

# Revised Title I, Part A Supplement not Supplant Test

**March 3, 2018**

Melissa Junge and Sheara Krvaric

Federal Education Group, PLLC

[www.fededgroup.com](http://www.fededgroup.com)

# Objectives

- Introduce the revised SNS test for Title I, Part A
- Review the difference between SNS and comparability
- Review the difference between SNS versus financial transparency (per-pupil expenditure reporting)
- Review how the revised SNS test affects Title I, Part A spending
- Review the role of the state in overseeing local compliance with SNS rules

# **Revised SNS Test for Title I, Part A**

# Introduction

- ESSA changes the way compliance with Title I, Part A's supplement not supplant (SNS) requirement is tested.
  - This change only affects Title I, Part A.
  - Other programs continue with the rules that were in effect before ESSA.
- Currently, there are no federal regulations or guidance on the revised SNS test.
  - Proposed SNS regulations by the Obama administration did not go into effect.

# What Is New?

- The old SNS test looked at how **Title I funds** were spent using three presumptions:
  - Was a cost required by federal, state or local law?
  - Was a cost paid for with state or local funds last year?
  - Did Title I pay for a good or service for Title I students that was also provided to non-Title I students with state/local funds?
- The revised SNS test looks at how districts allocate **state and local funds** to schools.

# New Compliance Standard

- **The three presumptions no longer apply.** LEAs do not have to show individual costs paid with Title I funds are supplemental. **ESSA, Section 1118(a)(1)**
- Instead, LEAs must demonstrate the “**methodology used to allocate State and local funds** to each school receiving assistance under [Title I, Part A] ensures that such school receives all of the State and local funds it would otherwise receive if it were not receiving assistance under [Title I, Part A].” **ESSA, Section 1118(a)(2)**

# What Is a Methodology?

- Not defined in ESSA, but a Senate report describes it as “the manner in which [LEAs] distribute state and local funds to schools.”
- In other words, LEAs must allocate (budget) state and local funds (or state/locally-funded resources) in ways that do not deprive Title I schools of money or resources they would have received if they did not participate in Title I.

# Example of How a Methodology Might Violate SNS

- An LEA typically allocates one state/locally-funded librarian position to each elementary school . . .
- . . . But it does not allocate the position to its Title I schools because they have Title I funds to pay for it.



# Why Did Congress Change the Test?

1. To ensure districts do not budget in ways that deprive Title I schools of state/local resources.
2. To reduce burden.
3. To make it easier to spend Title I funds on activities that improve student outcomes.

# What Kinds of Methodologies Are Acceptable?

- ESSA specifically says, “nothing in [the SNS statute] shall be construed to authorize or permit the Secretary to prescribe the specific methodology a local educational agency uses to allocate state and local funds” to schools. **Section 1118(b)(4)**
- LEAs might use:
  - A staffing model,
  - Per-pupil allocations (like a weighted student funding formula),
  - A hybrid, or
  - Some other process.

# Does SNS Require LEAs to Provide the Same Resources to All Schools?

- No. An LEA's state/local allocation methodology to schools might vary because of:
  - Grade-span (high school vs. elementary)
  - School size
  - Student needs (ELL, newly arrived, special ed, etc.)
  - School model (CTE, magnet, IB, etc.)
  - Other factors, provided those factors are not based on Title I status

# What Might Compliance Look Like in Practice?

- The following slides are an example from a real school district.
- Slides 13 – 16 show the district’s budget policies for its elementary schools.
  - The policies are “Title I neutral.”
- Slides 17 – 19 show allocations to an elementary school consistent with the budget policies.

# Elementary Budget Policies

## ELEMENTARY SCHOOLS

Elementary General Education Teacher Funding Ratios		
	High Poverty Schools	Non-High Poverty Schools
Kindergarten	20:1	22:1
1st Grade	20:1	24:1
2nd Grade	21:1	25:1
3rd Grade	24:1	25:1
4th Grade *	27:1	27:1
5th Grade *	27:1	27:1

*12.5% Preparation Conference & Planning (PCP) time; allocations are rounded-up to nearest 1.0 FTE for Teachers and up to nearest .5 FTE for PCP.*

EXAMPLE : Non-High Poverty School		
	Student AAFTE	Teacher Calculation
Kindergarten	70	3.182
1st Grade	72	3.000
2nd Grade	68	2.720
3rd Grade	67	2.680
4th Grade	67	2.481
5th Grade	65	<u>2.407</u>
Sub-Total	409	16.47
Rounded Teacher FTE		<b>17.00</b>
PCP @ 12.5% (rounded)		<b><u>2.50</u></b>
Total Teacher Allocation		<b>19.50</b>

\* The grade 4-5 class size target is 28 students; the allocation for high poverty schools has been enhanced to allow some flexibility to manage class sizes across all K-5.

# Elementary Budget Policies (cont.)

Elementary Core Administrative and Support Staffing Ratios					
Elementary School Core Staffing Using Student Head Count	≤ 300	301-450	451-600	601-750	751+
Principal	1.0	1.0	1.0	1.0	1.0
Admin Secretary - 220	1.0	1.0	1.0	1.0	1.0
Elementary Asst Secretary - 201	0.5	1.0	1.0	2.0	2.0
Librarian	0.5	0.5	0.5	1.0	1.0
Certificated Core Staff			0.5	0.5	0.5
House Administrator					1.0
Nurse **	0.2	0.3	0.4	0.5	0.5

\*\* Nurses allocated thru the WSS formula are staffed centrally.

Elementary Counselor / Social Worker / Head Teacher	
0.5 position for school that is:	Focus or Priority, or Greater than 50% poverty per OSPI, or Social/Emotional Behavior program

# Elementary Budget Policies (cont.)

Assistant Principal Staffing Ratios	
Cert. Teacher FTE Allocated Thru WSS Model	Assistant Principal FTE
> 23 FTE	0.5
> 27 FTE	1.0
> 37 FTE	2.0
> 61 FTE	3.0

Assistant Principal allocations are based on Certificated Classroom Teacher FTE generated by the WSS model for General, Special, and Bilingual Education including allocations for PCP time.

Elementary Special Education Staffing Ratios			
	Ratios	Teachers	IAs
Resource - Continuum	22:1:0	22:1	22:0
Resource - Satellite	18:1:1	18:1	18:1
Access - Elementary	10:1:3	10:1	10:3
Focus - @ identified Elem & K8	10:1:2	10:1	10:2
SM2	9:1:1	9:1	9:1
Social/Emotional	10:1:2	10:1	10:2
Distinct & SM4	7:1:2	7:1	7:2
Medically Fragile	6:1:2	6:1	6:2
Preschool (½ ea for AM and PM)	10:1:2	10:1	10:2

*Special Education Resource Staffing is rounded up to the nearest 0.2 FTE at the school level.*

# Elementary Budget Policies (cont.)

Elementary Bilingual Teacher Ratios	
Elementary TBIP/ELL	70:1
<i>Bilingual/ELL Teachers are rounded up to the nearest 0.2 FTE at the school level.</i>	

Discretionary Allocations - Elementary Schools			
Per-Pupil Allocation (80% allocated in Adopted Budget)		\$93.50	x projected headcount
Free & Reduced Lunch Allocation	Kindergarten	\$213.85	x Jan 2017 FRL count
	Grades 1 - 3	\$243.35	x Jan 2017 FRL count
	Grades 4 - 5	\$309.71	x Jan 2017 FRL count

80% of Per-Pupil Discretionary is allocated as part of Adopted Budget; 20% is held centrally until after the fall enrollment adjustments, and is distributed based on actual enrollment as of October 1.



# Allocation to Elementary School

## Adams Elem

## 2017-18 Budget Allocation

REVISED 3/28/2017

Fund	Fund Center	Budget Item	FTE	\$ Allocation	Net Change Since 3/1/2017 FTE	
<b>Staffing Allocations</b>						
1000	Library	ADA0122010 Librarian-Elementary	24101710	0.50	\$59,530	
	Prins Office	ADA0123010 Principal - Elem	22101795	1.00	\$175,709	
		Assistant Principal	22201057	1.00	\$156,397	
		Admin Secretary-Elementary	39406057	1.00	\$73,836	
		Elementary School Assistant	39406332	1.00	\$56,725	
		Counseling	ADA0124010 Elem Couns/SocWrkr/HdTchr	24201418, etc.		\$0
	Teaching	ADA0127010 Teacher-Elementary K-5	23101180-90	23.00	\$2,411,734	1.00
		Elem Teacher PCP	23403483	3.50	\$367,003	0.50
		Certificated Core	23101190	0.50	\$51,601	0.50
		House Administrator	24001700		\$0	
	Special Ed	ADS21273R0 Teacher-Special Education	233012xx	3.40	\$356,143	(0.40)
		Special Ed Asst/ISE	39106860	5.00	\$296,630	(1.00)
	Sped Presch	ADS21273A0 Teacher-Sped Preschool	23301246		\$0	
		Sped Preschool Asst/ISE	39106860		\$0	
	Bilingual	ADT6527010 Teacher-Bilingual	2330117x	0.60	\$67,201	
	AboveModel	ADExxxx010 Above Model Teaching Staff	23xxxxxx		\$0	
		Above Model Other Staff	xxxxxxx		\$0	
	<b>Total Staffing (FTE) Allocation</b>			<b>40.50</b>	<b>\$4,072,509</b>	

# Allocation to Elementary School (cont.)

## Non-Staff Allocations

Non-Staff \$

1000	Teaching					
		ADA0127010	Bldg Ldrshp Team Stipend	20220543	\$4,752	
			Elementary Stipend	20220599	\$2,000	
			Copier	0510	\$13,069	
	<b>Special Ed</b>	ADS21273R0	Special Ed Supplies	5601	\$2,250	\$ (70)
			Special Ed Therapy Supplies	5100	\$660	
			IEP Writing	2062	\$6,702	\$ (788)
	<b>Sped Presch</b>	ADS21273A0	Special Ed Supplies	5601	\$0	
			IEP Writing	2062	\$0	
	<b>Bilingual</b>	ADT6527010	Translation & Interpretation	3062	\$390	
			Bilingual Textual Materials	5601	\$300	
	<b>Per Pupil</b>	ADAxxxxxxx	Per Student Discretionary Allocation		\$28,969	
	<b>FRL-based</b>	ADFxxxxxxx	Free/Reduced Lunch Student-based Allocation		\$23,576	
	<b>Other Alloc.</b>	ADA0123010	Head Start Administration		\$0	
		ADA0123010	Preschool Administration		\$0	
		ADE0123010	SAEOP Peak-load Allocation	3062	\$2,500	
	<b>AboveModel</b>	ADExxxx010	Above Model Discretionary	8888	\$0	
<b>Total Non-Staff Allocations</b>					<b>\$85,168</b>	

# Allocation to Elementary School (cont.)

## Title I & Learning Assistance Program (LAP)

<b>1A28</b>	<b>LAP</b>	ADR55274B0	LAP - Instruction		\$31,457
<b>1C01</b>	<b>Title I</b>	ADR5127AY0	Title I - Instruction		\$0
		ADR5131AJ0	Title I - Professional Development		\$0
		ADR5127AZ0	Title I - Parent		\$0
				<b>Total Title I &amp; LAP</b>	<b>\$31,457</b>

## Allocated - Budgeted Centrally

<b>1000</b>	<b>Health Svcs</b>	Nurse		0.40	\$42,196
				<b>Total Allocated/Budgeted Centrally</b>	<b>0.40 \$42,196</b>

<b>Total Allocations</b>			<b>40.90</b>	<b>\$4,231,330</b>
--------------------------	--	--	--------------	--------------------

# Example in Perspective: SNS Compliance

- This example only shows one school's budget; to do a full SNS analysis, we would have to look at all schools.
- The goal of a full SNS analysis would be to:
  - Verify the district's budget policies do not deprive Title I schools of state/local resources because they participate in Title I, and
  - Verify all schools received allocations consistent with those policies.
- In this example, the district can use its already existing budget policies and allocation tables to demonstrate compliance. No additional documentation is required.

# When Do the New Rules Take Effect?

- Language in ESSA would have required LEAs to comply with the revised test by December 10, 2017.
- But, ED extended the deadline:  
<https://www2.ed.gov/policy/elsec/leg/essa/snstransition126.pdf>
- Now, LEAs must have a compliant methodology in place by the start of the 2018-2019 school year.

# Recap

T/F

- An LEA automatically violates SNS if it uses Title I, Part A funds to pay for a reading specialist in a Title I school if it also uses state/local funds to pay for a reading specialist in a non-Title I school.

T/F

- An LEA violates SNS if budgets one state/locally-funded reading specialist position in each of its schools except for its Title I schools because they have Title I funds to pay for the position.

# Recap

T/F

- An LEA must use a staffing model in order to comply with the revised Title I, Part A SNS test.

T/F

- An LEA must provide the same resources to all of its schools.

# **SNS versus Comparability**



# Comparability Overview

- Comparability requires that state and local funds are used to provide services that, taken as a whole, are comparable between Title I and non-Title I schools.
- Federal law and guidance lets LEAs demonstrate compliance in many ways:
  - Filing a written assurance that the LEA follows a district-wide salary schedule and policies to ensure equivalence in staff, materials and supplies.
  - Student/instructional staff ratios (**most common**)
  - Student/instructional staff salary ratios
  - Expenditures per pupil
  - A resource allocation plan based on student characteristics such as poverty, limited English proficiency, or disability, etc.

# Are SNS and Comparability Now the Same?

- No. While both look at how LEAs distribute state and local funds and/or resources to schools, they are separate tests that measure different things.
  - **SNS** looks at how a district distributes state/local funds (or state/locally funded resources) to schools to make sure districts do not deprive Title I schools of state/local funds or resources because they participate in Title I.
  - **Comparability** looks at what state/locally funded services a district provides to its schools to make sure the services Title I schools receive are generally comparable to what non-Title I schools receive.

# Examples

## Example 1: Comparability but Not SNS

An LEA demonstrates comparability through student/instructional staff ratios, but . . .

Does not meet SNS because it provides extra state/local money to non-Title I schools for technology purchases but not to Title I schools because it expects Title I to pay for those purchases in those schools.

## Example 2: SNS but Not Comparability

An LEA meets SNS because it demonstrates it did not take Title I status into account when distributing its state/local funds to schools, but . . .

Does not demonstrate comparability because the LEA's non-Title I schools have lower student/instructional staff ratios than its Title I schools.

**[NOTE: LEA might be able to demonstrate comparability through other method.]**

# **SNS versus Financial Transparency**

# Financial Transparency Overview

- Financial transparency (also known as per-pupil expenditure reporting) is a new reporting requirement.
  - LEAs must report how much they spend per-pupil in each school, but
  - ESSA does not require LEAs to spend equally across schools (other than what is required to meet comparability).

# Are SNS and Financial Transparency the Same?

- No, they are separate requirements.

SNS	Financial Transparency
Looks at <u>how an LEA allocates</u> state/locally-funded resources to schools.  (Front end: how an LEA budgets funds to schools.)	Looks at <u>how much</u> the LEA spends per-pupil in each school.  (Back end: how an LEA spent funds in schools.)
<u>Compliance requirement.</u> An LEA violates Title I's SNS requirement if its allocation methodology deprives Title I schools of state/locally-funded resources they would have received if they did not participate in Title I.	<u>Reporting requirement.</u> SEAs and LEAs must report per-pupil expenditures.
States have discretion over how to verify SNS compliance.	SEAs and LEAs must publicly report per-pupil spending in state and local report cards.

# Recap

T/F

- An LEA meets SNS if it demonstrates that it spends more state/local money per-pupil in its Title I schools than in its non-Title I schools.

T/F

- The Obama era regulations on financial transparency, and the proposed regulations on SNS, are still in effect and apply to LEAs.

# Uses of Title I, Part A Funds



# Does the Revised SNS Test Mean Title I Can Pay for Anything?

- No, Title I costs must still be allowable under the Title I program.
- At a minimum this means:
  - Costs must only benefit eligible students (all students in a schoolwide program and identified students in a targeted assistance program).
  - Costs must be permissible under Title I and ESSA generally.
  - Costs must still be necessary and reasonable.

# **State Oversight of Local Compliance**

# How Do SEAs Verify Compliance?

- ESSA does not say how SEAs should test for compliance.
- ESSA does not require LEAs to submit their allocation methodologies to the SEA, nor does it require SEAs to approve LEA methodologies.
- Instead, SEAs have discretion over how to oversee compliance.

# SEA Oversight Options

- Require LEAs to sign assurances,
- Test compliance in selected LEAs through normal Title I monitoring processes,
- Require LEAs to report their allocation methodologies to the SEA,
- A combination of the above, or
- Another approach.

# Disclaimer

This presentation is intended solely to provide general information and does not constitute legal advice. Attendance at the presentation or later review of these printed materials does not create an attorney-client relationship with Federal Education Group, PLLC. You should not take any action based upon any information in this presentation without first consulting legal counsel familiar with your particular circumstances.