

ESSA Maintenance of Effort Title I Comparability and Title I Supplement, not Supplant

WASBO Federal Funding Conference

March 2020



Title I, Part A Fiscal Requirements

Elementary and Secondary Education Act of 1965

Reduce the achievement gaps between students by providing each child with fair and equal opportunities to achieve an exceptional education.



ESSA's Maintenance of Effort



ESSA Maintenance of Effort (MOE): Purpose and Definition

Maintenance of Effort is a year-by-year analysis to ensure that LEAs maintain a consistent level of non-federal funding to support public education.

- An LEA may receive its full allocation of ESSA funds if the state determines the LEA has maintained its fiscal effort.

20 USC §6321(a)



MOE: Calculations

LEAs demonstrate MOE if either:

- the combined fiscal effort per student **OR**
- the aggregate expenditures (non-federal funds)

for the preceding fiscal year was not less than 90 percent of combined fiscal effort or aggregate expenditure for the second preceding fiscal year.

Non-Regulatory Guidance: Fiscal Changes and Equitable Services Requirements and Secondary Education Act of 1965 (ESEA), As Amended by the Every Student Succeeds Act (ESSA) 2016



MOE: Calculations

The Annual Financial Report (PI-1505) is used to determine MOE.

The amount from the preceding year must not be less than 90 percent of the second preceding year.

Example: To receive funds available July 2020, DPI will compare 2018-19 school year expenditures to 2017-18 school year expenditures.

Non-Regulatory Guidance: Fiscal Changes and Equitable Services Requirements and Secondary Education Act of 1965 (ESEA), As Amended by the Every Student Succeeds Act (ESSA) 2016



MOE: Expenditures

Included:

- Expenditures from State and local funds for public education;
- Including: administration, instruction, attendance health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities.

Non-Regulatory Guidance: Fiscal Changes and Equitable Services Requirements and Secondary Education Act of 1965 (ESEA), As Amended by the Every Student Succeeds Act (ESSA) 2016



MOE: Expenditures

Excluded:

- Expenditures for community services, capital outlay, debt service, or supplemental expenses as a result of a presidentially declared disaster; and
- Expenditures from Federal funds.

Non-Regulatory Guidance: Fiscal Changes and Equitable Services Requirements and Secondary Education Act of 1965 (ESEA), As Amended by the Every Student Succeeds Act (ESSA) 2016



MOE: Consequences of Failure

The state must reduce the amount of the allocation in the exact proportion by which the LEA fails to maintain effort by falling below 90 percent in the previous year and at least once in the prior five years.

Non-Regulatory Guidance: Fiscal Changes and Equitable Services Requirements and Secondary Education Act of 1965 (ESEA), As Amended by the Every Student Succeeds Act (ESSA) 2016



MOE: Consequences of Failure

Reduction applies to all applicable ESSA programs funded by USDE:

- Title I, Part A
- Title I, Part D
- Title II, Part A
- Title III, Part A
- Title IV, Part B
- Title V, Part B, Subpart 2
- Title VI, Part A, Subpart 1



Non-Regulatory Guidance: Fiscal Changes and Equitable Services Requirements and Secondary Education Act of 1965 (ESEA), As Amended by the Every Student Succeeds Act (ESSA) 2016



MOE: Example 1

Analysis for Meeting MOE in Previous Year	Aggregate Expenditures	Amount per Student
2017-18 Actual Amount	\$1,000,000	\$6,100
90% of 2017-18 Amount	\$900,000	\$5,490
2018-19 Actual Amount	\$950,000	\$5,495
Difference	\$50,000	\$5
Percent Reduction in Award for 2020-21	0%	0%

Maintenance of Effort was met.

MOE: Example 2

Analysis for Meeting MOE in Previous Year	Aggregate Expenditures	Amount per Student
2017-18 Actual Amount	\$1,000,000	\$6,100
90% of 2017-18 Amount	\$900,000	\$5,490
2018-19 Actual Amount	\$850,000	\$5,200
Difference (Shortfall)	<\$50,000>	<\$290>
Percent Shortfall/ Reduction in Award for 2020-21	-5.6%	-5.3%

Funds will be reduced by 5.3% if the LEA also failed MOE in one of the five prior fiscal years.

MOE: Example 3

Analysis for Meeting MOE in Previous Year	Aggregate Expenditures	Amount per Student
2017-18 Actual Amount	\$1,000,000	\$6,100
90% of 2017-18 Amount	\$900,000	\$5,490
2018-19 Actual Amount	\$890,000	\$5,495
Difference (Shortfall)	<\$10,000>	\$5
Percent Shortfall/ Reduction in Award for 2020-21	-1.11%	0%

Maintenance of Effort was met.

MOE: Waivers

USDE Secretary may waive if:

- There are exceptional or uncontrollable circumstances, such as
 - a natural disaster; or
 - change in organizational structure of the LEA ; or
 - a precipitous decline in financial resources of the LEA.
- In addition, there can be exceptional or uncontrollable circumstances that warrant when a waiver request is considered.



MOE: Waivers

Waiver Process:

- DPI will contact LEAs if MOE is not met.
- LEAs will notify DPI if they want to request a waiver.
- DPI will request waivers on behalf of all LEAs needing waivers.
- DPI will notify LEAs if waivers are granted or not.



Questions on MOE?

Contact Ryan Egan at ryan.egan@dpi.wi.gov
for questions about ESSA Maintenance of Effort.



Title I Comparability



Title I Comparability Definition



A Local Educational Agency (LEA) may receive Title I, Part A funds only if it uses state and local funds to provide services in Title I schools that, taken as a whole, are at least comparable to the services provided in non-Title I schools.



If all schools in a grade span within the LEA are Title I schools, all schools must be “substantially comparable.”

20 U.S.C § 6321(c)



Title I Comparability Timing

LEAs must determine comparability annually.

- The Department of Public Instruction (DPI) is only required to collect comparability data at least once every two years.
- Comparability is typically completed in the fall because LEAs need to review current-year resources and make adjustments for the current year as necessary.



Question B-2 of Non-Regulatory Guidance Title I
Fiscal Issues 2008



Grade Spans

- Elementary School
- Middle School
- High School
- Combined Elementary/Secondary School



Required LEAs

Comparability is determined on a grade span by grade span basis.

- If an LEA has at least one non-Title I school and at least one Title I school within a grade span, the LEA must demonstrate comparability for that grade span.
- If an LEA has more than one Title I school at the same grade span (even without the presence of a non-Title I school), the LEA must demonstrate comparability for that grade span.

(20 U.S.C § 6321(c)(1)(C))



Exemptions

LEAs are exempt if there is only one school per grade span, because there is nothing to compare.

Example: Phelps School District has two schools, one for grades 4K-8 and one for grades 9-12. Phelps School District is exempt from completing the comparability report.

Schools that have fewer than 100 students are exempt.

20 USC § 6321(c)(4)

Question B-13. Non-Regulatory Guidance Title I Fiscal Issues 2008



Required LEAs Scenarios

Example #1:

A district consists of the following:

- Three elementary schools, grades K-5 (all Title I schoolwide)
- One middle school, grades 6-8 (Title I targeted assistance)
- One high school, grades 9-12 (non-Title I)



Is this district required to complete the Comparability Report?



Required LEAs Scenarios

Yes. The district is required to complete the Comparability Report to demonstrate comparability among the *elementary schools only*.

The district is not required to complete the Comparability Report for the middle school because there is no other school in that grade span to which it can be compared.



Required LEAs Scenarios

Example #2:

A district consists of the following:

- One elementary school, grades PK-5 (Title I schoolwide)
- One middle school, grades 6-8 (Title I schoolwide)
- One high school, grades 9-12 (Title I targeted assistance)
- One alternative high school, grades 9-12 (non-Title I)



Is this district required to complete the Comparability Report for the high school?



Required LEAs Scenarios

Yes, but only if the alternative high school has an enrollment greater than 100 students.

This district is exempt from the Comparability Report if the alternative high school has fewer than 100 students.



Determining Comparability

LEAs should use current-year data.

LEAs should not include federal resources in the calculations.

LEAs may exclude state/local funds expended for the following:

- Language instruction for Limited English Proficiency (LEP) students
- Excess costs of providing services to students with disabilities
 - Excess costs are documented in Fund 27. Fund 27 can be excluded from Comparability.
- Staff salary differentials for years of employment
- Supplemental programs that meet the intent and purpose of Title I

Determining Comparability

Title I-A

Admin Menu | Change Act Here | Application | Authorizations | Reports | Message Board (5) | Madison Metropolitan Sch Dist - 133269

Title I-A Comparability Report

Title I-A Comparability Report

Demonstrate Comparability in Option A,B OR C. The same option must be used to determine comparability in both Title I-A and Non-Title I-A schools. Comparable schools with matching grade spans will be grouped together in the same grade span.

Madison Metropolitan Sch Dist passed Comparability test. Submitted by Ruth Schultz on 11/19/2018

Option A - Student to Staff ratio
 Option B - Avg.PPA for Instructional Staff Salaries
 Option C - Avg.PPA for Instructional Materials & Supplies

Option A compares the student/staff ratio. When determining comparability, the student/staff ratio for any single school can not exceed the Allowable Variance. Each set of matching grade tiers will be listed separately.

Grade Tier - Elementary(Mix of Title I/Non Title I Schools)

TI School	School Name	Grade Tier	Grade Span	Public School Enrollment	FTE Staff	Student/Staff Ratio
<input type="checkbox"/>	Olson El	Elementary	K4-05	416	0	0.00
<input type="checkbox"/>	Lapham El	Elementary	K4-02	187	0	0.00
<input type="checkbox"/>	Marquette El	Elementary	03-05	208	0	0.00

Determining Comparability

Grade Tier - High(Mix of Title I Schools)

TI School	School Name	Grade Tier	Grade Span	Public School Enrollment	Total Budgeted for Inst. Materials & Supplies	Avg. PPA for Inst. Materials & Supplies
<input checked="" type="checkbox"/>	Capital Hi	High	09-12	132	\$14,842.08	\$112.44
<input type="checkbox"/>	East Hi	High	09-12	1,610	\$181,028.40	\$112.44
<input type="checkbox"/>	Shabazz-City Hi	High	09-12	106	\$32,088.32	\$302.72
<input type="checkbox"/>	West Hi	High	09-12	2,212	\$248,717.28	\$112.44
<input type="checkbox"/>	LaFollette Hi	High	09-12	1,539	\$173,045.16	\$112.44
<input type="checkbox"/>	Memorial Hi	High	09-12	1,916	\$215,435.04	\$112.44
<input checked="" type="checkbox"/>	Innovative & Alternative Hi	High	09-12	170	\$19,114.80	\$112.44

Results	
Total Budgeted for Instructional materials in Non-Title I schools	\$850,314.20
Total Public School Enrollment in Non-Title I schools	7,383
Averages for Comparability	\$115.17
Allowable Variance for the average (cannot be less than 90% of average)	\$103.65

Determining Comparability Scenarios

An LEA is required to demonstrate comparability among its three elementary schools (all of which receive Title I funding).

The LEA tried all three comparability options in the application, but it did not meet comparability requirements.

What should the LEA do?



Determining Comparability Scenarios

An LEA may recalculate its figures with the exclusion of state/local funds expended for the following:

- Language instruction for LEP students
- Excess costs of providing services to students with disabilities
 - Excess costs are documented in Fund 27. Fund 27 can be excluded from Comparability.
- Staff salary differentials for years of employment
- Supplemental programs that meet the intent and purpose of Title I

If the LEA is still not comparable, the LEA will need to reallocate resources and adjust its general ledger to become comparable.

Title I Comparability Requirements

Questions?

When in doubt, contact your Title I Consultant for assistance.

<http://dpi.wi.gov/title-i/consultant-directory>



Documentation

LEAs are required to:

- Develop procedures to be in compliance with the comparability requirements, and
- Maintain the supporting documentation used for determining comparability.



20 USC § 6321(c)(3)



Audits

At the end of the fiscal year, independent auditors make sure that actual expenditures are comparable.

If an LEA's expenditures are not comparable, the LEA *may* be required to return funds to DPI/United States Department of Education (USDE).



Comparability Resources

- [Title I Comparability Reporting – Technical Assistance for Completing the Report in WISEgrants](#)
- [Title I Shorts on Comparability](#)



Title I Supplement, not Supplant



Supplement, not Supplant

A Local Education Agency (LEA) shall use Title I funds to supplement the funds that would, in the absence of Title I funding, be made available from state and local sources for the education of Title I students, and not to supplant such funds.

20 U.S.C. § 6321(b)(1)



Title I, Part A Supplement not Supplant

LEAs are required to:

- Identify the methodology used to allocate state and local funds to Title I schools
- Demonstrate that each school received the same amount of state and local funding it would have if it were not participating in Title I.

LEAs cannot take away state/local funds from Title I schools because they are Title I schools.

20 U.S.C. § 6321(b)

Title I, Part A Supplement not Supplant (cont.)

No LEA shall be required to:

- Identify individual costs or services as supplemental;
- Provide services through a particular instructional method, or in a particular instructional setting, to demonstrate compliance.

20 U.S.C. § 6321(b)(3)



Methodology (cont.)

An LEA is exempt from the methodology requirement if it has:

- Only one school;
- Only Title I schools; or
- All grade spans are exempt.

Examples of Exempt LEAs:
Antigo Unified School District
Lac du Flambeau #1 School District

US Department of Education, 2019. "Supplement not Supplant Under Title I, Part A of the Elementary and Secondary Education Act of 1965, as Amended by the Every Student Succeeds Act."



Methodology (cont.)

A grade span is exempt from the methodology requirement if it contains:

- One school;
- Only non-Title schools; or
- Only Title I schools.

US Department of Education. 2019. "Supplement not Supplant Under Title I, Part A of the Elementary and Secondary Education Act of 1965, as Amended by the Every Student Succeeds Act."



Methodology

If an LEA is required to have a methodology, the methodology must:

- Demonstrate that the methodology in place does not deprive a Title I school of state and local funds because of its Title I status;
- Be documented.

Documentation is submitted as part of the ESEA monitoring process.

20 U.S.C. § 6321(b)(2)



Methodology (cont.)

An LEA's methodology:

- Is a local decision;
- May be different for different grade spans or school types; and
- Must be *Title I neutral*.

US Department of Education. 2019. "Supplement not Supplant Under Title I, Part A of the Elementary and Secondary Education Act of 1965, as Amended by the Every Student Succeeds Act."



Methodology (cont.)

A methodology is *Title I neutral* if it:

- Allocates state and local funds to schools without regard for Title I status
- Does not use a proxy for Title I status such as a school's number or percentage of students in poverty or vague terms such as 'educational need' that would result in a Title I school receiving fewer state or local funds than it would receive if it were a non-Title I school.

20 U.S.C. § 6321(b)



Methodology (cont.)

Methodology may exclude state and local funds that meet the intent and purpose of Title I, Part A as outlined in [34 CFR §200.79](#).



20 U.S.C. § 6321(b)



Methodology (Cont.)

Methodology examples are available on DPI's [Title I Deadlines and Fiscal Information](#) webpage.



Determining Allowable Costs for Title I



Key Questions to Determine Allowability

School Level Expenditures for Schools in Grade Spans Required to have a Methodology

- Did the methodology ensure the school received its full share of state and local funds?
- Does the cost:
 - Align with the school's schoolwide or targeted assistance plan;
 - Address the needs of Title I students; and
 - Adhere to the Uniform Grant Guidance, EDGAR, and LEA policies ([Allowable Costs Checklist](#))?



Key Questions to Determine Allowability

School Level Expenditures for Schools without Methodology

- Did the school receive all of the state and local funds it would have received in the absence of Title I funding?
- Does the cost:
 - Align with the school's schoolwide or targeted assistance plan;
 - Address the needs of Title I students; and
 - Adhere to the Uniform Grant Guidance, EDGAR, and LEA policies ([Allowable Costs Checklist](#))?



Key Questions to Determine Allowability

District Level Expenditures (Reservations)

- Did the LEA allocate state and local funds for districtwide initiatives without regard for Title I status?
- Does the cost:
 - Support students identified with the greatest need; and
 - Adhere to the Uniform Grant Guidance, EDGAR, and LEA policies ([Allowable Costs Checklist](#))?



Allowable Cost Scenario 1

- Assume that the LEA is exempt from a methodology
- Assume that the school received all the state and local funds it would have in the absence of Title I funding
- Assume that the costs adheres to the LEA policies.



Allowable Cost Scenario 1 (cont.)

A school implementing a Title I schoolwide program paid for a reading software program last year using local funds. This year the school used Title I funds to pay for the reading software program.

- Is this supplanting? **No**
- Is this allowable? **Yes**



Allowable Scenario 1 (cont.)

- ✓ The school received all the state and local funds it would have in the absence of Title I funding.
- ✓ The proposed budget item addresses the needs of Title I students.
- ✓ The cost adheres to the Uniform Grant Guidance, EDGAR, and the LEA policies.



Allowable Scenario 1 (cont.)

If the LEA is required to have a methodology, the outcomes are the same.

- Is this supplanting? **No**
- Is this allowable? **Yes**



Allowable Scenario 1 (cont.)

- ✓ The school received all the state and local funds based on its methodology.
- ✓ The proposed budget item addresses the needs of Title I students.
- ✓ The cost adheres to the Uniform Grant Guidance, EDGAR, and the LEA policies.



Allowable Cost Scenario 2

- Assume that the LEA is exempt from a methodology.
- Assume that the school received all the state and local funds it would have in the absence of Title I funding.
- Assume that the costs adheres to the LEA policies.



Allowable Cost Scenario 2 (cont.)

All schools in an LEA provide reading interventions as part of their schoolwide programs. Each school has its own reading coach to provide the interventions. The LEA has one school that is a non-Title I school. The Title I schools use their Title I allocations to fund the reading coach positions. The non-Title I school uses state and local funds for a reading coach.

- Is this supplanting? **No**
- Is this allowable? **Yes**



Allowable Cost Scenario 2 (cont.)

- ✓ The school received all the state and local funds it would have in the absence of Title I funding
- ✓ The proposed budget item addresses the needs of Title I students.
- ✓ The cost adheres to the Uniform Grant Guidance, EDGAR, and the LEA policies.



Allowable Cost Scenario 3

An LEA reserves 100% of the district's reading specialist's salary before allocating any funds to its Title I schools.

- Note: Wisconsin State Statute [118.015](#) mandates every school district to employ a licensed reading specialist. This law does not apply to independent charter schools.
- Is this supplanting? **It depends**
- Is this allowable? **It depends**



Allowable Cost Scenario 3 (cont.)

What is the make-up of the LEA?

- Is the LEA made-up of Title I and non-Title schools?
- Are all schools Title I Schoolwide programs?
- Are all schools Title I Targeted Assistance programs?



Allowable Cost Scenario 3 (cont.)

If the LEA has one or more schools not receiving Title I funds:

- Is this allowable? **No**



Allowable Cost Scenario 3 (cont.)

This is not allowed.

- LEAs cannot use a Title I reservation in schools that are not participating in Title I.



Allowable Cost Scenario 3 (cont.)

If the LEA has one or more schools implementing a Title I Targeted Assistance program,

- Is this allowable? **No**



Allowable Cost Scenario 3 (cont.)

This is not allowed.

- LEAs cannot use Title I funds to serve students who have not been identified for Title I services.



Allowable Cost Scenario 3

If the LEA is implementing Title I Schoolwide programs in all schools in the LEA,

- Is this allowable? **Yes**
- Is this supplanting? **No**



Exclusion Rule

An LEA may exclude supplemental state and local funds expended in any school for programs that meet the intent and purposes of Title I, Part A.

20 U.S.C. § 6321(b) and 34 CFR §200.79



Resources

Supplement not Supplant Under Title I, Part A Non-Regulatory Informational Document

<https://www2.ed.gov/policy/elsec/leg/essa/snsfinalguidance06192019.pdf>

Title I Deadlines and Fiscal Information (includes information on Title I Comparability and Supplement not Supplant)

<https://dpi.wi.gov/title-i/fiscal-information>

Title I Shorts

<https://dpi.wi.gov/title-i/title-i-shorts>

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Contacts

Title I Education Consultant Directory

dpi.wi.gov/title-i/consultant-directory

Title I Network Coordinators

dpi.wi.gov/title-i/network/contacts

