

Supplement, Not Supplant



Presenter: Vivian Smyrl

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Date: **11/14/2022**



Training Topic: **Supplement, Not
Supplant**

Enter First Name, Last Name, E-mail.
Select Region and LEA.
Indicate Position Title

https://tea.co1.qualtrics.com/jfe/form/SV_71HkHxtHBzjhbNk

Resources Available

Purpose of Supplement, Not Supplant

Applying the Correct Standard:

- Traditional SNS, or
- Title I, Part A SNS Methodology

Monitoring

Connecting Methodology to General Ledger

Common SNS Issues

Examples

Resources Available

- [U.S. Department of Education \(USDE\) Non-Regulatory Informational Document](#), June 2019
- Texas Education Agency [Supplement, Not Supplant Handbook](#), version 5.0, revised March 2022

SUPPLEMENT, NOT SUPPLANT HANDBOOK

*A GUIDE FOR GRANTS ADMINISTERED BY THE
TEXAS EDUCATION AGENCY*

Federal Program Compliance Division
Department of Grant Compliance and Administration

ESSASupport@tea.texas.gov

512-463-9499

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Version 5.0 (Revised 3/31/2022)

- Texas Education Agency
Supplement, Not Supplant Handbook, version 5.0, revised
March 2022
pp. 2-3

Citation	Supplement, Not Supplant Provision
ESEA, as amended by ESSA, Title I, Part A, Improving Basic Programs Operated by LEAs [Section 1118(b)]	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. Information related to SNS requirements specific to Title I, Part A is available in Section B of this document.
ESEA, as amended by ESSA, Title I, Part A—School Improvement [Section 1003(e)(2)]	The non-regulatory guidance issued by the USDE states that “assuming an LEA allocates State and local funds through its methodology first, any school ... that receives Section 1003 funds would already have received, through the LEA’s methodology, all the State and local funds it would have received absent the 1003 funds. Thus, the LEA would be complying with both ESEA sections 1118(b)(2) and 1003(e)(2).” Therefore, Section B of this SNS Handbook would apply.
ESEA, as amended by ESSA, Title I, Part C—Education of Migratory Children [Sections 1304(c) and 1306(b)]	Such programs and projects will be carried out in a manner consistent with the objectives of ... subsections (b) and (c) of section 1118. This means that Title I, Part C is subject to SNS requirements, however, the USDE’s non-regulatory guidance is clear that because the initial allocation of Migrant funds is made to the State, rather than at the LEA level, the “specific requirements pertaining to the methodology...do not apply.” Refer to Section A of the SNS Handbook for the traditional SNS requirements.
ESEA, as amended by ESSA, Title I, Part D, Subpart 1—State Agency Programs [Section 1415(b)]	A program under this subpart that supplements the number of hours of instruction students receive from State and local sources shall be considered to comply with the SNS requirement of section 1118 (as applied to this Part) without regard to the subject area in which the instruction is given during those hours. This means that Title I, Part D, Subpart 1 is subject to SNS requirements, but the USDE’s non-regulatory guidance is clear that because the initial allocation of Part D funds is made to the State, rather than at the LEA level, the “specific requirements pertaining to the methodology...do not apply.” Refer to Section A of the SNS Handbook for the traditional SNS requirements.
ESEA, as amended by ESSA, Title II, Part A—Supporting Effective Instruction [Section 2301]	Funds made available under this title shall be used to supplement, and not supplant, non-Federal funds that would otherwise be used for activities authorized under this title. Refer to Section A of this document for information about compliance.

Statutory Language varies by program . . .

- **Title II, Part A:** Funds made available under this title shall be used to supplement, and not supplant, non-Federal funds...
- **Title III, Part A:** Funds made available under this title shall be used so as to supplement the level of Federal, State, and local public funds that, in the absence of such availability, would have been expended for programs for limited English proficient children and immigrant children and youth and in no case to supplant such Federal, State, and local public funds.

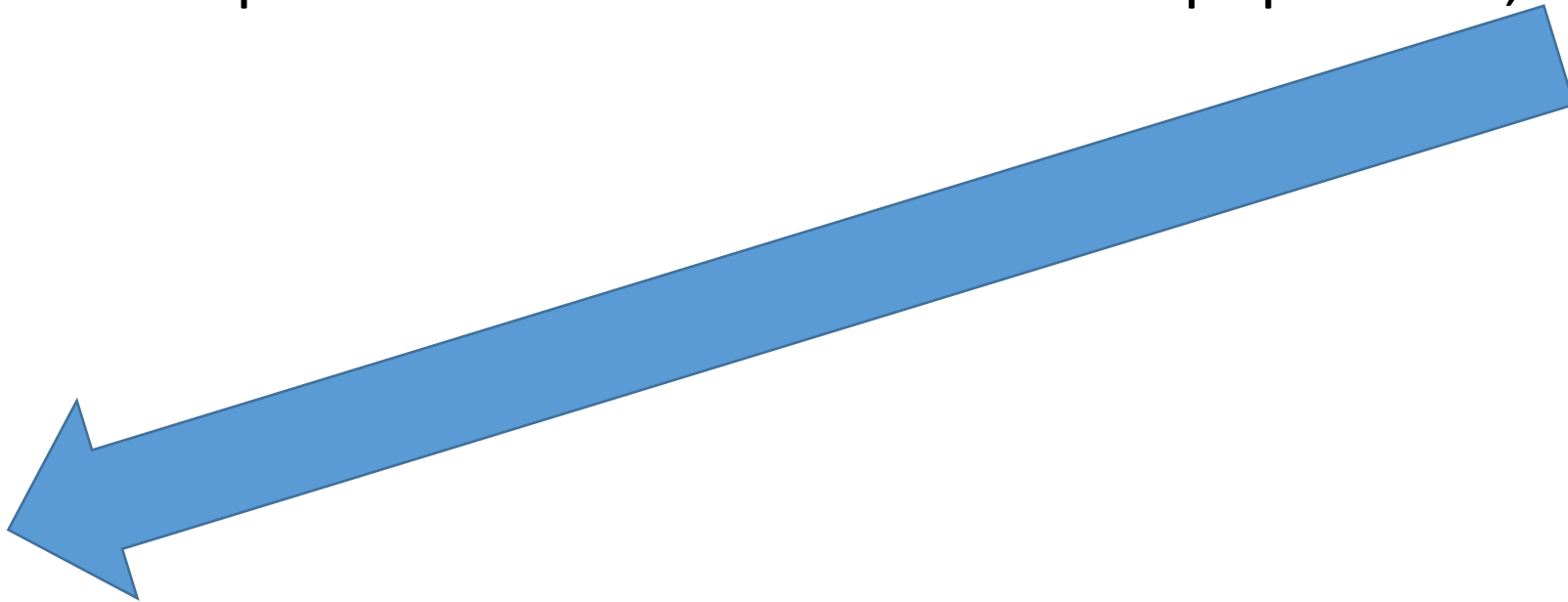
- Texas Education Agency Supplement, Not Supplant Handbook, version 5.0, revised March 2022
 - ESSER statute has no SNS provision

Citation	Supplement, Not Supplant Provision
ESEA, as amended by ESSA, Title III, Part A—English Language Acquisition, Language Enhancement, and Academic Achievement [Section 3115(g)]	Federal funds made available under this subpart shall be used so as to supplement the level of Federal, State, and local public funds that, in the absence of such availability, would have been expended for programs for limited English proficient children and immigrant children and youth and in no case to supplant such Federal, State, and local public funds. Refer to Section A of this document for information about compliance.
ESEA, as amended by ESSA, Title IV, Part A—21st Century Schools, Student Support and Academic Enrichment Grants [Section 4110]	Funds made available under this subpart shall be used to supplement, and not supplant, non-Federal funds that would otherwise be used for activities authorized under this subpart. Refer to Section A of this document for information about compliance.
ESEA, as amended by ESSA, Title IV, Part B—21st Century Community Learning Centers [Section 4204(b)(2)(G)]	Subgrantees are required to assure “that subgrant funds under this part will be used to increase the level of State, local, and other non-Federal funds that would, in the absence of funds under this part, be made available for programs and activities authorized under this part, and in no case supplant Federal, State, local, or non-Federal funds. Refer to Section A of this document for information about compliance.
ESEA, as amended by ESSA, Title V, Part B, Subpart 2—Rural and Low-Income Schools Program, [Section 5232]	Funds made available under subpart 1 or subpart 2 shall be used to supplement, and not supplant, any other Federal, State, or local education funds. Refer to Section A of this document for information on compliance.
Individuals with Disabilities Education Act (IDEA) [34 CFR 300.162(c)]	Funds paid to a state under Part B of the Act must be used to supplement the level of Federal, State, and local funds (including funds that are not under the direct control of the SEA or LEAs) expended for special education and related services provided to children with disabilities under Part B of the Act, and in no case to supplant those Federal, State, and local funds. Refer to Section A of this document for information about compliance.
Carl D. Perkins Career and Technical Education Act of 2006, as amended by P.L. 115-224, Title II, Part A, Section 211(a)	Funds made available under this Act for career and technical education activities shall supplement, and shall not supplant, non-Federal funds expended to carry out career and technical education activities. Refer to Section A of this document for information about compliance.
McKinney-Vento--Education for Homeless Children and Youths [42 United States Code, Section 11433(a)(2)(A)(iii)]	“Services...shall be designed to expand or improve services provided as part of a school's regular academic program, but not to replace such services provided under such program.” Refer to Section A of this document for information about compliance.
ESSER I ESSER II ESSER III	The statutes authorizing ESSER I – III are silent on Supplement, Not Supplant, which means that Supplement, Not Supplant <u>does not apply</u> to ESSER funds. Other specifics concerning ESSER requirements are available on the Agency’s web site.

Purpose of Supplement, Not Supplant

Purpose of SNS Provision

The purpose of the SNS provision is to help ensure that federal grant funds are expended to benefit the intended population,

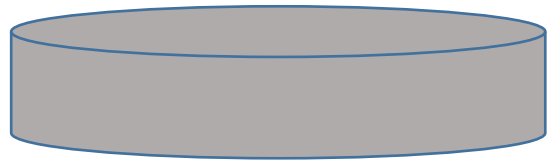


not diverted to cover expenses that the LEA would have paid out of other funds in the event the federal funds were not available.

Most federal programs with SNS provision still use traditional documentation.

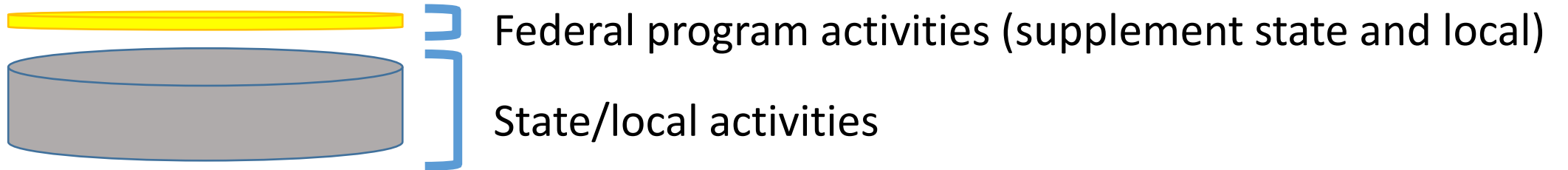
Program activities must be used to enhance, expand, or extend required activities.

Traditional SNS

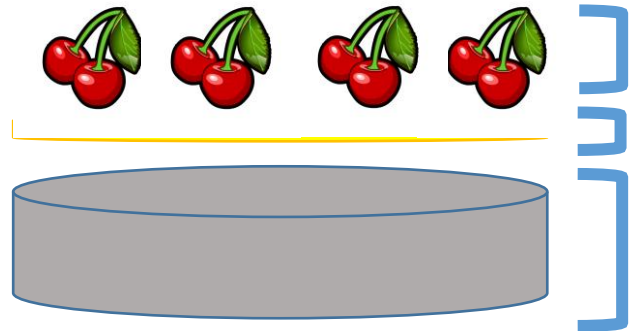


State/local activities

Traditional SNS



Traditional SNS

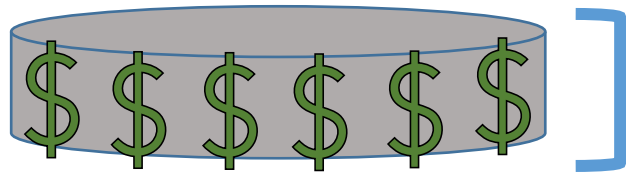


Title III activities (supplement Federal, state, and local.)

Federal program activities (supplement state and local)

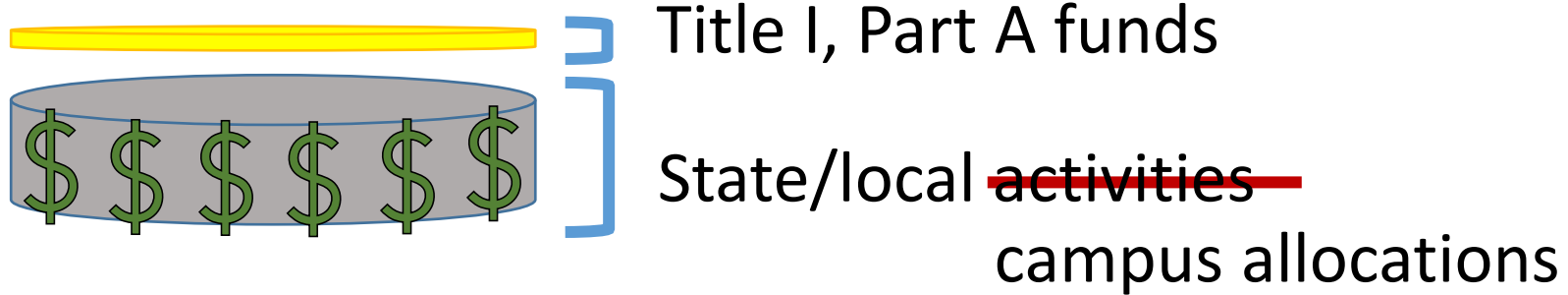
State/local activities

Title I, Part A SNS Methodology



State/local ~~activities~~
campus allocations

Title I, Part A SNS Methodology



SNS Handbook

- Traditional SNS Documentation (Section A)
- Title I, Part A Methodology Documentation (Section B)

Programs using Traditional SNS Documentation

- Title I, Part C
- Title I, Part D, Subpart 1
- Title II, Part A
- Title III, Part A
- Title IV, Part A
- Title IV, Part B
- Rural and Low-income Schools Program
- IDEA
- Perkins
- McKinney-Vento

Programs Covered by SNS Methodology

- Title I, Part A
- Title I School Improvement

Traditional SNS Documentation

Programs using Traditional SNS Documentation

- Title I, Part C
- Title I, Part D, Subpart 1
- Title II, Part A
- Title III, Part A
- Title IV, Part A
- Title IV, Part B
- Rural and Low-income Schools Program
- IDEA
- Perkins
- McKinney-Vento

Programs Covered by SNS Methodology

- Title I, Part A
- Title I School Improvement

Traditional SNS

Most federal programs with SNS provision still use traditional documentation at the service/activity level.

The State and LEAs may use these program funds **only to supplement** and, to the extent practical, increase the level of funds that would, in the absence of federal funds, be made available from **non-federal sources*** for the education of participating students.

In no case may an LEA use these federal program funds to supplant funds from non-federal sources.

*Title III, Part A and RLIS must also be supplemental to other **federal** funds.

Traditional Presumptions of Supplanting

An auditor will presume that supplanting occurs if the federal funds—

- Provide services/activities required by State or local law;
- Provide same services/activities as those provided in prior school year with State or local funds;
- Provide same services/activities in Federal and non-Federal programs.

Rebutting the Presumptions of Supplanting

The LEA is responsible for providing documentation to rebut a presumption of supplanting.

- Documentation of rescission of funds or budget reduction.
- Documentation that prior fund source is no longer available.
- **Written, contemporaneous documentation!**

Additional SNS provision for RLIS and SRSA funds

If the activity is one that would ordinarily be covered with other Federal, State, or local funds (for example, in most cases, standard textbook purchases would ordinarily be covered with State or local funds) —

- The LEA would have to rebut a presumption of supplanting through written, contemporaneous documentation (e.g., State or local legislative action, budget information, school board minutes, or other materials) that it would not be able to fund a particular activity in the absence of the RLIS or SRSA funds.

Questions to Ask When Planning

- What program is involved?

If it is a program that uses traditional SNS documentation, the LEA should ask –

- Is the activity/service required by state or local law?
- Did the LEA provide this activity/service in the prior year?
- Did the LEA previously use non-federal funds to provide the activity/service?
- Is the activity/service provided with federal funds to some recipients and with state/local funds to other recipients?

If the answer to any of these questions is “Yes,” the LEA should consider whether it may need to rebut a presumption of supplanting, or use a different fund source.

Traditional SNS Example

An LEA wants to purchase 25 new security cameras.
Is it all right to use Title IV, Part A funds for this?

Traditional SNS Example

What program is involved?

An LEA wants to purchase 25 new security cameras.
Is it all right to use Title IV, Part A funds for this?

Traditional SNS Example

What program is involved?

An LEA wants to purchase 25 new security cameras.
Is it all right to use **Title IV, Part A funds** for this?

Traditional SNS Example

What program is involved?

An LEA wants to purchase 25 new security cameras.
Is it all right to use Title IV, Part A funds for this?

Is this a state or local requirement?

Did the LEA conduct the activity last year, and did state/local funds pay for it?

Did the LEA use Title IV funds for cameras at some campuses and state/local funds at others?

Traditional SNS Example

What program is involved?

An LEA wants to purchase 25 new security cameras.
Is it all right to use Title IV, Part A funds for this?

Is this a state or local requirement?

Did the LEA conduct the activity last year, and did state/local funds pay for it?

Did the LEA use Title IV funds for cameras at some campuses and state/local funds at others?

Traditional SNS Example

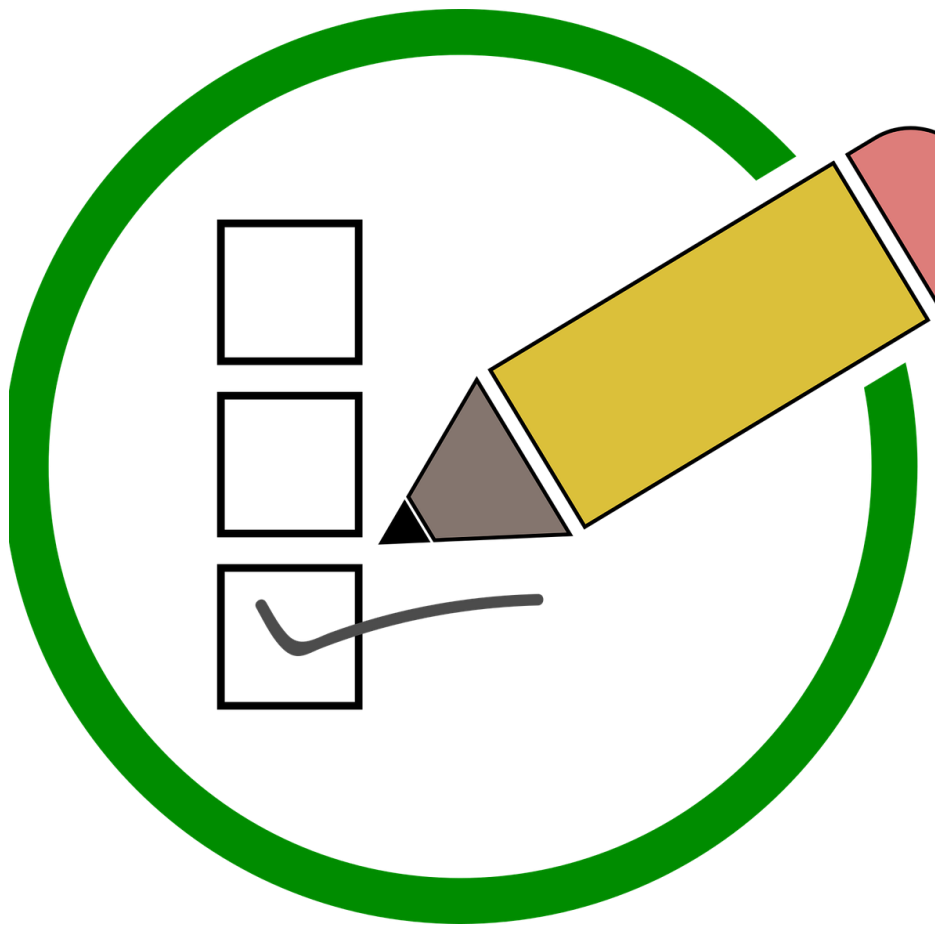
An LEA wants to purchase 25 new security cameras.
Is it all right to use Title IV funds for this?

It depends!

If the LEA previously purchased security cameras with state or local funds, this could be a supplant.

To rebut the presumption of supplant, the LEA must document that the state or local funds are no longer available.


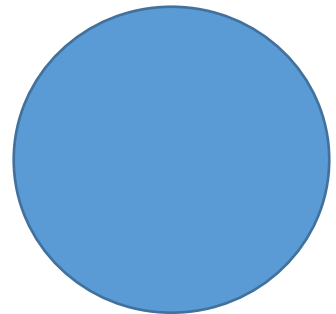
Informal (and Unscientific) Polls





- Question
- Discussion Time
(2-3 minutes)
- Poll
- Answer


Question 1

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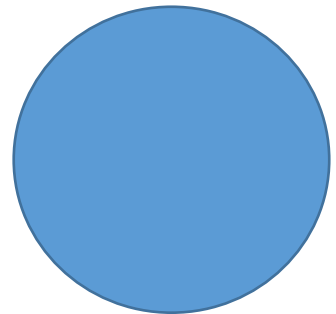
Answer 1

Traditional SNS precludes Title II, Part A from being used for the Reading Academies in the instances where the academies are a state requirement. Therefore, the only instance where the academies may be considered allowable under Title II, Part A is if an LEA wants to provide the training to non-K-3 teachers. The HB3 state requirement applies only to Principals and K-3 Teachers.

Question 2

A large, white, stylized question mark is centered on a blue gradient background that transitions from a lighter blue at the top to a darker blue at the bottom.

May Migrant Education Program (MEP) funds be used to pay for meals and snacks for migratory students on field trips?




Answer 2

If there are no other resources available, MEP funds may be used to pay for the costs of food while the migratory children are participating in the field trip. The LEA must consider the following when determining if they may use MEP funds for a particular activity or (instructional or support) service:

1. The activity or service comports with the results of the State's Comprehensive Needs Assessment (CNA) and the strategies outlined in the State's Service Delivery Plan (SDP).

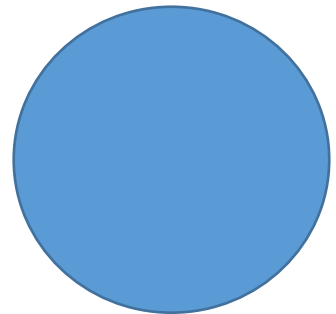
Answer 2, continued

- 
- A large, white, stylized question mark is centered on the left side of the slide. It is set against a blue gradient background that transitions from a lighter blue at the top to a darker blue at the bottom. The question mark is composed of a thick, white outline.
2. MEP funds must first be used to meet the identified needs of migratory children that result from their migratory lifestyle, and to permit these children to participate effectively in school.
 3. The activity or service meets the needs of migratory children that are not addressed by services available from other Federal or non-Federal programs.
 4. MEP funds are used to supplement, rather than supplant, the use of State and local funds. [i.e., the LEA cannot pay for migrant students with migrant funds and all other students with state/local funds.]

Question 3



An LEA wants to use its Title III, Part A funds to certify teachers who are on a bilingual exception or ESL waiver. Is this allowable?



Answer 3

Title III, Part A funds cannot be used to certify teachers who are on a bilingual exception or ESL waiver because such a certification is a state requirement.

Title III, Part A funds can be used to build capacity of bilingual and/or ESL certified staff above state requirements. Before doing so, however, the LEA should ensure that no federal, state, or local funds were used for this purpose in the prior year.

Title I, Part A SNS Methodology Documentation

Programs using Traditional SNS Documentation

- Title I, Part C
- Title I, Part D, Subpart 1
- Title II, Part A
- Title III, Part A
- Title IV, Part A
- Title IV, Part B
- Rural and Low-income Schools Program
- IDEA
- Perkins
- McKinney-Vento

Programs Covered by SNS Methodology

- Title I, Part A
- Title I School Improvement

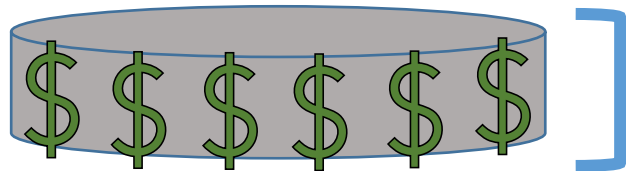
Title I, Part A SNS Requirement

LEAs 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.
[Section 1118(b)(1)]

Title I, Part A SNS Compliance

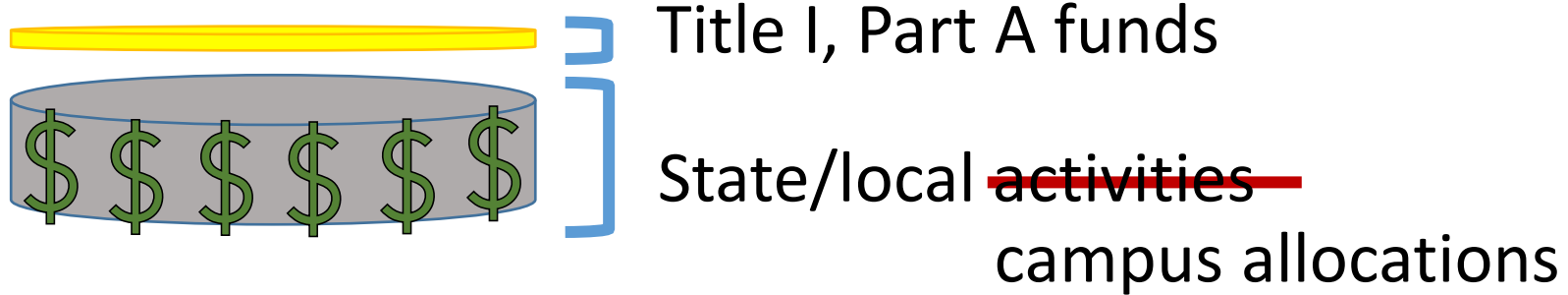
An LEA may not be required to identify that an individual cost or service supported with Title I, Part A funds is supplemental.

Title I, Part A SNS Methodology



State/local ~~activities~~
campus allocations

Title I, Part A SNS Methodology



Methodology or Statement of Exemption

Every LEA that accepts Title I, Part A or School Improvement funds must have either—

- A written methodology for allocating its state/local funds
- A Statement of Exemption from Methodology Requirement

- Templates for the SNS Methodology, as well as the Statement of Exemption, are available in the [Supplement, Not Supplant Handbook](#).

- LEA allocates State and local funds to its campuses without regard to their Title I, Part A status.

Title I, Part A neutral

- The traditional presumptions of supplanting
DO NOT APPLY to Title I, Part A!!

Questions to Ask When Planning

- What program is involved?

If the answer is Title I, Part A, the LEA should ensure that it has either –

- A valid written methodology for distributing its state and local funds,
OR
- A Statement of Exemption.

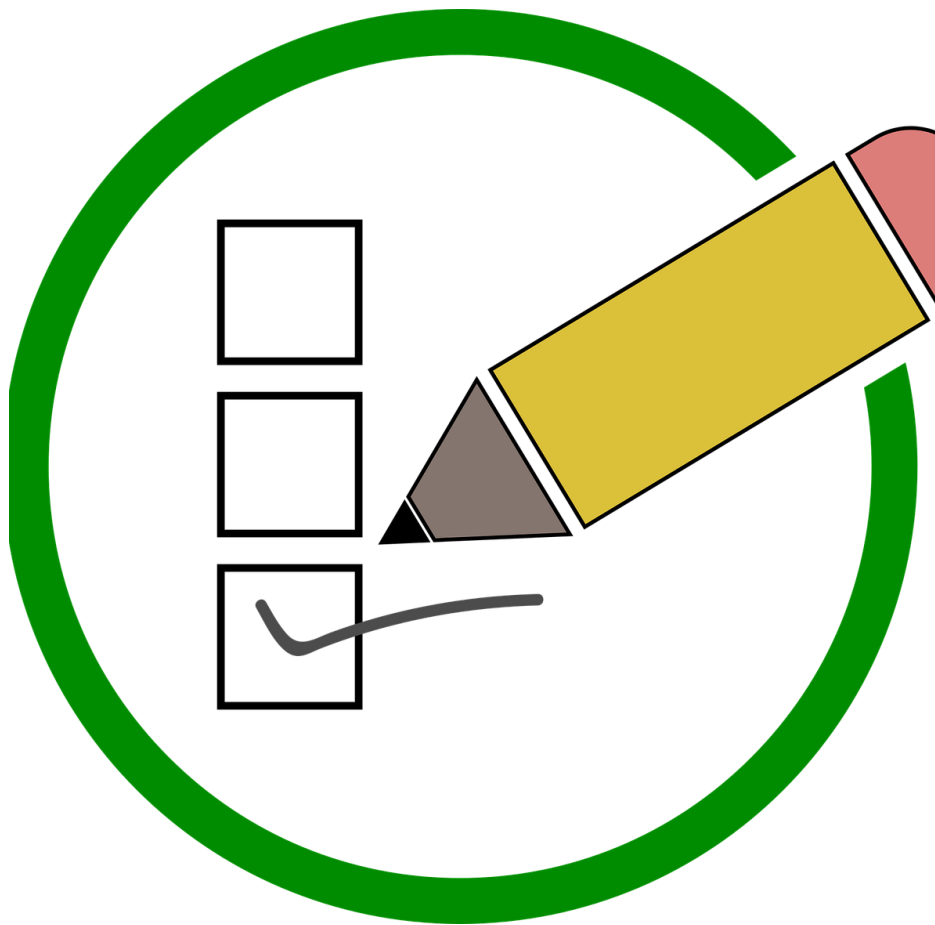
If this requirement is met, the supplemental nature of Title I, Part A funds is established, and the LEA should consider the remaining items in the Title I, Part A Use of Funds document.

LEA-level Funds

LEA must assure that—

- any State and local funds that are retained at the LEA level will be used in a Title I, Part A-neutral manner; and
- any Title I, Part A funds that are reserved at the LEA level will be used only for Title I, Part A purposes, as indicated in the LEA's approved ESSA Consolidated Federal Grant Application.


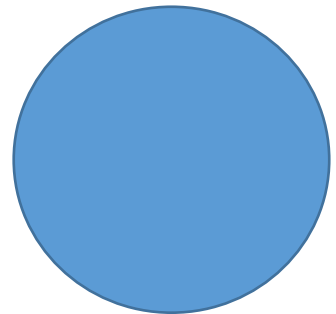
Informal (and Unscientific) Poll





- Question
- Discussion Time
(2-3 minutes)
- Poll
- Answer

Question 4

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Answer 4

The LEA meets the SNS requirement for Title I, Part A by having a written methodology for allocating its state and local funds to its campuses (or by having a valid Statement of Exemption). The LEA does not apply the traditional presumptions of supplanting to Title I, Part A activities.

The LEA would work through the other items on the Title I, Part A Use of Funds one-pager to ensure that the activity is identified in the CNA, is included in the DIP/CIP, meets EDGAR requirements, and is aligned with the LEA's policies and procedures.

Monitoring

Federal Fiscal Monitoring Division

- Monitoring Reviews

Federal Program Compliance Division

- 2020-2021 Random Validation Item
- 2021-2022 Compliance Report (PR1000)
 - Program Compliance Self-Check Item for Title I, Part A
 - Subject to Random Validation

- Programs with Traditional SNS Documentation
 - Presumptions of Supplanting
- Title I, Part A
 - Copy of SNS Methodology or Statement of Exemption, including spreadsheet showing calculation of campus amounts
 - Connection between amounts generated by methodology and amounts in general ledger

Connecting Methodology to General Ledger

Documenting Connection to General Ledger

- **Relevant pages of Campus Budget Activity Report***

For validation, only submit 1 page per campus that is included in the SNS methodology. Must indicate the following for each campus:

- Campus Name/Number
- Original or Revised Budget amount

Fund Codes 199 (Districts) or 420 (Charter Schools)

*Name of report may vary, depending on LEA's system.

Sample Campus Report Page

3frbud12.p 69-4
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09/25/19

Page: 7
3:47 PM

CAMPUS BUDGET ACTIVITY REPORT (Date: 9/2019)

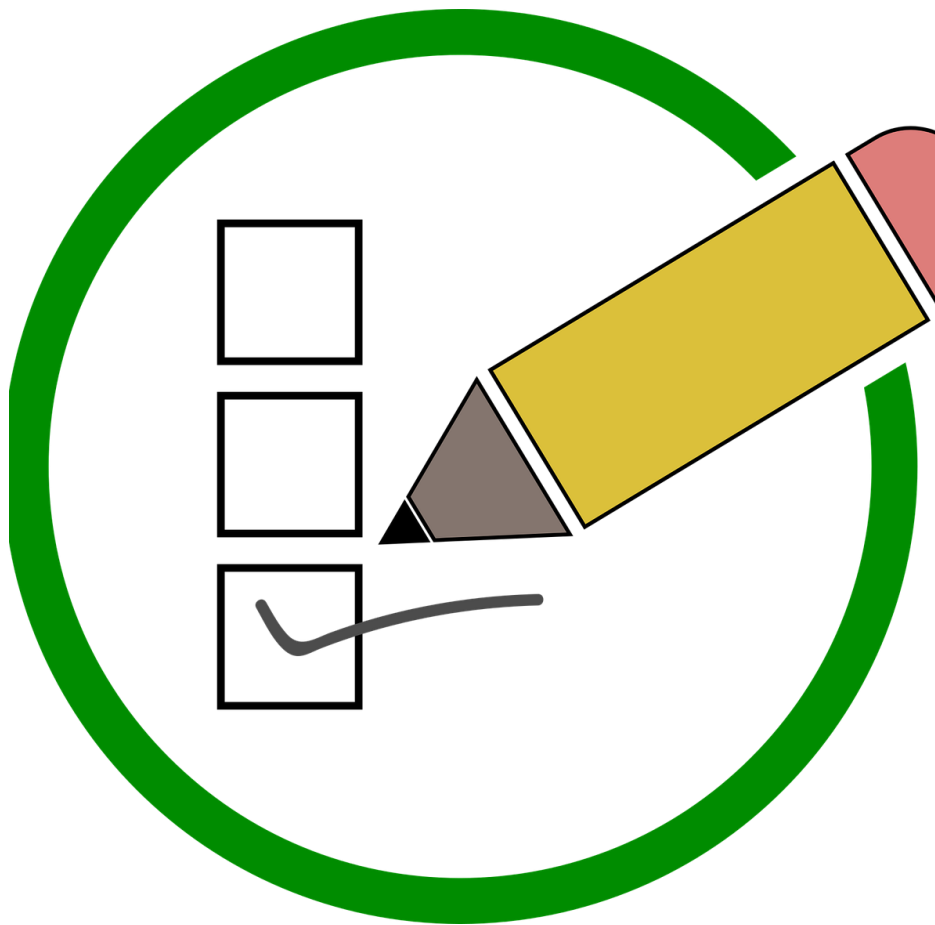
										2019-20	2019-20	September 2019	Encumbered	2019-20	2019-20	2019-20	2019-20	
Fnd T Fc Obj SO Org F Pr Own Act Obj										Original Budge	FYTD Revised B	Monthly Activi	Amount	Batch Activity	FYTD Activity	Available Fund	FYTD %	
005	CAMPUS NAME																	
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420 E 71 6523 01 005 0 99 090 000	INTEREST EXPENS															8,124.76	-8,124.76	
6523 01 005	INTEREST EXPENS															8,124.76	-8,124.76	
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420 E 13 8299 01 005 0 11 041 000	INTRCOM ADM FEE									87,477.00	87,477.00				14,985.22	72,491.78	17.13	
420 E 21 8299 01 005 0 11 041 000	INTRCOM ADM FEE									55,663.00	55,663.00				9,237.14	46,425.86	16.59	
420 E 23 8299 01 005 0 11 041 000	INTRCOM ADM FEE									13,259.00	13,259.00				2,154.64	11,104.36	16.25	
420 E 41 8299 01 005 0 11 041 000	INTRCOM ADM FEE									149,689.00	149,689.00				25,966.88	123,722.12	17.35	
420 E 51 8299 01 005 0 11 041 000	INTRCOM ADM FEE									51,864.00	51,864.00				9,063.38	42,800.62	17.48	
420 E 53 8299 01 005 0 11 041 000	INTRCOM ADM FEE									46,285.00	46,285.00				8,097.28	38,187.72	17.49	
8299 01 005	INTRCOM ADM FEE									404,237.00	404,237.00				69,504.54	334,732.46	17.19	
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01 005	*CAMPUS Name									2,284,733.00	2,557,822.96	106,350.73	26,122.22	269,211.04	399,316.60	1,863,173.10	16.63	

Other Common Issues

Common Issues during Monitoring

- **Title I Methodology must allocate State/local funds.**
LEAs frequently try to apply it to Title I, Part A funds.
- **Traditional presumptions of supplanting do not apply to Title I, Part A.**
LEAs frequently try to apply them to Title I, Part A.
- **Title I, Part A SNS methodology does not document SNS compliance for other federal programs.**
LEAs tend to conflate the two systems of documentation.
- **Ineligible for exemption.**
LEAs sometimes apply exemptions incorrectly.

Informal (and Unscientific) Poll



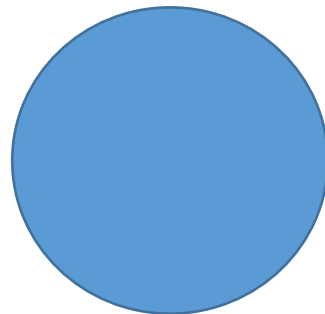


- Question
- Discussion Time
(2-3 minutes)
- Poll
- Answer

Question 5



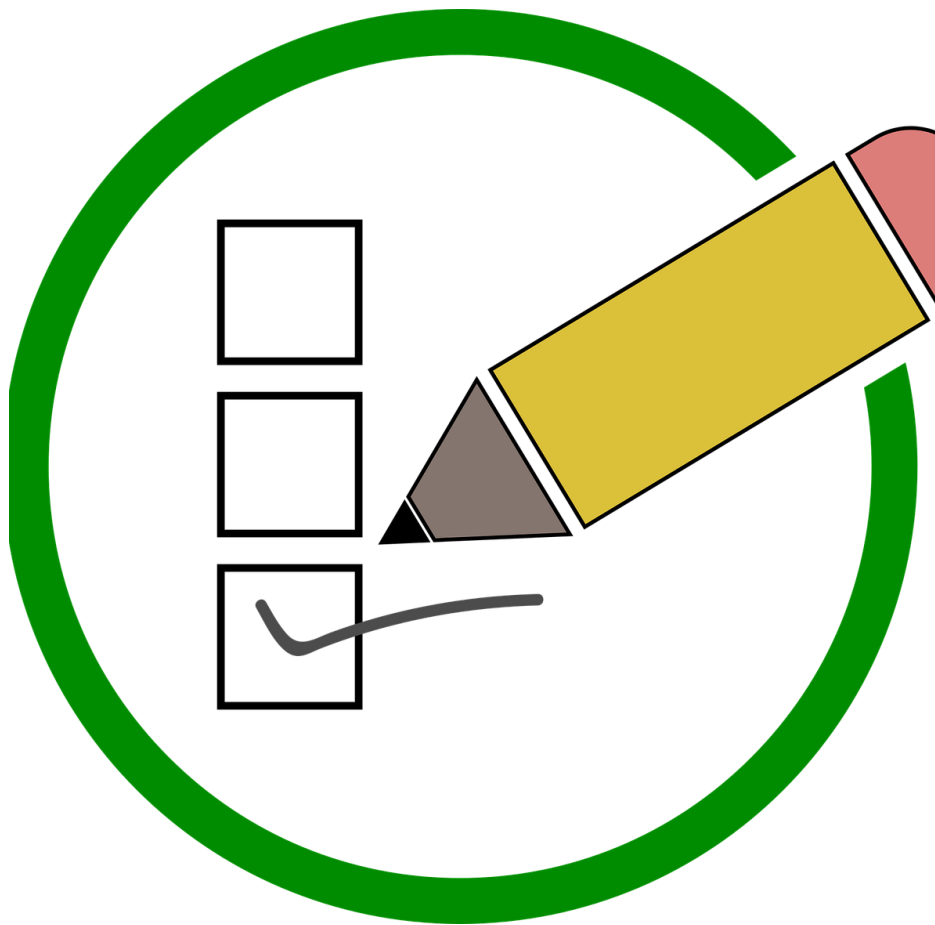
We were granted the Mentor Allotment last year and were able to pay for mentor stipends. This year, we were not granted the allotment, so may we go back to paying the stipends with Title II funds as in previous years?





This would be an example of where the LEA would want to keep documentation showing that the state fund source that had been used is no longer available. (This could be minutes from a board meeting, or from a budget report.) This would be what an auditor would want to see in order for the LEA to successfully rebut the presumption of supplanting.

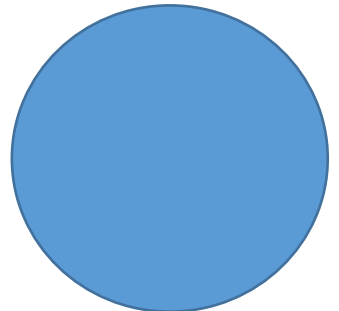
Informal (and Unscientific) Poll



Question 6



Can Title II Part A split-fund costs with Title I, Part A since Title I, Part A funds can only cover the cost of Title I, Part A schools? [e.g., substitutes for training or programs that are evidence-based]



Answer 6



It would not be a supplanting issue for Title II, Part A funds to replace Title I, Part A funds (or vice versa) because those statutes only require the federal funds to supplement state and local funds--not other federal funds. However, an LEA would want to ensure that it could document that Title II, Part A funds have been prioritized to meet the needs at campuses that have been identified for school improvement and campuses that have the highest percentage of low-income students. If Title II, Part A funds remain after that, then this could be an allowable activity if it meets with LEA policies and procedures.

Answer 6, continued



Title I, Part A funds could be used, as long as the other Use of Funds requirements for Title I, Part A are met (e.g., identified in CNA, included in LEA/Campus plan, in line with EDGAR requirements and local policies). If these are Title I, Part A funds that have been reserved at the LEA level, they would need to be used in accordance with the activities approved in the LEA's Consolidated Federal Grant Application.

Contact Information

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Texas Education Agency

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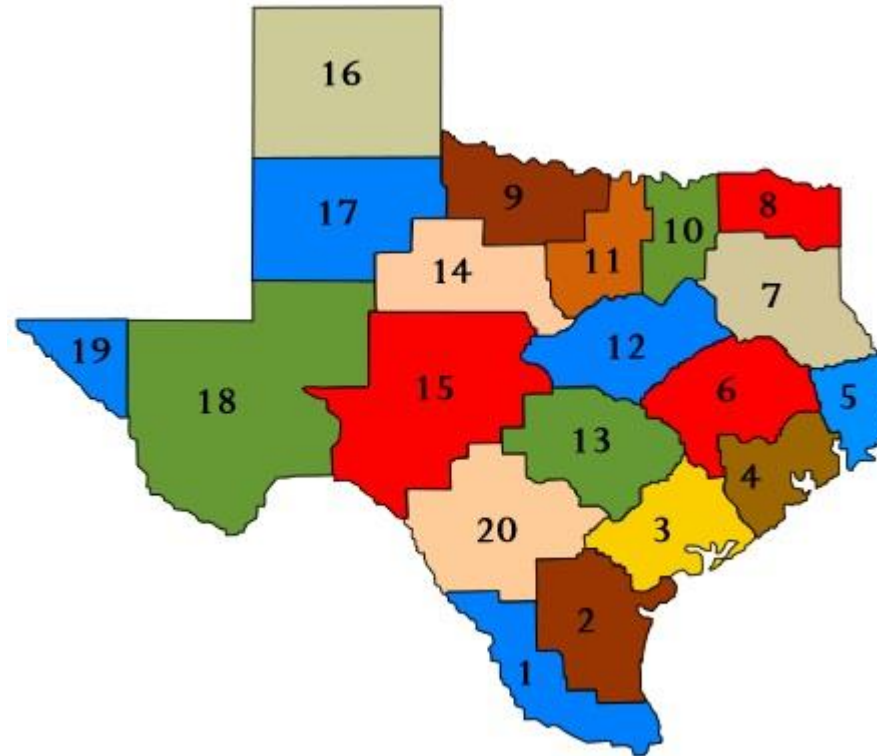
512-936-9216

Federal Program Compliance Division

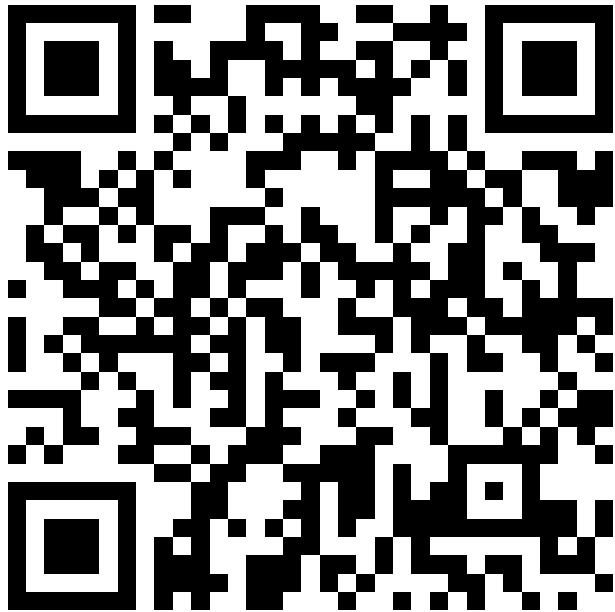
ESSASupport@TEA.Texas.gov

512-463-9499

Regional Education Service Centers



Date: **11/14/2022**



Training Topic: **Supplement, Not
Supplant**

Indicate level of
agreement/disagreement with
statements

Provide feedback

https://tea.co1.qualtrics.com/jfe/form/SV_5p9RuuV4bR4nRf8