State Compensatory Education: Session Objectives

By the end of this session, participants will:

- Learn about resources for tracking state policy
- Learn the SCE requirements related to the stages of program design
- Learn about the state compensatory education statutory and program requirements, including the 13 statutory at risk criteria and local criteria
- Learn about the most common audit findings and how to remain in compliance
- Be equipped with helpful resources and strategies for operating compensatory education programs
State Compensatory Education Policy
Goals of state compensatory education are:

- **Reduce any disparity** in performance on assessment instruments administered under TEC, Chapter 39, Subchapter B, Assessment of Academic Skills; and

- Reduce the disparity in the **rates of high school completion** between students at risk of dropping out of school and all other school district students.

- TEC, Chapter 39, Subchapter B, Assessment of Academic Skills
- TEC, §29.081

$4,172,953,325
Texas Statute – Purpose

- Requires direct supplemental services to **all at risk students AND any student** who do not perform satisfactorily on required EOCs
  - compensatory, intensive, and/or accelerated instruction
- Provides flexibility in using the allotment to support the goals of the federal Title I Part A program on a schoolwide campus
- Allows funds to supplement dyslexia services and mentoring
- Allows the use of the allotment for funding for DAEPs
- See Texas Education Code
  - §42.152(c)
  - §29.081
Texas Legislature Online

- [https://capitol.texas.gov/](https://capitol.texas.gov/)
- Follow proposed legislation
- Look up existing statute
- Stream hearings and floor action
Legislative Budget Board

- [http://www.lbb.state.tx.us/](http://www.lbb.state.tx.us/)
- Find current and past state budgets
- Look up proposed state budgets in the Legislative Appropriations Act
  - TIP: TEA is in Article III
Legislative Bill Stages – 86th Texas Legislature

- **Bill filing deadline:** March 8

- **Committee referrals, hearings and votes by both chambers.** *(no express deadline)*

- **Floor action, consideration, Senate and House votes** through May 27

- **Governor Action by June 16:** sign, not sign, veto

- **Bill becomes law on effective date** (date signed by governor or date in bill, if included and passed)

Source: tlc.texas.gov
After a bill is signed, state agencies,

- Assign staff and set timelines
- Schedule rulemaking process, if required
  - Texas Administrative Code
    - Commissioner’s Rules
    - SBOE Rules
- Create and manage work groups, advisory groups, internal coordination
- Develop required resources and metrics
- Plan external communications and updates
- Provide appropriate levels of implementation and technical support
- Monitor implementation and operations
- Gather data and report results
Texas Education Code

- State assessment requirements [Chapter 39, Subchapter B](https://tea.texas.gov/)
- At risk criteria [§29.081](https://tea.texas.gov/)
- Purpose and calculation of the SCE allotment [§42.152(c)](https://tea.texas.gov/)

Research state legislation and budgets

- Texas Legislature Online [https://capitol.texas.gov/](https://capitol.texas.gov/)
- Legislative Budget Board [http://lbb.texas.gov](http://lbb.texas.gov)

TEA Rulemaking

- [https://tea.texas.gov/About_TEA/Laws_and_Rules/](https://tea.texas.gov/About_TEA/Laws_and_Rules/)

FASRG

TEA Division of Financial Accountability

- TEA is revising Modules 1, 3, 4, 9, 10, and 11 of the FASRG.
- Modules 2, 5, 6, 7, and 8 of the FASRG are being repealed entirely.
- Revisions to the FASRG align the content with current governmental accounting and auditing standards, remove obsolete requirements, and delete descriptions and discussions of best practices and other nonmandatory elements.
- The modules are available on the TEA website here: Discussion of Proposed Amendment to 19 Texas Administrative Code §109.41, Financial Accountability System Resource Guide.

Division of Financial Accountability

- financialaccountability@tea.texas.gov
- https://tea.texas.gov/Finance_and_Grants/Financial_Accountability/

Texas Register

- https://www.sos.state.tx.us/texreg/index.shtml
Program Requirements: Planning Cycle
Needs Assessment & Program Design

- Continuous comprehensive process
- Plan to **expend 52% or more** of the allotment
- Design appropriate student services that **enable the students to be performing at grade level at the conclusion of the next regular school term**
  - Allowed: compensatory, intensive, or accelerated instructional services
- Must use STAAR and EOC data at campus level
- Must use most recent annual program evaluation results
  - **Must redirect resources** when program evaluation indicates the strategy/activity is unsuccessful in producing the desired result
Program Design: Accelerated Instruction Requirement

- Provide supplemental compensatory, intensive, or accelerated instruction for each student enrolled in the district who
  - has taken a required EOC and has not performed satisfactorily on the assessment instrument OR
  - meets statutory criteria for being at risk of dropping out of school

- May not budget SCE allotment for any other purpose until the district adopts a budget – with SCE or other allowable funds – to support additional accelerated instruction for students who have taken a required EOC and has not performed satisfactorily on the assessment instrument
Optional allowed activities – §42.152(g)

- DAEP under §37.008
- Placing students in a JJAEP under §37.011
- Support a program eligible under Title I of the ESEA at a campus with 40%+ educationally disadvantaged
- Accelerated reading instruction under §28.006(g)
- Program for treating dyslexia or related disorders required by §38.003
- Mentoring program under §29.089
- Other allowable activity identified by needs assessment data and articulated in the CIP/DIP
Program Evaluation and Improvement

- Must evaluate the effectiveness of accelerated instruction programs under Subsection (b-1)
- Formative and summative measurement
- Document the effectiveness programs in achieving statutory purpose
  - Reducing any disparity in performance on assessment instruments and/or
  - Reducing disparity in the rates of high school completion between students at risk of dropping out of school and all other district students
- Annually hold a **public hearing** to consider the results
- Adjust programs based on evaluation results
  - Adjustments can be ongoing based on data
District & Campus Improvement Plans

Primary record supporting expenditures

- Measurable student-level performance objectives
- Specific program delivery and data collection schedules

Campus Plans:

- Total SCE funds allocated at the campus level
- Specific campus-level strategies, activities, and budgets
  - Align with needs assessment
  - Address program evaluation findings
  - Align with required and allowed uses of funds

District Plans:

- A cumulative summary of the campus-level programs
- Total 52% or more of allotment
Required Submissions to TEA

- If the LEA’s allotment was $500,000 or more in prior year:
  - Submit prior year improvement plans 150 days after the PEIMS mid-year resubmission date
  - Submit 2017-2018 plans by Monday, July 8, 2019
  - Use the AUDIT application in TEAL to submit one district improvement plan and two campus plans
  - See FASRG Module 9, pages 6-7 and Division of Financial Accountability

- If low performing campuses or more than 59% at-risk students:
  - Submit most recent program evaluations with CIPs and DIPS
  - Record student at-risk status in PEIMS and maintain necessary supporting documentation
State Funding web page
- https://tea.texas.gov/finance_and_grants/state_funding/
- Summary of Finances Reports
  - Select your district/charter
  - Scroll down to “Tier I Allotments” and find 24-Compensatory Education Allotment
- State Compensatory Education Allotment
  - SCE allotment Alternative Reporting Procedures rules, guidance, sample letters, instructions, training
At Risk Criteria
1. Is in prekindergarten, kindergarten or grade 1, 2, or 3 and did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year
   - Use current year score
   - Use commissioner-approved list
   - Remove at end of school year

2. Is in grade 7, 8, 9, 10, 11, or 12 and did not maintain an average equivalent to 70 on a scale of 100 in two or more subjects in the foundation curriculum during a semester in the preceding or current school year or is not maintaining such an average in two or more subjects in the foundation curriculum in the current semester
   - Remove at end of the following school year
3. Was not advanced from one grade level to the next for one or more years
   ▪ Do not remove from at risk status
   ▪ Exclude students held back from advancing to Kindergarten by parent request

4. Did not perform satisfactorily on an instrument administered to the student under Subchapter B, Chapter 39, and who has not in a previous or current school year subsequently performed on that instrument or another appropriate instrument at a level equal to at least 110% of the level of satisfactory performance on that instrument.
   ▪ Remove when student scores 110% or higher on that or another appropriate instrument OR
   ▪ After the following school year, if no comparable assessment is required to be administered and no other at risk criterion is met
5. Is pregnant or is a parent
   - Remain on at risk status
   - Must not supplant CEHI or any other funding for academic instruction

6. Has been placed in an alternative education program in accordance with Section 37.006 during the preceding or current school year
   - Only mandatory placements should be coded as at risk
   - Remove at end of school year following most recent placement date

7. Has been expelled in accordance with Section 37.007 during the preceding or current school year
   - Remove at end of the following school year
8. Is currently on parole, probation, deferred prosecution, or other conditional release
   - Remove upon release from justice system supervision

9. Was previously reported through PEIMS to have dropped out of school
   - Do not remove from at risk status

10. Is a student of limited English proficiency, as defined by Section 29.052
    - Remove when exited from the statutory LEP program
11. Is in the custody or care of the Department of Family and Protective Services or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official
   - Remove at end of school year following referral OR
   - Upon release from DFPS custody

12. Is homeless as defined by 42 U.S.C. Section 11302, and subsequent amendments
   - Remove once student no longer meets the definition of homeless

13. Resided in the preceding school year or resides in the current school year in a residential placement facility in the district, including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, or foster group home
   - Remove at end of following school year
Limits on Local At Risk Criteria

- Total students served under local criteria **must not exceed** 10% of all students that both met the statutory at risk criteria in prior year AND received services from the district in the prior year.
- Using local criteria **does not alleviate** the requirement to provide accelerated instruction to all students who do not perform satisfactorily on an EOC or who meet statutory at risk criteria.
- The SCE allotment **may not be used** to provide services on a campus that has no students that meet the statutory at risk criteria.
- Services **must be**
  - Based on needs assessment
  - Clearly described in CIP/DIP
  - Formally adopted by the local board of trustees
Assessment Sequence by Grade Level

- Available on ACET conference app
- TEA does not provide 110% calculations

TEA Student Assessment Division

Resources: At Risk Criteria

Early childhood assessment instruments
- https://tea.texas.gov/Academics/Early_Childhood_Education/Educator_Resources/

Foundation Curriculum
- https://tea.texas.gov/Academics/Curriculum_Division/

Pregnancy-related Services
- https://tea.texas.gov/texas_schools/safe_and_healthy_schools/pregnancy_related_services/

Disciplinary Alternative Education Program
- https://statutes.capitol.texas.gov/Docs/ED/htm/ED.37.htm

Limited English proficiency
- https://statutes.capitol.texas.gov/Docs/ED/htm/ED.29.htm

Foster Care Liaisons and Resource Guide
- https://tea.texas.gov/FosterCareStudentSuccess/

Texas Education for Homeless Children and Youth Program
- https://tea.texas.gov/Texas_Schools/Support_for_At-Risk_Schools_and_Students/Texas_Education_for_Homeless_Children_and_Youth_(TEHCY)_Program/
Operations & Documentation
Districts/charters are prohibited from passing a budget for SCE until the LEA adopts a budget – with other funding or SCE – to support accelerated instruction for:
- Each student who fails to perform satisfactorily on an EOC AND
- Each student who meets one or more of the statutory at-risk criteria

- Regularly and routinely identify students that meet the criteria
- Offered before the next scheduled administration of the assessment instrument
- No cost to the student
- Any subject in which the student failed the EOC
- Any subject in which students failed an assessment or course required to move to the next grade, stay enrolled in school, or graduate

https://tea.texas.gov/student.assessment/ssi/
SCE Allotment funds may provide support to the federal program on a campus

- Campus SCE budgets must maintain identity as state funds
  - State funds must not act as federal dollars
- Expenditures must
  - Align with purpose of SCE
  - Align with the needs assessment
  - Supplement the basic campus program
- Expenditures must NOT not supplant those of the regular foundation allotment

https://tea.texas.gov/Finance_and_Grants/Grants/Title_I,_Part_A_%E2%80%94_Improving_Basic_Programs/
Expenditure Reporting: PIC Codes

<table>
<thead>
<tr>
<th>Program Intent Code (PIC)</th>
<th>Expenditure</th>
<th>Parameters – Except for Indirect Costs, all expenditures must align with the purpose of SCE</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>Additional accelerated instruction for students who did not pass EOC exams</td>
<td>Supplemental</td>
<td>To the Administrator Addressed Letter, April 9, 2014</td>
</tr>
<tr>
<td>26</td>
<td>Basic non-disciplinary alternative education program</td>
<td>Program-wide, not supplemental</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Basic disciplinary alternative education program</td>
<td>Program-wide, not supplemental</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Supplemental disciplinary alternative education program</td>
<td>Program-wide, supplemental</td>
<td>FASRG, Module 1, page 493-502</td>
</tr>
<tr>
<td>30</td>
<td>Additional accelerated instruction</td>
<td>Title I schoolwide campus, supplemental. May also support the purpose of the Title I Part A program on that campus</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Prekindergarten SCE program</td>
<td>Supplemental accelerated instruction for statutory at-risk students</td>
<td>To the Administrator Addressed Letter, March 11, 2013</td>
</tr>
<tr>
<td>34, 41, 81, 90-series</td>
<td>Indirect Costs (up to 48% of allotment)</td>
<td>Student transportation, general administration, facilities acquisition and construction, general fund</td>
<td>19 TAC §105.11</td>
</tr>
</tbody>
</table>
Policies, procedures, or other appropriate formal documentation:

- Method for identifying at-risk students using statutory and, if applicable, local at-risk criteria
- Process for entering students into and exiting students from the program
- Method for calculating 110% of satisfactory performance
- Program evaluation methodology, including frequency, public input and use in improving programs
- Method for determining the cost of the regular education program in relation to SCE allocations, and/or alternative education per student, and/or instructional staff per student ratio
- **Regular and routine processes to accurately align expenditures and documentation**
Common Findings:
State Allotment Monitoring Pilot (SAMP)
Personnel Files

- Missing or improperly executed annual employee performance appraisals
- Inaccurate job descriptions
- Missing, inaccurate or unallowed employee stipend agreements
- Missing documentation of licensure, certification, permit, waivers

Personnel files and their related expenditures must demonstrate full alignment throughout the year. Changes in personnel assignments and duties must also be reflected in expenditures.
State Allotment Monitoring Pilot (SAMP) Findings

Payroll Testing

- Inaccurate compensation calculations
- Inappropriate coding of centralized office personnel or functions to the allotment
- Inappropriate stipends
  - Longevity pay stipends are not an allowable SCE cost
- Miscoding payroll cost to the wrong PIC
- Insufficient proof of time and effort for employees not identified in the master schedule
  - Teacher aides, paraprofessionals, campus interventionists, substitute teachers
State Allotment Monitoring Pilot (SAMP) Findings

Transaction Testing & Coding

- Unallowed, inaccurate, or inappropriate coding
  - Late charges, membership dues, subscriptions, meals, catering
  - Coding online training cost to travel
  - Failing to recode or reconcile costs coded to the central office back to campuses
- Insufficient supporting documentation
- Unclear allocation methodologies to support split funded expenditures
State Allotment Monitoring Pilot (SAMP) Findings

Student File Testing
  - Missing student eligibility data
    - State assessment results
    - Parent notification forms
    - Current relevant documentation of program eligibility
    - Documentation of appropriate removal from at risk status
  ✓ Pre-kindergarten eligibility must be properly substantiated

Supplies and Inventory
  - Deficient inventory tracking and safe-keeping
    - Disposition of assets, dates in service, cost, useful life, serial numbers, manufacturer numbers
    - Tagging, labeling, marking
  - Deficient annual supplies and equipment reconciliation
**SAMP: Key Take-aways**

- **Routinely and regularly** update all supporting documentation
- Implement processes that accurately document student eligibility
  - Ongoing process
- Ensure processes align expenditures with actual operations
  - Payroll coding accuracy
- Strengthen processes for supplies and inventory management
SCE Resources
Texas Education Code [https://statutes.capitol.texas.gov/](https://statutes.capitol.texas.gov/)
- State assessment requirements [Chapter 39, Subchapter B](https://statutes.capitol.texas.gov/)
- At risk criteria §29.081
- Purpose and calculation of the SCE allotment §42.152(c)

State legislation and budgets
- Texas Legislature Online [https://capitol.texas.gov/](https://capitol.texas.gov/)
- Legislative Budget Board [http://lbb.texas.gov](http://lbb.texas.gov)

TEA Rulemaking
- [https://tea.texas.gov/About_TEA/Laws_and_Rules/](https://tea.texas.gov/About_TEA/Laws_and_Rules/)

Financial Accountability System Resource Guide

AUDIT application on TEAL
- [https://tea.texas.gov/About_TEA/Other_Services/Secure_Applications/TEA__Secure_Applications_Information/](https://tea.texas.gov/About_TEA/Other_Services/Secure_Applications/TEA__Secure_Applications_Information/)
- [https://tealprod.tea.state.tx.us/](https://tealprod.tea.state.tx.us/)
SCE Resource Summary

Early childhood assessment instruments
  ▪ https://tea.texas.gov/Academics/Early_Childhood_Education/Educator_Resources/

Foundation Curriculum
  ▪ https://tea.texas.gov/Academics/Curriculum_Division/

Pregnancy-related Services
  ▪ https://tea.texas.gov/texas_schools/safe_and_healthy_schools/pregnancy_related_services/

Disciplinary Alternative Education Program
  ▪ https://statutes.capitol.texas.gov/Docs/ED/htm/ED.37.htm

Limited English proficiency
  ▪ https://statutes.capitol.texas.gov/Docs/ED/htm/ED.29.htm

Foster Care Liaisons and Resource Guide
  ▪ https://tea.texas.gov/FosterCareStudentSuccess/

Texas Education for Homeless Children and Youth Program
  ▪ https://tea.texas.gov/Texas_Schools/Support_for_At-Risk_Schools_and_Students/Texas_Education_for_Homeless_Children_and_Youth_(TEHCY)_Program/
Statewide Coordinator
Contact about: program-related guidance and resources
Christine McCormick
christine.mccormick@tea.texas.gov
512-463-2334

State Funding
Contact about: allotment calculations
Kim Wall
kim.wall@tea.texas.gov
512-463-4809

Financial Accountability
Contact about: fiscal compliance
Brent Droll
brent.droll@tea.texas.gov
512-475-3403