

Supplement, not Supplant and Maintenance of Effort

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Title I Fiscal Requirements

Maintenance of Effort - ESEA Section 1118(a)

Supplement, not Supplant - ESEA Section 1118(b)

Maintenance of Effort

ESEA [Section 1118\(a\)](#):

- (a) MAINTENANCE OF EFFORT.—A local educational agency may receive funds under this part for any fiscal year only if the State educational agency involved finds that the local educational agency has maintained the agency's fiscal effort in accordance with section 8521.

ESEA [Section 8521](#)

- (a) IN GENERAL.—A local educational agency may receive funds under a covered program for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of the agency and the State with respect to the provision of free public education by the agency for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year, subject to the requirements of subsection (b).

Maintenance of Effort

What does it mean?

- This is not unique to Title I, Part D
- Includes most ESEA Programs
- LEAs must keep up a level of local spending on education
 - Generally, 90% of previous year
 - This is tested annually

Maintenance of Effort

What does it mean?

- More than a program responsibility
- Collaborate with your Business Office and other federal programs
- If out of compliance, reduction in allocation for all ESEA covered programs

Questions/Discussion



Supplement, not Supplant

ESEA [Section 1118\(b\)](#):

(b) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NONFEDERAL FUNDS.—

(1) IN GENERAL.—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.

Supplement, not Supplant

What does it mean?

- Title I, Part D funds must be used to add on to existing programs, not to replace
- Keep this basic rule in mind as we go through the specifics

Presumption of Supplanting

In the following instances, it is presumed that supplanting has occurred. Keep in mind that any determination about supplanting is very case specific and it is difficult to provide general guidelines without examining the details of a situation.

These presumptions, however, are rebuttable if the LEA can demonstrate that it would not have provided the services in question with non-Federal funds had the Federal Title I, Part D funds not been available.

Adapted from USDE [Non-Regulatory Fiscal Guidance \(2006\)](#)

Presumption of Supplanting

1. An LEA used Title I, Part D funds to provide services that the LEA was required to make available under Federal, State, or local law.
2. An LEA used Title I, Part D funds to provide services that the LEA provided with non-Federal funds in the prior year(s).
3. An LEA used Title I, Part D funds to provide services for children participating in a Title I, Part D program that the LEA provided with non-Federal funds to children not participating in Title I, Part D

Adapted from USDE [Non-Regulatory Fiscal Guidance \(2006\)](#)

Presumption of Supplanting – Table Talk

Use the three examples from the previous slide:

- What would be activities in your program that would be presumed to be supplanting?
 - Try to come up with an example for each of the three presumptions.

“Exclusion” Rule

When determining whether Title I, Part D funding is supplemental, an SEA or LEA may exclude State and local funds expended in any school for carrying out a program that meets the intent and purposes of Title I, Part D.

Adapted from USDE [Non-Regulatory Fiscal Guidance \(2006\)](#)

Questions/Discussion



Allowable Use of Funds - Activity

Tools

NDTAC [Tool 2: Steps to Approve Proposed Uses of Funds](#)

NDTAC [Tip Sheet: Use of Funds Decision Process](#)

SCDE [Title I, Part D handbook](#) - Page 5

SCDE [Allowable Use of Funds Guidance](#) - Page 11

Allowable Use of Funds - Activity

Use NDTAC [Tool 2: Steps to Approve Proposed Uses of Funds](#)

- Evaluate your budget items for the year against the questions.
- Discuss any uncertainty with your tablemates.
- Utilize this same process for any future budget items you are considering.

Resources:

NDTAC [Tip Sheet: Use of Funds Decision Process](#)

SCDE [Title I, Part D handbook](#), Page 5

SCDE [Allowable Use of Funds Guidance](#), Page 11