Context

Supplement, Not Supplant

Changes in Title I, Part A under the Every Student Succeeds Act

Objective

The members of the Committee of Practitioners (CoP) will assist the Colorado Department of Education (CDE) in determining how LEAs and BOCES will demonstrate their method of allocating State and local funds to schools without regard to the school’s Title I status.

Opportunity for Input

At the upcoming CoP meeting on October 26, 2017, staff from the Federal Programs Unit within CDE will facilitate a discussion with CoP members regarding the impact of the change in supplement, not supplant (SNS) requirements under Title I, Part A. This discussion will inform and refine guidance CDE is preparing to release to the field regarding this change. We will consider the substance required for demonstration, as well as the process of demonstration. Please review the following information provided and, if necessary, contact experts within your LEA or BOCES to assist you in preparing for this conversation. If you have any questions as you review the information, please contact Colleen Brooks at brooks\_c@cde.state.co.us or 303-866-3897.

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Background

Under the No Child Left Behind Act of 2001 (NCLB), the SNS requirement was met by ensuring individual Title I costs did not fall within the presumptions of supplanting test. This process assessed whether a particular Title I cost was supplemental and focused on the use of the Title I funds. Under the presumptions test, a Title I supplanting violation was presumed if Title I, Part A paid for:

1. An activity required by federal, state, or local law;
2. An activity that was paid for with state or local funds in the prior year; or
3. The same services for Title I students that state and local funds support for non-Title I students.

In practice, the three presumptions created confusion about what kinds of costs Title I could support, which sometimes led to fragmented and misaligned services for students in Title I schools.

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 LEAs to demonstrate the methodology used to allocate State and local 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 LEAs 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 LEAs allocate State and local funds.**

Resources

The change in SNS under the ESSA shifts toward a review of how State and local resources are allocated to schools. While the example below demonstrates a methodology based on dollars per student and position, CDE acknowledges that LEAs may apply other meaning to the term “resources” when allocating funds to schools, such as a the amount of FTE granted per school site based on enrollment. LEAs should consider the most appropriate use of the term “resources” with regard to local context, policies, and initiatives when demonstrating the LEA’s methodology for allocating State and local resources.

Methodology

The term “methodology” refers to the manner in which State and local resources are allocated to schools. In Colorado, this may vary from district to district depending upon local decisions and board policies. However, under the ESSA, LEAs must demonstrate to CDE that the methodology used to allocate State and local funds to each school receiving assistance under Title I 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, LEAs 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.

The following example may be useful for understanding how an LEA may demonstrate their methodology:

 **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 LEA must distribute non-Federal resources according to the assumptions above to all of its schools, regardless of whether a school receives Title I funds. However, actual expenditures within each school after the distribution of resources may vary.**

Summary

The table below is provided as a summary of the preceding information:

|  | NCLB | ESSA |
| --- | --- | --- |
| Statutory Requirement | A State educational agency or local educational agency shall use Federal funds received under this part only to supplement the funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds. | A State educational agency or local educational agency shall use Federal funds received under this part 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 this part, and not to supplant such funds.To demonstrate compliance, a local educational agency shall demonstrate that the methodology used to allocate State and local funds to each school receiving assistance under this part ensures that such school receives all of the State and local funds it would otherwise receive if it were not receiving assistance under this part. |
| Method of Review | Review of individual Title I expenses for allowability under the three presumptions test | Demonstration of methodology used to allocate State and local funds  |
| Submission Requirements | Budget in the Consolidated Application | Demonstration of methodology (*In development*) |
| Monitoring Considerations | Implementation of activities as described in budget | Implementation of methodology as submitted in demonstration |

Guiding Questions

Utilize the questions provided below to guide your internal conversations as you prepare for the meeting on October 26.

1. **How would the LEA/BOCES demonstrate its methodology if asked to do so today?**
	1. Does the LEA/BOCES have a written process/policy in place?
		1. If so, what stage is the process/policy in this process (i.e. planning, board adopted, etc.)?
		2. If so, who was involved in writing and adopting this process/policy?
		3. If so, what resources are considered in this process/policy?
2. **How should resources be defined (i.e. dollars, FTE, etc.) in the guidance released by CDE?**