

SUPPLEMENTAL FUNDS TEST

(from <http://tea.texas.gov/grants/schoolwidefundingandaccounting1/>)

Instead of demonstrating that specific costs are supplemental, the supplemental funds test ensures that LEAs allocate funds appropriately to campuses that operate Title I, Part A schoolwide programs. In a schoolwide program, federal funds must supplement the state and local resources the campus would receive in the absence of federal funds. To pass the supplemental funds test, an LEA must demonstrate that the method it uses to allocate state and local funds to its campuses is applied consistently and does not reduce the allocation of state and local funds to a schoolwide campus because of Title I, Part A funds. When an LEA passes the supplemental funds test, its campuses can use their funds to improve their entire educational program without having to demonstrate that each expenditure is “supplemental”. However, the LEA must maintain documentation that verifies that it passed the supplemental funds test and that it applied the same funding methodology to all of its campuses including those that do not receive Title I, Part A funds. The following examples show how an LEA may demonstrate that it has used a fair and consistent method to allocate funds to its campuses and passed the supplemental funds test. Please note that none of the SW campuses in the examples consolidate federal, state, and local funds.

EXAMPLE 1

Rokesmith ISD has five campuses. In order to pass the supplemental funds test, the district has decided that for the upcoming school year, it will allocate state and local funds to all of its campuses based upon its student-per-teacher ratio, which is 22:1, and how much it usually pays for staff and supplies, which is as follows:

- Each teacher position = \$60,000
- Each principal position = \$80,000
- Technology cost per student = \$50
- Instructional materials per student = \$61

Hexam Elementary School has 300 students and operates a Title I-A schoolwide program. The district will make the following allocation of state and local funds:

HEXAM ELEMENTARY SCHOOL
Allocation of State and Local Funds
(Supplemental Funds Test)

FUNDING CATEGORY	CALCULATION	AMOUNT ALLOCATED
Funding for 14 teachers <i>(based upon 22:1 ratio)</i>	14 x \$60,000	\$840,000
Funding for 1 principal	1 x \$80,000	\$80,000
Technology costs	300 x \$50	\$15,000
Instructional materials costs	300 x \$61	\$18,300
TOTAL ALLOCATION OF STATE AND LOCAL FUNDS:		\$953,300

Wilfer High School has 600 students and does not receive Title I, Part A funds. The district will make the following allocation of state and local funds:

WILFER HIGH SCHOOL
Allocation of State and Local Funds
(Supplemental Funds Test)

FUNDING CATEGORY	CALCULATION	AMOUNT ALLOCATED
Funding for 27 teachers <i>(based upon 22:1 ratio)</i>	27 x \$60,000	\$1,620,000
Funding for 1 principal	1 x \$80,000	\$80,000
Technology costs	600 x \$50	\$30,000
Instructional materials costs	600 x \$61	\$36,600
TOTAL ALLOCATION OF STATE AND LOCAL FUNDS:		\$1,766,600

The district uses the same method for all five of its campuses and therefore passes the supplemental funds test. The district maintains documentation of its method and its calculations for auditing and monitoring purposes.

Note: while the district's calculation model is based upon staffing, the district does not necessarily have to use the allocated funds according to the model. The figures in the calculation model are used to generate a fair and consistent allocation amount, but the district can use its discretion to pay a teacher for example, more or less than \$60,000.

EXAMPLE 2

Wegg ISD has five campuses. In order to pass the supplemental funds test, the district has decided that it will allocate state and local funds to its campuses based upon a weighted per-pupil formula according to the following:

- Standard per-pupil allocation = \$4,000
- Additional allocation for each low-income student = \$400
- Additional allocation for each LEP student = \$600
- Additional allocation for each Special Education student = \$900

Wren Elementary has 300 students, which includes 200 low-income students, 100 LEP students, and 20 SpEd students. The campus operates a Title I-A schoolwide program. The district will make the following allocation of state and local funds:

WREN ELEMENTARY SCHOOL
Allocation of State and Local Funds
(Supplemental Funds Test)

FUNDING CATEGORY	CALCULATION	AMOUNT ALLOCATED
Standard funding for all students	300 x \$4,000	\$1,200,000
Funding for low-income students	200 x \$400	\$80,000
Funding for LEP students	100 x \$600	\$60,000
Funding for SpEd students	20 x \$900	\$18,000
TOTAL ALLOCATION OF STATE AND LOCAL FUNDS:		\$1,358,000

Wrayburn High School has 600 students, which includes 450 low-income students, 200 LEP students, and 75 SpEd students. The campus does not receive Title I-A funds. The district will make the following allocation of state and local funds:

WRAYBURN HIGH SCHOOL
Allocation of State and Local Funds
(Supplemental Funds Test)

FUNDING CATEGORY	CALCULATION	AMOUNT ALLOCATED
Standard funding for all students	600 x \$4,000	\$2,400,000
Funding for low-income students	450 x \$400	\$180,000
Funding for LEP students	200 x \$600	\$120,000
Funding for SpEd students	75 x \$900	\$67,500
TOTAL ALLOCATION OF STATE AND LOCAL FUNDS:		\$2,767,500

The district uses the same method for all five of its campuses and therefore passes the supplemental funds test. The district maintains documentation of its method and its calculations for auditing and monitoring purposes.

Note: while this district's calculation model is based upon a per-pupil formula, the district does not necessarily have to use the allocated funds according to the model. The figures in the calculation model are used to generate a fair and consistent allocation amount, but the district can use its discretion to spend, for example, more or less than \$4,000 on each low-income student.