



ARIZONA DEPARTMENT OF
EDUCATION

Supplement Not Supplant

ESEA Field Day

April 30, 2025

Welcome and Objectives

- Understand key principles of SNS
- Differentiate Title I(A) compliance from other Titles
- Learn how to document SNS compliance effectively

What is 'Supplement, Not Supplant'?

- Title IA funds must **supplement—not replace—state and local funding**
- Requirement is outlined in **ESEA §1118(b)(1)**
- Purpose: **Federal dollars must add educational value** for disadvantaged students

Legal Shift Under ESSA

- ESSA eliminated **cost-by-cost** compliance tracking for Title IA
- Compliance is now measured by a **districtwide funding methodology**
- No need to show every expense is “supplemental” as long as the **allocation method is Title I neutral**

The Three Presumptions of Supplanting

Federal funds are presumed to **supplant** if:

1. The activity is **required by State or local law or policy**
2. The activity was **previously funded with State/local funds**
3. The activity is **provided to non-Title I students using non-federal funds**

Title I Methodology Test

- The *Title I Methodology Test* is designed to ensure Title I schools receive their *fair share of state and local funds*, regardless of their Title I status.
- This methodology must be “*Title I neutral*”—meaning the way a district allocates resources shouldn’t change just because a school qualifies for Title I.
- The focus is now on **system-wide funding formulas** rather than individual expenditures.

Compliant Methodologies

Examples: *(but not limited to this)*

- **Weighted per-pupil funding** based on student needs (e.g., poverty, English learners, disability status)
- **Staffing and supply formulas** tied to enrollment or student-teacher ratios
- **Flexibility by school type or grade span** (e.g., different formulas for elementary vs. high schools)

Districtwide State/Local Funds

- Applies to **districtwide services** like technology, social workers, nurses, substitutes, etc.
- Access to these services must be **Title-neutral**
- Districts must **document equity** in access and allocation

Other Titles: Expenditure Test

- **Title IIIV (TITLE I-C, II-A, III A, IV-A, and IV-B)** follow the traditional “**expenditure test**”
- Ask three critical questions:
 1. Was the activity previously funded with state/local dollars?
 2. Is the activity **legally required**?
 3. Would the activity exist **without** federal funds?

Allowable vs. Supplanting Examples

Allowable (Supplemental):

- After-school tutoring
- Enrichment programs
- Bilingual instructional software or resources

Not Allowable (Supplanting):

- Core classroom instruction
- Professional development **required by law**
- General technology **if it replaces baseline tech infrastructure**

Depends on Context:

- General supplies
- Schoolwide programs

Building a Compliance Culture

- **Update funding methodology annually** to reflect changes in enrollment, staffing, or needs
- **Log decisions and rationale** related to funding allocations and expenditures
- Remember: **Comparability ≠ SNS compliance**—they are separate, though related, requirements

Federal Funds Checklist

Before approving a federal purchase, ask these 8 questions:

1. Is it **required by law or policy**? → If yes, **not allowable**.
2. Was it **funded locally last year**? → If yes, **justify the change**.
3. Would it **exist without federal funds**? → If yes, ensure it's **enhancement**, not replacement.
4. Does it **go beyond the basic education program**? → If yes, likely **allowable**.
5. Is it **aligned to the purpose of the Title program**?
6. Can you **document the need and decision-making process**?
7. Is the cost **necessary, reasonable, and allocable** under UGG (2 CFR §200.403)?
8. Is the decision **Title-neutral**, especially for **central office** expenditures?

Final Reminders

- **SNS is about impact and equity**, not just compliance checkboxes
- Federal funds should **enhance**, not **rescue**, core educational services
- **Document your intent** and decision-making at every step

Q&A + Resources

- [June 2019 Final ED Guidance](#)
- [Texas SNS Handbook](#)
- [2021 Compliance Supplement](#)

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ESEA Field Day Questions

