

## Supplement, Not Supplant Procedures for the Carl D. Perkins Basic Grant

### **Introduction**

This document establishes the procedural requirements to adhere to the Supplement, Not Supplant (SNS) regulation (or requirement) of the Carl D. Perkins Basic Grant. These procedures apply to the Carl D. Perkins Basic Grant that is awarded to South Texas College. The purpose of this document is to outline existing procedures that maintain compliance with the federal regulation. The U.S. Department of Education has not provided any detailed guidance concerning SNS requirements; however, this guidance document is to support departments across South Texas College (STC).

### **Regulation**

Within the [Texas Higher Education Coordinating Board, Request for Applications](#), the following is stipulated (see Appendix A):

*Funding provided under the Perkins Act shall supplement (increase the level of services) and not supplant (take the place of) state, local, and other federal funds. Awarded Applicants shall not use Perkins funds to supplant funds that, in the absence of Perkins funds, would have been spent on CTE students.*

*Federal funds cannot be used to pay for services, staff, programs, or materials that would otherwise be paid with state or local funds.*

*Any program or activity required by State law, Coordinating Board rules, or local board policy may not be paid with Perkins funds. State or local funds may not be decreased or diverted for other uses merely because of the availability of Perkins funds. Awarded Applicant shall maintain documentation that clearly demonstrates the supplementary nature of Perkins funds.*

### **Federal Guidance Regarding Federal Supplemental Programs**

The Carl D. Perkins Basic Program (under Title I) grant funds shall be used so that they supplement and, to the extent practical, increase the funds that would otherwise be available for the activities to be carried out under the grant and in no case supplant those funds (34 CFR 606.30(b), <https://ecfr.io/Title-34/Section-606.30>). In this way, the federal government can ensure that the level of state and local support for a program remains at least constant and is not replaced by federal funds.

**Perkins funds must be used to supplement existing state or local funds for program activities and may not replace state or local funds that have been appropriated or allocated for the same purpose. Additionally, federal funding may not replace state or local funding that is required by law.** If a question of supplanting arises from the agency, the awarded department at South Texas College will be required to substantiate the reduction of non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

### **Definition of Supplanting**

The definition of supplanting is when there is a reduction of state and local funds for an activity specifically because there are federal funds available or expected to be available to fund the same activity.

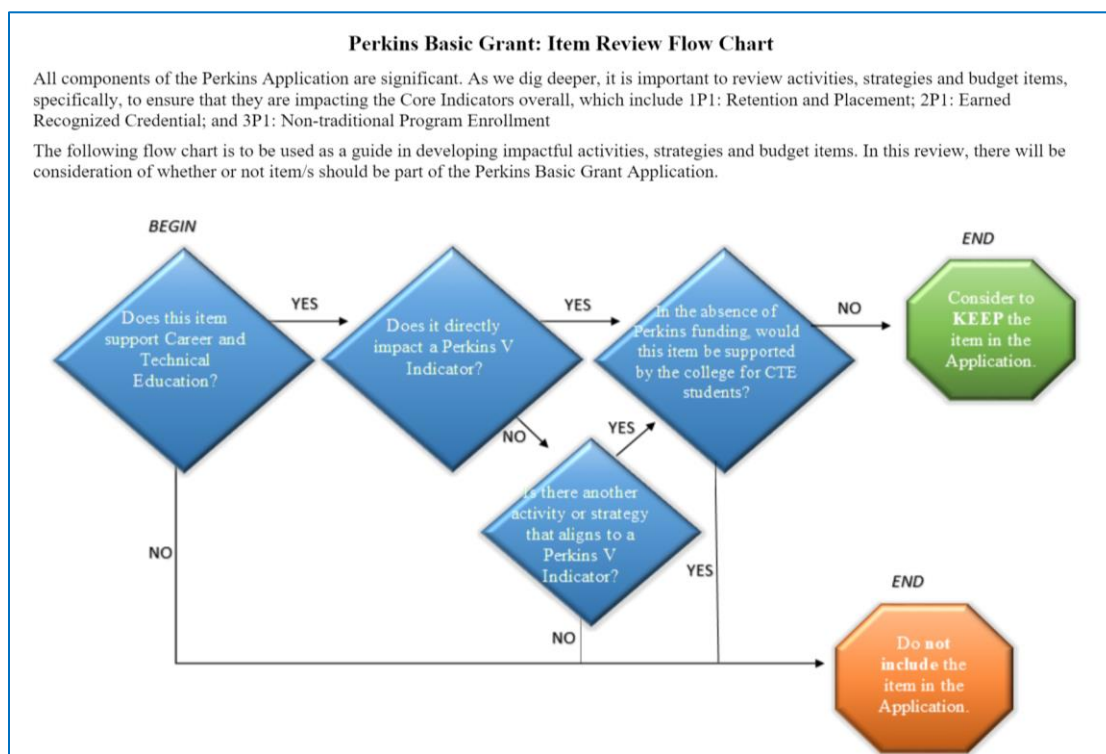
### **Purpose of the Supplement, Not Supplant Provision**

The purpose of a Supplement, Not Supplant provision, is to help ensure that federal grant funds are expended to benefit the intended population defined in authorizing statute rather than being diverted to cover expenses that South Texas College has paid with other funds in the event of federal funds not being available.

Enhancing, expanding or extending required activities must be separately identified and clearly distinguishable from those activities identified as necessary for implementing a mandate or local board policy.

### **Planning Procedures for Carl D. Perkins Grant Funded Supplemental Career and Technical Education Strategies and Activities**

The Department of Resource Development, Management and Compliance (RDMC) provides technical assistance and training on Supplement, Not Supplant, prior to the preparation for budgeting Perkins funds, and as needed throughout each fiscal year. Resources regarding SNS, can be found in planning presentations, Item Review Flow Chart (see image below) and RDMC's Perkins V webpage: <https://admin.southtexascollege.edu/grants/perkins.html>.



STC's CTE programs and departments that support CTE students with Perkins funds consider which services and support will be funded by non-federal local funds and separately determine

what additional supplemental support is needed for Career and Technical Education through the Perkins Grant Program.

STC prepares an annual detailed budget that is preceded by sound planning, subject to sound fiscal procedures, and that is approved by the governing board. Budget allocations are prioritized based on initiatives that support the College's Strategic Directions. To operationalize the College's Strategic Plan, the President's Office coordinates with each Vice President's Office to develop a five-year Comprehensive Plan, which includes the identified and prioritized major initiatives to be undertaken by every unit under each division and the units directly reporting to the President.

### **Needs Based Data-driven Planning for Carl D. Perkins Basic Grant Activity**

Department/Division Heads, Vice Presidents, and the designated Perkins Liaisons from each Division work collaboratively with the Principal Investigator/Project Director and Perkins funded Grant Management and Compliance Specialist to develop a plan and budget for Carl D. Perkins federal awards based on the gaps and goals identified within the Comprehensive Local Needs Assessment. Based upon Perkins V requirements and its purpose, a budget and justification are drafted and vetted through for completeness, reasonableness and allocability.

These SNS procedures at South Texas College are fair and demonstrate planning for the use of federal Carl D. Perkins funds are needs-based and effectively provided supplemental services and support for CTE programs and students.

### **Guidance to Determine Whether an Activity or Strategy is Supplemental**

These steps and requirements for using Perkins Basic funds within the development process of the Perkins Basic Application are articulated through training, guidance sessions and other correspondences.

1. The department/division heads must select programs or activities that are Perkins Basic eligible.
2. The department/division heads must review the Supplement, Not Supplant grant rule before determining the budget categories of support for the Perkins Basic Grant Program.
3. The department/division heads along with the Perkins Liaisons should ensure that activities and/or resources are:
  - a. Clearly identified in the South Texas College Comprehensive Local Needs Assessment goals;
  - b. Included as part of the College's Performance Improvement Plan, within the appropriate Core Performance Indicator;
  - c. Addressed and identified within the Evaluation Plan;
  - d. Reasonable; necessary to carry out the intent and purpose of Perkins; Allocable; and Allowable
4. The Perkins Liaisons and the Vice Presidents assure that the expenditure(s) meet all EDGAR, UGG, THECB and Perkins V requirements. If there is uncertainty, then the Department of Resource Development, Management and Compliance is consulted for guidance.

5. The Perkins Liaisons and the Vice Presidents assure that all College policies and procedures are followed, prior to the submission of the requests to the Perkins Project Director for final review.
6. The requests are then reviewed by the Executive Director of Resource Development, Management and Compliance and then the College President for final authorization prior to submission to the Texas Higher Education Coordinating Board.

Steps are repeated again, when there is/are reallocation funding provided from THECB and/or when an amendment is necessary.

### **Supplanting Presumptions**

There are three scenarios in which the U.S. Department of Education will presume supplanting (federal dollars have been diverted) has occurred. It is South Texas College's plan to budget and expend federal dollars to avoid, as much as possible, the following three presumptions entirely:

1. Providing services/activities required under state or local law;
2. Providing services/activities as were provided in prior fiscal year with state or local funds; or
3. Providing the same services and activities in federal and non-federal programs

These presumptions are rebutted if South Texas College can demonstrate that the services in question, could not have been provided with non-federal funds had the federal funds not been available.

It is important that South Texas College continue to develop and maintain contemporaneous written documentation, such as meeting minutes and itemized budget documents, that demonstrate the decision to not fund an activity with state or local funds was made without regard to the availability of federal funds. This will support in ensuring minimal presumption of supplanting, due to significant reduction in non-federal funds or a change in the state's priorities. If South Texas College uses federal funds to support activities that otherwise would be funded with state or local funds, the activities funded must be allowable under the granting agency requirements.

## **Appendix A: Supplementing versus Supplanting for Perkins Basic Program, THECB RFA**

Funding provided under the Perkins Act shall supplement (increase the level of services) and not supplant (take the place of) state, local, and other federal funds. Awarded Applicants shall not use Perkins funds to supplant funds that, in the absence of Perkins funds, would have been spent on CTE students.

Federal funds cannot be used to pay for services, staff, programs, or materials that would otherwise be paid with state or local funds.

Any program or activity required by State law, Coordinating Board rules, or local board policy may not be paid with Perkins funds. State or local funds may not be decreased or diverted for other uses merely because of the availability of Perkins funds. Awarded Applicant shall maintain documentation that clearly demonstrates the supplementary nature of Perkins funds.

### *Presumption of supplanting*

An Awarded Applicant may be considered in noncompliance with the Supplement, Not Supplant requirement, if Perkins funds are used to provide services that the Awarded Applicant is required to provide under State or local law, rule, or a court order. Also, Awarded Applicant could be considered in noncompliance for any cost to Perkins funds for any service that was previously funded with State or local funds.

If a program or activity cost was funded with non-federal funds in one year and with Perkins funds the next year, an auditor would most likely make a presumption of supplanting. However, the Awarded Applicant then has the opportunity to rebut the presumption. In view of the current reductions in state appropriations and local tax revenues, an Awarded Applicant may be justified in funding the cost with Perkins funds.

For a decision to allocate Perkins funds in this way, the Awarded Applicant should have two types of documented evidence that supports its action:

1. Evidence of an actual reduction in state and/or local support and/or other non-federal support. Examples of such evidence are state appropriation language or a communication from the Coordinating Board regarding a reduction in state funding. There may be similar examples relating to reduced funding from local or private sources.
2. Proof that the activity/program would be discontinued without the benefit of Perkins funds. Examples of this type of evidence might be minutes from a meeting called by the college president or minutes from a faculty meeting.

The Awarded Applicant should have proper evidence in place before taking this kind of action. The Coordinating Board may request copies of the documented evidence (as described above) prior to approving a budget amendment that would reallocate Perkins funds to an activity or program previously funded by non-federal funds.