

North Dakota Department of Public Instruction

TITLE I FAST FACT SERIES

Issue: Supplement, Not Supplant – A Fiscal Analysis

Overview

The supplement, not supplant requirement is a key regulation in the *No Child Left Behind* (NCLB) Act. Many school districts struggle in understanding the concepts behind the supplement, not supplant requirement and how it relates to fiscal requirements.

When school districts are monitored, Title I related expenditures are reviewed. The supplement, not supplant regulation is taken into consideration during this review. If the monitor determines that there has been a supplanting violation, the school district may have to repay Title I funds relating to this issue. In addition, violations of the supplement, not supplant requirement could affect a school district's future Title I allocations.

Definition

In general, to supplement, not supplant means that Title I funds are used to implement programs and services that would not be available if it were not for these federal funds. In other words, if Title I funds were not available to do this activity, the district would not do it.

There is no one supplement, not supplant definition that applies to the whole NCLB Act. Rather, the supplement, not supplant requirements are spelled out in various parts of the Act and are often defined differently. For instance, the Title I section of NCLB states that federal Title I funds should only be used to supplement the funds that would, in absence of such federal funds, be made available from non-federal sources. Where as, the Title V section of the law prevents school districts from shifting local, state, or other costs to Title V. In other words, the Title V supplement, not supplant language is stricter than the Title I supplement, not supplant language. School districts should make sure they fully understand the wording of the particular federal program's supplement, not supplant language they are working with.

The Supplement, Not Supplant Tests

When determining whether a fiscal expenditure supplements and not supplants, school districts must run these three tests.

- ✓ **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.
- ✓ **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.
- ✓ **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 an expenditure does not pass any of the above tests, then it is presumed that Title I funds are supplanting state or local funds.

Expenditures must pass all three tests to truly be supplemental.

Document, Document, Document

It is possible for a school district to have a particular expense that *may look like* supplanting, but in actuality, it is not. Districts in this scenario must be sure to provide adequate documentation. This documentation would need to prove how the three tests outlined above have been passed. Including:

- Demonstrate that the program or activity would not have been provided if Title I funds were not available.
- Demonstrate that the state or local funds that had been paying for this program or activity in years past are no longer available.

OR

- Documentation that the "Title I look-alike program" is funded by supplemental local funds, specifically set-aside for this purpose.

If you have questions regarding this issue, please contact:

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