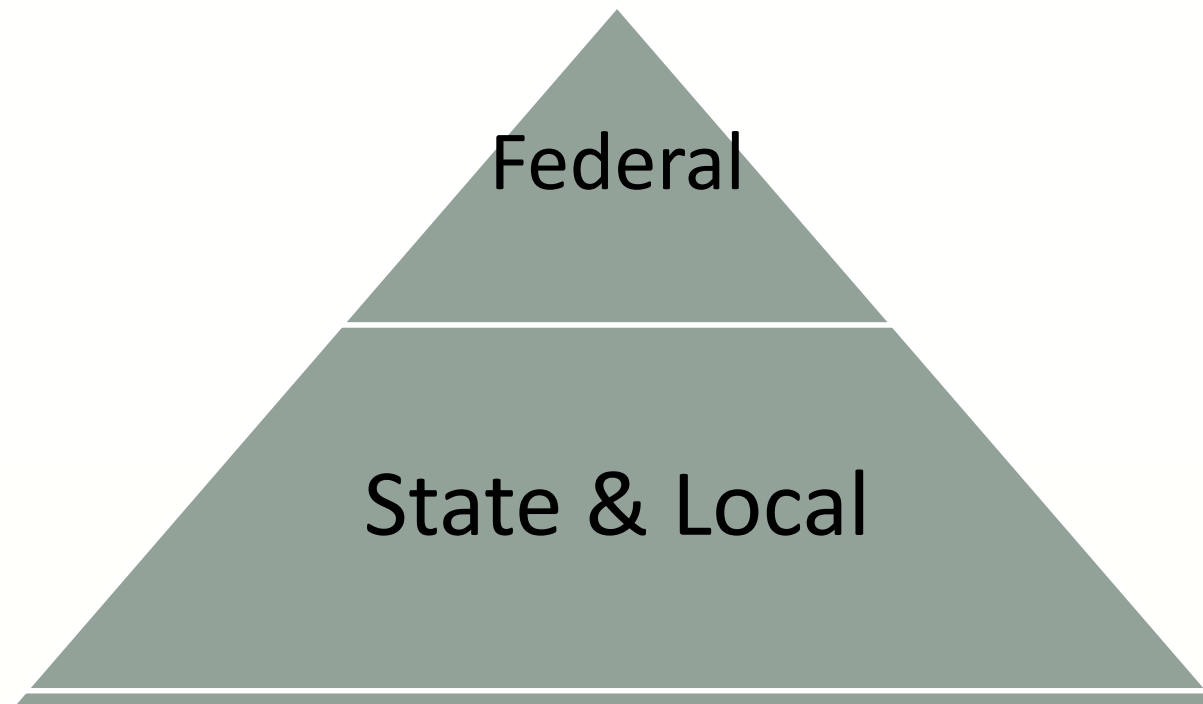


# Federal Compliance Issues

- Rob Huffman, Administrator
- Cody Stoesser, Program Specialist
- Grants Management Office
  - Supplement/Not Supplant (SNS)

# Supplement not Supplant (SNS) Requirements for Federal Education Programs



# In General

- An LEA may use federal funds only to supplement and increase the level of funds that are available for the education of students.
- In no case may federal funds be used to supplant--i.e., take the place of--funds from non-federal sources.

# What does this mean?

- Designed to ensure federal funds pay for something “extra”.
- The LEA may not decrease the amount of State or local funds used to pay the cost of an activity simply because of the availability of the Federal program funds.

# SNS Tests

- General Presumptions Test
- Title I Specific Test

# General Test Applies to:

- Title II Part A - Improving Teacher Quality
- Title IV Part A - Student Support and Academic Enrichment (SSAE)
- Titles II A and IV A using REAP Flexibility
- Rural and Low Income Schools (RLIS)
- 21<sup>st</sup> Community Learning Centers (21<sup>st</sup> CCLC)

# General Supplanting Presumptions

- Presume supplanting in 2 situations:
  1. Used federal funds to provide services the LEA is required to make available under other federal, state or local laws.
  2. Used federal funds to provide services the LEA provided with state or local funds in the prior year.

# Example 1

- The IDEA requires LEAs to develop an individualized education program (IEP) for children with disabilities.
- Can the LEA use Title IV Part A ESEA funds to provide services required by the IEP?
- No. It is presumed the LEA would use other funds or it would be in violation of the IDEA.



## Example 2

- The LEA partially funded the cost of a class size reduction teacher in the previous year with \$25,000 from State and local funds.
- Can the LEA reduce this amount in the current year due to an increase in Title II A funds?
- No. This would be supplanting because the LEA is replacing State and local funds with federal funds to pay for the same teaching position. The LEA must continue to contribute at least \$25,000 in State or local funds for this position.

# Overcoming the General Presumptions

- These presumption are rebuttable if the LEA can demonstrate that is would not have provided the services in question had the Federal funds not been available.
- The LEA would need to provide records to demonstrate, such as:
  - School Board action
  - Budget histories and information
  - Planning documents

# Records Overcoming SNS

- The LEA's records would need to confirm:
  - A reduced amount or lack of State or local funds was available.
  - The LEA made the decision to eliminate the position without taking Federal funding in consideration.

## **Title I Part A Supplement, not Supplant (SNS)**

- ESSA changed the way compliance with the Title I Part A SNS requirement is tested at the school level.
- The Presumption Tests no longer apply to Title I at the school levels.
- The Presumption Tests would still apply to District level Title I activities.

# New ESSA Title I SNS Test

- LEAs are required to identify the methodology used to allocate state and local funds to schools, and demonstrate that Title I schools receive all the state and local funds they would receive if they were not Title I schools.

# Title I SNS Test Continued

- LEAs are not required to:
  - Identify individual costs or services as supplemental.
  - Provide services through a particular instructional method, or in a particular instructional setting, to demonstrate compliance.

# Title I SNS Guidance

- ESSA prohibits US ED from prescribing the specific methodology to allocate state and local funds to Title I schools.
- Draft Regulations were withdrawn after the 2016 election.
- Up to SEAs and LEAs to develop methodology.

# Title I SNS - Where to Start?

- US ED did issue SNS guidance for Title I schoolwide programs in 2015 under the NCLB.
- The old Title I schoolwide SNS test was very similar to new ESSA test, but now expands the test to apply to targeted programs as well.
- US ED has indicated it will issue a Q & A type document later this year consistent with the 2015 schoolwide guidance.



# Title I SNS Expectations

- The LEA is expected to provide a basic education program in all its schools before adding Title I funds.
- LEAs cannot take away State and local funds from Title I schools because they receive Title I funds.

# Examples of Distribution Methodology

- The 2015 SW guidance provided examples of the following methodologies:
  - Per-pupil allocations or weighted student funding formula, (example 1)
  - A staffing model (example 2)

## Example 1 – Weighted Per Pupil Formula

- 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)

# Example 1 Student Counts

- 450 total students
- 200 students from low-income families
- 100 English Learners
- 50 students with disabilities, and
- 20 preschool students

# Example 1 Calculation

Category	Calculation	Amount
Allocation/student	450 x \$7,000	\$3,150,000
Allocation/student from a 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
<b>Total School Allocation</b>		<b>\$3,495,000</b>

## Example 2 - Staffing & Supplies

- 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)
- 450 students

# Example 2 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
<b>Total School Allocation</b>		<b>\$2,051,250</b>

# Methodology – School Characteristics

- LEAs are not required to use same methodology for each school.
- Method could vary based on:
  - Grade Span (elementary, middle, high)
  - School Size
  - Student Needs (ELL, new arrivals, etc.)
  - Other factors as long as those factors are not based on Title I status.



# What is the LEA's Methodology?

- The purpose of these examples is to provide options to meet the Title I SNS requirement.
- An LEA may adopt its own methodology as long as it demonstrates that the methodology is neutral in regards to Title I.
- The LEA must be able to provide a written description of the methodology to the SEA.

# Methodology Tips

- Do you already have an informal methodology in place?
- Document your methodology for distributing State and local funds.
- Keep records to show methodology was followed and to support results.

# Title I SNS Compliance for SY 2018-19

- Methodology must be in place for the 2018-19 school year.
- The Consolidated Application will be used to ensure LEA compliance.
  - All LEAs will be required to agree to an assurance that it is in compliance with the Title I SNS provisions.

# Title I SNS Compliance in Application

LEAs with multiple schools in same or similar grade spans will be asked to indicate the methodology that best describes their system.

- Distribution based on per pupil amounts or weighted per pupil amounts.
- Distribution based on staffing and supplies
- Distribution on a combination of per pupil amounts and staffing and supplies
- Other – Written description required