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STATE COMPENSATORY EDUCATION

General Information

1. What is the purpose of State Compensatory Education (SCE)?

The [Texas Education Code \(TEC\), §29.081](#), defines SCE as programs and services designed to supplement the regular education program for students identified as at risk of dropping out of school. The purpose is to increase the academic achievement and reduce the dropout rate of these students. The SCE program provides a challenging and meaningful instructional program to close the achievement gap between students at risk of dropping out of school and their peers. Additional information is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.1.

2. Must the intent and purpose of the SCE program be met when SCE funds are used to support a Title I program?

Yes. SCE is a state mandated program. The [TEC, §48.104](#), provides flexibility with the use of SCE funds when supporting a Title I program. When SCE funds are used to support a Title I program, funds must be part of the campus budget. That is, all SCE expenditures must be tracked back to the SCE fund code, and all generally accepted accounting principles must be followed. As with Title I funds, SCE funds used to support the educational program must also meet the same guidelines required by the [Elementary and Secondary Education Act \(ESEA\), as amended by the Every Student Succeeds Act \(ESSA\)](#), in that SCE funds may only be used to incorporate instructional strategies that evidence-based research has shown are effective with teaching low achieving students.

REMINDER: State law does not create a schoolwide SCE program. Instead, as stated in the [TEC, §48.104](#), LEAs can use SCE funds “to support a Title I program eligible under Title I of the Elementary and Secondary Education Act of 1965.” Note the use of the term “support.” This means that the district may use SCE funds to act with (i.e., coordinate) Title I to implement the Title I program. However, the district will still need to adhere to the fiscal requirements stipulated in the [TEC, §48.104](#), and the program requirements mandated in the [TEC, §29.081](#).

3. How did HB 3 change the SCE definition of “student at risk of dropping out of school”?

Beginning with the 2019–2020 school year, the bill added a provision to the [TEC, §29.081](#), that changed the compensatory education definition of “student at risk of dropping out of school” by adding a student who has been incarcerated or has a parent or guardian who has been incarcerated, within the lifetime of the student, in a penal institution as defined by the [Texas Penal Code, §1.07](#).

Eligibility Criteria

4. What are the campus eligibility criteria?

For SCE funds to be allocated to a campus, the campus must have students who meet the state criteria for students at risk of dropping out of school. Services provided to these students must be described in the district and/or campus improvement plan, as appropriate.

5. What are the state eligibility criteria for identifying students at risk of dropping out of school as listed in [TEC, §29.081\(d\)](#)?

A student at risk of dropping out of school must be under 26 years of age and meet one or more of the following criteria:

- A. The student did not advance from one grade level to the next for one or more school years, unless the student did not advance from prekindergarten (pre-K) or kindergarten to the next grade level only at the request of the student’s parent.
- B. The student is in grades seven to 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.
- C. The student did not perform satisfactorily on a state assessment instrument (administered to the student under the [TEC, Chapter 39, Subchapter B](#)) and who has not, in the previous or current school year, performed on that instrument or another appropriate instrument at a level equal to at least 110 percent of the level of satisfactory performance on that instrument.

- D. The student is in pre-K, kindergarten, or grades one to three, and did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year.
- E. The student is pregnant or is a parent.
- F. The student has been placed in a DAEP in accordance with the [TEC, §37.006](#), during the preceding or current school year.
- G. The student has been expelled in accordance with the [TEC, §37.007](#), during the preceding or current school year.
- H. The student is currently on parole, probation, deferred prosecution, or other conditional release.
- I. The student was previously reported through the Public Education Information Management System (PEIMS) as having dropped out of school.
- J. Is an emergent bilingual student, as defined by the [TEC, §29.052](#).
- K. The student 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.
- L. The student is homeless,
- M. The student resided in the preceding school year or resides in the current school year in a residential placement facility in a district. Such facilities include: a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, cottage home operation, specialized childcare home, or general residential operation.
- N. The student has been incarcerated or has a parent or guardian who has been incarcerated, within the lifetime of the student, in a penal institution as defined by the [Texas Penal Code, §1.07](#).
- O. Is enrolled in a school district or open-enrollment charter school, that is designated as a dropout recovery school under [Section 39.0548](#).

Additional guidance is provided in the *Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System*, Section 6.2.2.1.

6. Is the residential placement facility, which includes detention facilities, substance abuse treatment facilities, emergency shelters, psychiatric hospitals, halfway houses, cottage home operations, specialized childcare homes, general residential operations, or foster group homes, that the student resided or currently resides in required to be in the district boundaries?

No. The location of a facility does not affect a student's at-risk status. If a student resided or currently resides in one of the facilities listed above during the preceding or current school year, the student is at risk and that at-risk status is valid for two years after the date of release from the facility. Local education agencies (LEAs) must have a report from a facility or note from a counselor or social worker on letterhead that states the admission/release dates of the student.

7. Are students identified as Title I, dyslexic, homebound, or enrolled in the free or reduced price lunch program also reported to PEIMS as at risk based on state criteria?

No. Students must meet at least one of the state eligibility criteria outlined in the [TEC, §29.081](#).

8. How it determined if a student with disabilities is also classified as an at-risk student?

The at-risk situation cannot be due to a disability. The student with a disability would be in an at-risk situation if the student met one of the listed criteria, not due to the disability. Note: A special education student that does not perform at the level of progress established by the Admission, Review, and Dismissal (ARD) Committee may be considered at risk of dropping out of school. Afterwards, the ARD Committee will decide when the student has met the assessment goal for exiting the student from being at risk of dropping out of school based on a state assessment.

9. Once a student is identified as at risk of dropping out of school, is the student always considered to be at risk of dropping out of school?

No. Removal from the identification list depends on the specific situation. Only three of the 14 state criteria are considered permanent. (1) Once a student has not advanced from one grade level to the next, (2) if the student previously dropped out of school, or (3) if the student has been incarcerated or has a parent or guardian who has been incarcerated, within the lifetime of the student, the student remains at risk of dropping out of school for the remainder of his/her public education.

EXCEPTION: A student who did not advance from pre-K or kindergarten to the next grade level solely at the request of his or her parents is not identified as an at-risk student under the [TEC, §29.081\(d-1\)](#).

- 10. If a student failed two or more foundation subjects during the fall semester of the preceding year but passed the same subjects during the spring semester, is this student identified as at risk of dropping out of school during the current year?**

Yes, according to state criteria.

- 11. If a student is currently failing two or more foundation subjects, should this student be identified as at risk?**

Yes, according to state law. Early identification enables the student to receive timely services and allows the student to pass foundation subjects during the semester. Additional information identifying the foundation curriculum is located on the TEA website at <https://tea.texas.gov/academics/curriculum-division>.

- 12. Are students in a pre-K program automatically considered to be at risk of dropping out of school?**

No, according to state criteria.

- 13. If the student has successfully exited the bilingual program and is now being monitored by the campus, is the student still considered an at-risk student?**

No, according to state criteria.

- 14. What is the definition of a foster group home?**

A foster group home is a childcare facility that provides care for seven to 12 children for 24 hours a day. Therefore, any foster child in a foster group home meets the state criteria for being at risk of dropping out of school because all such foster children are under the custody or care of the Department of Family and Protective Services.

- 15. Are homeless students automatically considered to be at risk of dropping out of school?**

Yes.

- 16. Are students who live with their grandparents, or any other relative automatically considered homeless and therefore identified as at-risk students?**

It depends on the specific situation. Homelessness depends on the student's living conditions. See the McKinney-Vento Homeless Assistance Act ([42 USC §§11431–11435](#)), which defines homeless children or youth as those individuals who lack a fixed, regular, and adequate nighttime residence.

- 17. Are students who are placed in a disciplinary alternative education program (DAEP) classified as at risk of dropping out of school?**

Yes, if students are placed in the DAEP program pursuant to the requirements stated in the [TEC, §37.006](#).

- 18. Is a student considered to be at risk of dropping out of school if the student was placed in the next grade but was not promoted to the next grade based upon academic performance?**

No. Placement in the next grade is considered advancement to the next grade.

- 19. Are LEAs allowed to use local criteria for identifying at-risk students?**

Yes. In addition to serving students who meet the state at-risk criteria, LEAs may serve students who meet local eligibility criteria, if the local criteria have been adopted by the board of trustees, per the [TEC, §29.081\(g\)](#). However, the number of students receiving SCE services under *local* criteria during a school year may not exceed 10 percent of the number of students who met the *state* criteria under the [TEC, §29.081](#), and who were served in the SCE program in the preceding school year. A district must be able to document that students identified under local eligibility criteria were added to a listing of students who were identified under the [TEC, §29.081](#). To achieve and maintain compliance, all information must be current.

- 20. Are locally identified students reported to PEIMS?**

No. PEIMS only requires the number of students meeting state at-risk criteria. However, if the LEA is identifying students using local criteria, documentation must be maintained to authenticate the classification and number of students. The retention of the approving board minutes is highly recommended.

Funding

21. How is funding for SCE now calculated?

Prior to HB 3, data from the Texas Department of Agriculture (TDA) regarding the economically disadvantaged was used to determine funding estimates based on the average number of students eligible for enrollment in the national school lunch program of free or reduced-price lunches for the best six months during the preceding federal fiscal year.

Under HB 3, TEA now calculates the SCE weight based on the student's designation as educationally disadvantaged and the census block group where the individual student's home or residence address is located. Individual identification practices under Community Eligibility Provision (CEP) remain unchanged, and school districts and charter schools must comply with [19 TAC §61.1027](#) for an alternative reporting method. Because the funding is based on information collected by the school district or charter school, the identified and reported information must be accurate so that the district or charter school receives the correct amount of funding.

For initial SCE funding, TEA uses the address of each campus to determine the weight to apply for each student who is educationally disadvantaged at that campus. Initial funding for the 2019–2020 school year was based on 2018 fall enrollment estimates. However, actual funding is based on each student census block group submitted in the PEIMS fall submission. Starting in the spring of 2020, the monthly Foundation School Program (FSP) payments began being based on the actual student census block group submitted in the 2019 PEIMS fall data.

The purpose of the allotment is to provide funding to districts and charter schools for supplemental programs and services designed to eliminate any disparity in performance on assessment instruments or disparity in the rates of high school completion between educationally disadvantaged students and all other students as well as between at-risk students and all other students.

22. Can SCE funds be used to implement a state-mandated program?

No. SCE funds are *supplemental* funds and cannot be used to meet state-mandated rules or to fund state-mandated programs or positions. This rule also applies when SCE funds are used to support a Title I program.

The [TEC, §48.104\(k\)](#), states that LEAs “must” use SCE funds to eliminate any disparity in performance on assessment instruments or disparity in the rates of high school completion between educationally disadvantaged students and all other students as well as between at-risk students and all other students.

EXAMPLE: SCE funds cannot be used to meet the state-mandated class size ratio rule of 22 students to one teacher required by the [TEC, §25.112](#).

23. Can SCE funds be used to implement a district- or state-mandated program on a Title I campus?

No. See the information in the previous question/answer.

24. When a district allocates SCE funds to its campuses, can any campus receive SCE funds?

The allocation of SCE funds should be based on “need.” Each campus receiving SCE funds must have students who meet statutory criteria for students in at-risk situations. Additional information is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.2.1.

25. Can SCE funds be used to supplement Title I, Part A districtwide positions or activities?

Flexibility with SCE funds does not extend to Title I, Part A districtwide program activities funded through the central office, regardless of whether all campuses in a district are identified as Title I, Part A schoolwide.

Note: There are only Title I, Part A schoolwide *campuses*, not Title I, Part A schoolwide districts.

26. Can SCE funds be used to supplement a Title I, Part A targeted assistance program?

Yes. SCE funds may be used to support a Title I program on a targeted assistance campus. As stated in the [TEC, §48.104](#), SCE funds may also be used to serve all economically disadvantaged students and support a program eligible under Title I. In this case, students served in a Title I program must meet the Title I eligibility criteria, as clearly specified in the campus improvement plan (CIP). Like the use of SCE funds on a Title I program, students are not required to meet the SCE eligibility criteria to use SCE funds to support the Title I program.

504 Students

27. May SCE funds be used to identify 504 students?

No. This is a federally mandated civil rights provision and mandated civil rights provisions cannot be funded with SCE funds.

The [Rehabilitation Act of 1973 \(Section 504\)](#) is a civil rights law that prohibits agencies that receive federal funding from discriminating against persons with disabilities on the basis of disability. There are also several federal regulations that specifically tell schools how to implement Section 504 requirements.

28. Are students who are classified as 504 students automatically considered to be at-risk students?

No, not according to state criteria.

29. Can SCE funds be used for a 504 coordinator?

No. This position is federally mandated, and mandated positions cannot be funded with SCE funds.

In-School Suspension/DAEP

30. Is an in-school suspension (ISS) program a DAEP?

No. An ISS program is a disciplinary strategy used by a district or campus; it does not constitute a DAEP.

31. Is the ISS program coded to program intent code 24 or 11?

The ISS program is coded to program intent code 11. Only activities that supplement the regular education program for students at risk of dropping out of school can be coded to program intent code 24.

32. Can base level services at a juvenile justice alternative education program (JJAEP) be funded with SCE funds (funds other than indirect cost)?

No. The statute only allows SCE funds to be used on a DAEP operated under the [TEC, §37.008](#); JJAEPs are operated under the [TEC, §37.011](#).

- A DAEP is a placement for students removed from the regular classroom under the [TEC, §37.002](#) or [§37.006](#).
- A JJAEP is a placement for students expelled under the [TEC, §37.007](#).

Some LEAs contract with the county to run a DAEP, which may be located in the same facility as the local JJAEP. If the LEA's DAEP is contracted with the county, the district can use SCE funds only for the DAEP. The district may use SCE funds to pay the costs associated with placing students in a JJAEP, but not to fund base level services.

Accordingly, a school district cannot provide direct SCE funding for expelled students in a JJAEP operated under the guidelines provided in the [TEC §37.011](#). If a district allocates funds to the JJAEP, it would have to use function code 95 (indirect cost) to account for JJAEP expenditures.

33. Can SCE funds be used to fund non-disciplinary alternative education programs?

All direct costs attributed to "a program specifically designed to serve students at risk of dropping out of school, as defined by [TEC, §29.081](#)" are eligible to be charged to the SCE allotment. "A program specifically designed to serve students at risk of dropping out of school, as defined by [TEC §29.081](#)," represents a temporary special program placement or setting, such as a non-disciplinary alternative education program, that provides special instruction or services for the period of time that the student is classified as at risk of dropping out of school. The district and campus improvement plans must describe how

students are entered and exited from the temporary special program placements or settings. The direct costs attributed to these placements or settings are eligible to be charged to the SCE allotment. However, all administrative costs do not meet the specific use of the 55 percent guidelines established in [TEC, §48.104](#) and must be funded with the 45 percent non-direct portion of SCE funds or other funds.

34. Can SCE funds be used to fund DAEPs?

Yes. SCE funds may be used to fund a DAEP established under the [TEC, §37.008](#). Additional guidance is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.2.4.8.

35. Can the DAEP be located on a regular school campus?

Yes. If the DAEP is located at the regular campus, this program must be identified and described in the regular campus's CIP. If the DAEP is located on a separate campus, the DAEP must have its own CIP.

Expenditures: Allowable/Unallowable

Please note that all SCE expenditures must be reasonable and necessary.

36. Can SCE direct funds be used to pay staff to develop, review, and revise campus improvement plans?

No. SCE funds are supplemental funds and cannot be used to meet state-mandated rules. As noted in the [TEC, §11.251](#), "The board of trustees of each independent school district shall ensure that a district improvement plan and improvement plans for each campus are developed, reviewed, and revised annually for the purpose of improving the performance of all students."

37. Can SCE direct funds be used to implement the gifted and talented (G/T) program?

No. Funding the G/T program does not meet the intent and purpose of the SCE program. Furthermore, Identifying and/or serving G/T students in the district and establishing a program for these students is required by every school district in accordance with the [TEC, §29.122](#).

38. Can SCE direct funds be used to pay for construction costs, administration costs, or transportation costs?

No. These charges (see [19 Texas Administrative Code \(TAC\) Chapter 105, Subchapter B](#)) may not be charged to the SCE direct cost allocation.

39. Can SCE direct funds be used to purchase a portable building?

No. These costs may not be charged to the SCE direct cost allocation.

40. Can SCE direct funds be used to pay for study hall or study period?

No. SCE funds may only be used for the costs of programs and services that are supplemental to the regular education program and designed for educationally disadvantaged and at-risk students. Study hall, or study period, is a term for a class period during the school day when students are not scheduled in an academic class. A study hall generally has assigned rooms and teachers or teacher's aides who monitor the students. Students typically use this time to complete homework, catch up on missing assignments, or study for a test or quiz.

41. Can SCE funds be used to fund the cost of dual enrollment or dual credit courses for which students receive both high school and college credit?

No. Increasing the availability of, and enrollment in AP or IB programs, dual or concurrent enrollment programs, and early college high schools does not meet the intent and purpose of the SCE program. Expenditures for activities or purposes other than regular public education may not be paid from the SCE direct cost allocation. SCE funds must be used to provide support programs and/or services that supplement the regular education program so that the intended SCE beneficiaries can succeed in school. Decreasing the achievement gap between at-risk students, educationally disadvantaged students and their peers and decreasing the drop-out rate are primary goals of this program.

42. Can SCE funds be used to fund the cost of the GED (General Educational Development) program and testing?

No. Expenditures for activities or purposes other than regular public education may not be paid from the SCE direct cost allocation. SCE funds must be used to provide support programs and/or services that supplement the regular education program so that the intended beneficiaries, defined by statute, can succeed in school. Decreasing the achievement gap between at-risk students, educationally disadvantaged students and their peers and decreasing the drop-out rate are primary goals of this program.

43. Can SCE direct funds be used to fund curriculum development for at-risk programs?

No. SCE is a state mandated program, and SCE funds may only supplement the regular education program.

44. Can SCE fully fund the dyslexia program?

No. This program is a state-mandated program; however, SCE funds may supplement this program. Additional guidance is provided in the *Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System*, Section 6.2.2.1.

45. Can SCE funds fully fund the bilingual program?

No. The bilingual program is state-mandated ([TEC, §29.051](#)), and SCE funds may only supplement the regular education program for students identified as at risk of dropping out of school. See the TEC, [§38.003](#) and [§48.104](#).

46. The TEC, §38.017, requires schools to make an automated external defibrillator (AED) available at each campus. May SCE fund be used to purchase defibrillators?

No. SCE funds are supplemental educational funds and cannot be used to meet state-mandated rules.

47. Can SCE funds be used to promote the district's safe, drug-free, gang-free, bullying-free, and healthy environment?

No. The use of SCE funds to promote the district's safe, drug-free, gang-free, bullying-free, and healthy environment is not consistent with the legislatively established purposes of the funds mandated by the [TEC, §48.104](#).

48. Can SCE direct funds be used to purchase a service that permits district staff to quickly send mass notifications to parents, students, student organizations, and employees in any language and at any device? (Some LEAs refer to this service as a parent alert system.)

No. The use of SCE funds for this type of service is not consistent with the legislatively established purposes of the funds outlined in the [TEC, §48.104](#).

49. Can SCE direct funds be used to purchase gifts or prizes or to pay for entertainment expenses?

No. The use of SCE funds for this type of service is not consistent with the legislatively established purposes of the funds outlined in the [TEC, §48.104](#).

50. Can SCE funds be used to provide teacher bonuses, raises, incentive pay, or "across the board" pay?

No. These may not be charged to the SCE direct cost allocation.

51. Can SCE funds be used to finance the cost of an additional planning period for teachers?

No. SCE-funded services must be part of the delivery of academic instruction supplemental to the regular program.

52. Can SCE funds be used to provide services to a private school in the district's boundaries?

No. Students served with SCE funds must be students of the school district who meet the eligibility criteria defined in the [TEC, §29.081](#).

53. Can SCE funds be used to pay the cost of the development and implementation of personal graduation plans?

No. SCE funds are supplemental funds and cannot be used to meet state-mandated rules, programs, or positions. Personal graduation plans are mandated in the [TEC, §28.0212](#).

54. What uses of SCE funds are not allowed?

SCE funds are not allowed to be used for the following (this list is not intended to be exhaustive):

- food and refreshments for staff and parent activities, including working lunches
- promotional items, such as t-shirts, caps, tote bags, imprinted pens, and key chains
- door prizes, movie tickets, gift certificates, passes to amusement parks, etc.
- ceremonies, banquets, or celebrations
- professional development provided through stand-alone, one-day, or short-term workshops not aligned to the SCE program
- staff stipends, such as University Interscholastic League (UIL), department head, subject area, LEP, and sports
- translation services
- central office staff salaries
- field trips for entertainment or recreational purposes only
- construction, remodeling, or renovation
- costs for administering, scoring, and reporting results for mandated state assessments
- costs for translating student transcripts
- costs that do not meet supplement, not supplant guidelines
- programs that do not meet the intent and purpose of SCE, e.g., JROTC, CTE, Dual Enrollment or Dual Credit, AP/IB, SAT/ACT preparation

SCE funds must be used for direct services to improve instruction, reduce the dropout rate, and increase academic performance for students identified as at risk of dropping out of school and educationally disadvantaged students.

NOTE: This answer also applies for the use of SCE funds to support a Title I program.

55. Can SCE funds be used to purchase incentives?

Although not specifically addressed in the TEC or TEC-authorized rules, incentives are allowable only when reasonable in cost and when necessary to accomplish program objectives as noted in the campus improvement plan.

The SCE direct cost allocation must be used for services and programs to improve instruction, reduce the dropout rate, and increase academic performance for students identified as at risk of dropping out of school. Additional information is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.2.4.

56. Can SCE funds be used to help recruit, retain teachers?

No. The use of SCE funds for this type of service is not consistent with the legislatively established purposes of the funds outlined in the [TEC, §48.104](#).

Expenditures: Staffing

57. Can SCE funds be used to pay the salary of a counselor?

SCE funds can be used to hire a supplemental counselor whose primary responsibility is to provide supplemental services for students at risk of dropping out of school. Time and effort documentation must be on file, if the position is not 100 percent funded by SCE funds and funded partially with federal funds. SCE funds cannot be used to fund counselors responsible for guidance, assessment, and administrative activities that benefit the overall regular education instructional program.

A district must demonstrate that any guidance or counseling services paid for by SCE funds are provided to intended population defined in the authorizing statutes and supplemental to other available guidance and counseling services.

NOTE: The [TEC, §33.006\(b\)\(1\)\(A\)](#), denotes the primary duties required of school counselors. Serving at-risk students is one of the duties listed.

58. Can SCE funds be used to pay the salary of a superintendent?

No. Salaries for superintendents are not allowable under any circumstances.

59. Can SCE funds be used to pay the salary of an administrative position?

No. Salaries for administrative positions are not allowable. The [Texas Education Code, Section 48.104\(k\)](#) states the following:

(k) At least 55 percent of the funds allocated under this section must be used to:

- (1) fund supplemental programs and services designed to eliminate any disparity in performance on assessment instruments administered under Subchapter B, Chapter [39](#), or disparity in the rates of high school completion between:
 - (A) students who are educationally disadvantaged and students who are not educationally disadvantaged; and
 - (B) students at risk of dropping out of school, as defined by Section [29.081](#), and all other students; or
- (2) support a program eligible under Title I of the Elementary and Secondary Education Act of 1965, as provided by Pub. L. No. 103-382 and its subsequent amendments, and by federal regulations implementing that Act.

The LEA, however, may fund this position with the portion of SCE funds, other than the 55% (direct cost) required for the services detailed above.

60. Can SCE funds be used to pay the salary of a school psychologist?

No. This position does not specifically relate to the SCE program and does not meet the intent and purpose of the program. SCE funds must be used to provide support programs and services that supplement the regular education program so that at risk and economically disadvantaged students can succeed in school.

61. Can SCE funds pay the salary of an attendance clerk?

No. This position does not meet the intent and purpose of the program. Furthermore, maintaining attendance information is required for every school district in accordance with TEC, Chapter 48.

62. Can SCE funds pay the salary of a parent/family engagement liaison or a community liaison?

No. Expenditures that are for activities or purposes other than regular public education may not be paid from the SCE direct cost allocation. SCE funds must be used to provide support programs and services that supplement the regular education program so that at risk and educationally disadvantaged students can succeed in school.

63. Can SCE funds pay the salary of a clerk who is assigned to an SCE-funded staff person?

Yes. A clerk who supports professional staff assigned to specific SCE programs and evaluation functions, may be paid from SCE funds. The actual percentage of the staff person's salary is based on the percent of time devoted to SCE. As referenced in TEC, [§42.152\(c\)](#), SCE funds, other than the indirect cost allotment, may be used to meet the costs for SCE program and student evaluation.

64. Can SCE funds be used to hire staff to work with other programs such as special education or career and technology?

Special education programs and career and technology programs are not programs specifically designed to meet the needs of state identified at-risk students. SCE expenditures should *directly* relate to supplemental instructional services that assist in improving the student's ability to meet the state's student performance standards.

65. Can SCE funds be used to elevate teacher and principal quality through recruitment, hiring, and retention strategies, and increase the number of effective classroom teachers, principals, and assistant principals?

No. The use of SCE funds to pay for any of these objectives does not meet the intent and purpose of the SCE program.

66. Can SCE funds be used to pay the costs of state tests required of new teachers to determine if they have subject matter competence or to assist them in meeting state certification requirements?

No. Funding the cost of state tests required of new teachers and assisting them in meeting state certification requirements does not meet the intent and purpose of the SCE program.

67. Can SCE funds be used to pay the costs to enhance the beginning teacher induction and mentoring program designed to increase retention of beginning teachers?

No. The use of SCE funds to pay for any of the above-mentioned objectives does not meet the intent and purpose of the SCE program. Additional information and guidance on the [Beginning Teacher Induction and Mentoring](#) (BTIM) program and [new teacher mentoring](#) is located on the TEA webpage.

68. Can SCE funds be used to fund “other” duties, such as lunch duty, hall duty, or bus duty assigned to supplemental educational aides?

No. The use of SCE funds for this type of service is not consistent with the intent and purpose of the SCE program.

For each educational aide funded with SCE dollars, the LEA must explain how the educational aide’s duties increase the opportunities for at risk students to meet the state’s academic achievement standards and (2) identify how the duties meet the guidelines listed under [TEC, §48.104](#).

Examples of allowable duties for educational aides include:

- one-on-one tutoring
- assistance in classroom management
- providing computer lab assistance
- providing instructional support under direct supervision of a teacher

69. Can SCE funds pay a crime prevention program or fund (truant) a safety resource officer?

No. The purpose of SCE is to prevent students from dropping out of school and improve student academic performance for students at risk of dropping out of school. A crime prevention program ensures student safety and is not involved in preventing students from dropping out of school. Security cameras/monitors also cannot be paid for with SCE funds.

70. Can SCE fund court-related children—liaison officers?

No. The [TEC, §37.014](#), mandates this duty, and SCE funds cannot be used to meet state-mandated rules, programs, or positions. The law states that each school district should appoint at least one educator to act as liaison officer for court-related children who are enrolled in the district. The liaison officer provides counseling and services for each court-related child and the child’s parents to establish or reestablish normal attendance and progress of the child in the school. It is the responsibility of the liaison officer, appointed in accordance with the [TEC, §37.014](#), to assist students and teachers and ensure that students are provided the opportunity to complete all missed assignments.

71. Can SCE funds pay a dog handler’s position or be used to hire/contract/purchase or care for a drug dog?

No. The use of SCE funds for this type of service is not consistent with the intent and purpose of the SCE program.

72. Can SCE funds be used to fund a mentoring program for at-risk students?

Yes. According to the [TEC, §29.089](#), programs that provide mentoring services to at-risk students, as defined by the [TEC, §29.081](#), are also eligible to be funded by the SCE allotment. Before an LEA provides a mentoring program, adequate planning and research must be conducted to determine what types of programs would be instrumental in achieving the many goals, including improved academic performance and attendance, set for mentored youth.

It is imperative that programs implement proven, evidence-based best practices to achieve their desired outcome. As with all other services provided for students at risk of dropping out of school, a needs assessment must be conducted to assist in the development of the scope of services provided by a program. A detailed analysis of the results of the assessment is critical in designing a program that can contribute to the academic success of students at risk of dropping out of school.

NOTE: Before implementing any mentoring program, an LEA should have established policies and procedures related to the screening of potential mentors, including background checks; ongoing training and support for mentors and program staff; activities for mentors and students; and procedures for supervision and monitoring of mentoring relationships.

73. Can SCE Funds be used to pay the salary for a school social worker?

Yes. SCE funds may be used to pay the salary for a school social worker. In accordance with [TEC, §29.081](#), SCE funds may be used for costs of a school social worker to assist a school in meeting the goals and objectives outlined in [TEC, §48.104](#).

Care must be taken to ensure that school social workers do not perform administrative duties in the school building. School social workers funded with 100 percent SCE funds may NOT perform functions that are not allowed with the direct cost allocation for the SCE program, including:

- activities related to lunch duty, hall duty, bus duty, or testing;
- activities undertaken in the role of the school guidance counselor related to guidance, assessment, or administrative activities that benefit the overall regular education instructional program in accordance with the primary school counselor duties in [TEC, Chapter 33](#);

- activities undertaken in the role of parent liaison, community liaison, truant officer, safety officer, or court liaison required by [TEC, Chapter 37](#); or
- any another legislatively mandated duty.

SCE Administration/Implementation

74. Who must be included in the planning of the SCE program?

Program planning and decision-making should include the principal, superintendent, and site-based decision-making committee.

75. How often do district and campus improvement plans need to be updated?

The [TEC, §11.253](#), requires that each school year, the principal of each school campus, with the assistance of the campus-level committee, develop, review, and revise the campus improvement plan for the purpose of improving student performance for all student populations.

76. For accountability or for the purposes of transparency, the *Financial Accountability System Resource Guide, Update 18, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System, Section 6.2.2.2* specifies that LEAs are required to have local policies and procedures for the SCE program. What information should be included in the document?

Each LEA should include current data that addresses each key point listed below:

- Identifying and documenting students who are at risk of dropping out of school under the criteria in TEC, §29.081(a)(b);
- Identifying and documenting students who are at risk of dropping out of school under local criteria and document compliance with the 10% cap in TEC, §29.081(g);
- How students are entered into the SCE program;
- How students are exited from the SCE program;
- The methodologies involving calculation of 110% satisfactory performance on all assessment instruments, in accordance with TEC, §29.081(d)(3);
- The methodology that will be used to evaluate and document the effectiveness of the SCE program, in accordance with TEC, §29.081(b-3) and TEC, §29.081(c);
- The frequency and use of the completed evaluation of the SCE program and data related to the effectiveness of the SCE program;
- An annual public hearing to discuss the evaluation results and effectiveness of the SCE program, in accordance with TEC, §29.081(b-3); and
- The cost of the regular education program in relation to budget allocations for compensatory, intensive, and or accelerated instruction, and or alternative education per student and or instructional staff per student ratio, in accordance with TEC, §29.081.

77. Must full-time employees (FTEs) funded by SCE maintain a signed job description?

Yes. An integral component of an adequate financial management system is the development and maintenance of records documenting the duties and responsibilities of personnel and employees' acknowledgement of their understanding of their duties and responsibilities. Additional guidance is provided in the *Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System, Section 6.3.2*.

Specifically, these acknowledgments are that the:

- duties contained on the job description are the responsibility of the employee;
- information contained in the job description is current and accurate; and
- signer (the employee) has full knowledge of and can support listed activities, if requested.

78. Why do auditors inspect the time of expenditures?

Auditors always scrutinize the time of expense. For example, if a district expends funds at the end of the school year (e.g., field trips or large purchases), it creates the appearance that the LEA did not sensibly plan to ensure that these funds were spent to benefit the needs of the intended beneficiaries, as defined in statute. It is advisable to carefully plan the use of SCE

funds and maintain auditable documentation to substantiate the cost of all SCE-funded activities. Expenditures of SCE funds must support the intent and purpose of the program, be allowable under statute and guidance, and be directly related to specific interventions identified in the appropriate district and campus improvement plans **prior** to expenditure.

79. Can LEAs still use SCE funds for accelerated instruction?

Yes.

80. Is the [TEC, §29.081](#) only applicable to LEAs that are receiving SCE funds?

No. A program serving students at risk of dropping out is mandated by law, whether or not the LEA receives SCE funds.

Documentation and Reporting

81. Must identified at-risk students participating in a Title I program be reported to PEIMS?

Yes. Students who meet any of the state eligibility criteria are reported to PEIMS.

82. Are students who meet the local criteria reported to PEIMS?

No. Only students who meet the state eligibility criteria are reported to PEIMS.

83. Should students only be identified at one time during the year (typically just before PEIMS data are submitted in October)?

No. Identification should take place at any time during the year in order to identify those students who are eligible for services under the SCE program. For example, if a student becomes homeless in the month of March, this student should be identified and served accordingly, even though the student was identified after the district's PEIMS snapshot report.

How often a district reviews its students' at-risk classifications is its own decision. However, the earlier an at-risk student is identified, the earlier the student may benefit from the SCE program. Additional guidance is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.2.5.

84. Must a charter school, receiving SCE funding, document the SCE requirements in the same way a district does?

Yes. A charter school that receives SCE funding must develop an academic campus plan describing its program for meeting the identified needs of students who meet the state eligibility criteria for students at risk of dropping out of school. Additional guidance is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.2.3.

85. Must FTEs funded by SCE be included in the district/campus improvement plan or charter instructional plan?

Yes. At a minimum, payroll costs attributed to SCE must be shown at the summary level (total number of FTEs) in the district and/or campus improvement plan or charter instructional plan, as appropriate. In addition, personnel paid with SCE funds must have payroll documentation, such as class schedules (including the number of students and number of minutes), job descriptions, or time and effort to support charges. Auditable documentation must also be maintained to substantiate the cost of all SCE-funded FTEs, supplemental contracts, and extra duty pay. Additional guidance is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.2.3.

86. When are the SCE district and campus improvement plans (D/CIPs) due to the agency?

The D/CIPs should be submitted no later than the 150th day after the last day permissible to send data for the PEIMS data final midyear, resubmission 2. This will not necessarily fall on the same date each year. For the 2020–2021 school year, plans are due to TEA on July 11, 2022. Additional guidance is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.2.3.

87. For the at-risk criteria, “resided – in the preceding school year or in the current school year – in a residential placement facility in a district, including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, cottage home operation, specialized child-care home, or general residential operation,” how would you define the term “resided”? What documentation should we require?

LEAs should acquire a report (supportive documentation) from a facility or note from a counselor or social worker on letterhead that states the admission/release dates of the student.

2019-2020 - 86th Legislature

HB 3 FAQ: Increases Funding and Equity

88. How did the compensatory education allotment change?

HB 3 increased the state compensatory (SCE) allotment and targeted additional resources towards students with the most need. The new funding methodology is a tiered multiplier for those students eligible for a free and reduced lunch, based on the tier of the student’s home address census block group. Increased funding based on the census block group is on a scale of 0.225 to 0.275.

89. Is there a difference between an economically disadvantaged student and an educationally disadvantaged student?

The terms are used interchangeably. The [TEC, §5.001\(4\)](#), defines educationally disadvantaged as “eligible to participate in the national free or reduced-price lunch program.” Therefore, the term educationally disadvantaged student means that the student qualifies for the free or reduced-price lunch program. Since students who are economically disadvantaged qualify for the free or reduced priced lunch program, the terms have the same meaning in the context of the SCE allotment.

90. How are students determined to be educationally disadvantaged?

Guidelines for determining a student’s economically disadvantaged status can be found in the 2019–2020 Texas Education Data Standards (<http://castro.tea.state.tx.us/tsds/teds/2020A/teds-ds2.4.pdf>, pp. 32–35). Once a student is determined to be educationally disadvantaged, the student is reported with this designation in the PEIMS (Public Education Information Management System) fall submission.

91. Do local education agencies (LEAs) receive compensatory education funding for all students based on their home address tiers?

No. Students must first meet the eligibility requirements for compensatory education (i.e., be classified as educationally and/or economically disadvantaged).

92. What if I can’t identify a student’s census block group from the TEA tool that will be ready for use this fall?

Sometimes, especially for new addresses, lookup tools will not produce results. Feel free to consult census block group maps to make the identification manually. In the event a census block group is not identified, the eligible student will be placed in the lowest funded tier, receiving the 0.225 weight.

93. What address should be used for determining the census block group for a student with a PO Box?

A PO Box is not a residential address. Therefore, the district needs to obtain the street address of the student’s residence.

94. What address should be used for determining the census block group for a student who is experiencing homelessness?

Districts do not need to report a census block group for a student who is homeless. Homeless students will be assigned the highest funded tier, receiving the 0.275 weight.

95. What address should be used for determining the census block group for students in foster care?

Districts do not need to report a census block group for students in foster care. Students in foster care will be assigned the highest funded tier, receiving the 0.275 weight.

96. What address should I use for determining the census block group for a student residing in a residential facility?

Districts do not need to report a census block group for a student residing in a residential facility. Students residing in a residential facility will be assigned the highest funded tier, receiving the 0.275 weight.

97. What if a block group doesn't have a tier assigned because of insufficient census information?

A small number of census block groups in Texas have insufficient data for the assignment of a census tier. In all nonstandard cases, educationally disadvantaged students will be assigned the lowest funded tier, receiving the 0.225 weight. Note that this weight is higher than the previous weight of 0.2.

98. What was the methodology for funding estimates for the SCE allotment for 2019–2020 school year?

TEA initially funded the SCE allotment for the 2019–2020 school year based on the census block group of each campus and fall 2018 student estimates. This funding methodology produced an estimate. However, this was NOT the actual payment methodology stipulated by law. This initial funding methodology was used because student enrollment information by census block group was not yet known. As a result, a reconciliation process will be required after this information is obtained.

99. What is the methodology for future funding for the SCE allotment?

After the 2019–2020 school year, legislative payment estimate (LPE) funding will be based on census block groups reported as of the prior year's fall snapshot date for educationally disadvantaged students.

100. How is SCE funding for Community Eligibility Provision (CEP) students handled?

Prior to HB 3, school districts and charter schools participating in a CEP were required to follow the alternative reporting method described in 19 TAC §61.1027. This will not change. Districts are required to collect information to determine if a student is educationally disadvantaged and eligible for SCE funding.

101. Can funds be spent on students at risk of dropping out as defined in the [TEC, §29.081\(d\)](#)?

Yes. Students that meet one of the 15 criteria are eligible for the same supplemental services they received before the passage of HB 3. Additionally, students who are designated as educationally disadvantaged are now eligible to receive supplemental services paid for with compensatory education funds.

102. Will TEA continue to allocate expenditures coded to Program Intent Code (PIC) 99?

Yes. TEA will continue to allocate PIC 99 to the other programs through PEIMS after the midyear submission. However, TEA recommends that districts and charters code as much as they can to the actual program and campus.

103. May LEAs continue to use SCE allotment funds to pay for the second half of a pre-K program including salaries for staff?

Yes, if the students meet the eligibility for use of the allotment. Additionally, HB 3 includes the Early Education Allotment, which LEAs can use to fund the second half of a pre-K education program. Since LEAs are now required to offer a full day pre-K program for four-year-olds, they may use other funding sources if students meet the allowability for use guidelines.

104. What if an LEA does not meet the spending requirements for this school year because of the significant changes made to state funding?

The LEA will be required to make up the difference in the following year. For example, an LEA was allocated \$100 and required to spend \$55 on the program but only spent \$45. The following year, this LEA will be required to spend \$10 plus 55 percent of the new allotted amount for the year. The LEA is required to meet the needs of its students regardless of difficulties in budgeting.

105. Per HB 3, all kindergarten through third grade teachers and principals must attend a [teacher literacy achievement academy](#) by the 2021–2022 school year. Can SCE funds be used to support reading instruction, including paying for teacher attendance at reading academies?

Yes. The training and training expense must be reasonable and necessary as well as beneficial to the SCE program. Training also must be aligned with the needs of at-risk and/or educationally disadvantaged students as specified in the LEA's needs assessment and corresponding campus or charter school instructional plan. The required plan and evaluation of training

serve to obtain, organize, and thoroughly analyze information needed to guide district budgeting, and instructional planning; inform teachers and administrators about student learning; assess program effectiveness; and guide the decision-making process regarding the educational program, district practices, and resource allocations.

106. What are the pre-K requirements under HB 3? Is pre-K funded for full day or half day?

In addition to other requirements outlined in a recent [To the Administrator Addressed Letter](#), HB 3 provides for a full day high quality pre-K for eligible four-year-olds.

Pre-K still only receives a half day average daily attendance for FSP funding. However, HB 3 includes the Early Education Allotment, which provides weighted funding for each student in a district in kindergarten through third grade who also qualifies for the compensatory education or bilingual allotment.

107. How is the full-day pre-K for eligible four-year-olds funded?

Districts will receive FSP funding for the first half of the day, as was the case before HB 3. Additionally, prior to HB 3, districts could devote other sources of funding, such as SCE, Title I, or Tier II funding. With HB 3, districts will also receive the Early Education Allotment, which may also be used to fund the second half of the day. Other increased funding from HB 3 may also be applicable.

108. Are districts required to use the Early Education Allotment towards full day pre-K? If a district has been funding full day pre-K through local and federal funds, may it continue to do so?

If a district is supporting its full day program with local or SCE funds, it may continue to do so if the Early Allotment funds are being used to improve programs and services in language and mathematics for pre-K through third grade.

109. May I use SCE funds to purchase items such as classroom supplies, desks, chairs, and books for pre-K classrooms?

Yes, per analysis of HB 3, you may use SCE funds to purchase items for pre-K classrooms if the students meet the eligibility for use of SCE funds. That is, they meet one of the 15 criteria in the [TEC, §29.081](#), or are economically disadvantaged. In addition, if a pre-K classroom has both eligible and ineligible students then allocating the cost of these items is allowable.

110. The [TEC, §29.081\(b-3\)](#), states that a district shall evaluate the effectiveness of accelerated instruction programs and annually hold a public hearing to consider the results. Is the public hearing required to be held during a board meeting or can it be held at a community meeting?

A public hearing is a type of open meeting at which the public must be permitted to respond to or testify in response to the topic of the hearing. If a district wishes to hold a public hearing outside of a formal board hearing, it may do so if the meeting meets the basic requirements of a public hearing listed above.

111. The [TEC, §29.081\(c\)](#), requires LEAs to evaluate and document the effectiveness of the SCE program. May an LEA assign SCE funds to conduct the program and student evaluation?

Yes, SCE funds may be used to meet this requirement. LEA decisions about the process design for a SCE program evaluation should represent a reasonable cost and benefit balance. Additional guidance is provided in the [Financial Accountability System Resource Guide, Update 16, Module 6: State Compensatory Education, Guidelines, Financial Treatment, and an Auditing and Reporting System](#), Section 6.2.7.

112. What is the 14th criteria created by HB3?

The [TEC, §29.081\(d\)\(14\)](#), describes an additional at risk criterion as which states: “has been incarcerated or has a parent or guardian who has been incarcerated, within the lifetime of the student, in a penal institution as defined by [Section 1.07](#), Penal Code.”

113. How are the terms “penal code” and “incarcerated” interpreted in the definition of “at risk”?

[Penal Code, §1.07\(a\)\(37\)](#), defines “penal institution” as “a place designated by law for confinement of persons arrested for, charged with, or convicted of an offense.” TEA considers the term “incarcerated” in the [TEC, §29.081](#), to mean conviction for a criminal offense and consequent sentencing and confinement to jail or prison. The juvenile equivalent is adjudication and consequent placement in a juvenile detention facility.

114. What are TEA's general guidelines for documenting a student at risk due to incarceration?

- Timeline for identification. This begins as soon as the appropriate school staff is informed of a student's incarceration or that a student's parent or guardian has been incarcerated in a penal institution in the student's lifetime.
- Start date. This is the date of disclosure to campus staff.
- End date. The student remains identified as at risk for the remainder of his/her public school education.

Note: Districts may legally request this information. Documentation must be maintained and may include a memo to file.

115. Are LEAs required to provide childcare services or assistance with childcare expenses for teen parents?

No. The [TEC, §48.104 \(j-1\)](#), states that LEAs "may" use SCE funds to provide these services in addition to required services.

116. SCE funds may be used for the costs associated with services provided through a life skills program (program for teen parents) in accordance with the [TEC, §29.085\(b\)\(1\) and \(3-7\)](#). What are the specific services?

Services may include the following:

- individual counseling, peer counseling, and self-help programs;
- day care for students' children on the campus or at a day care facility, in proximity, to the campus;
- transportation for children of students to and from the campus or day care facility;
- transportation for students, as appropriate, to and from the campus or day care facility;
- instruction related to knowledge and skills in child development; and
- assistance to students in the program in obtaining available services from government agencies or community service organizations, including prenatal and postnatal health and nutrition programs.

117. Can an LEA use SCE funds to provide full day childcare services for infants and toddlers and a parenting education program for pregnant and/or teen parents who are students in their LEA?

Yes. SCE funded services may be provided for childcare for infants, toddlers, and preschool age children to enable teen parents to attend classes and graduate from high school. Additional services may include parenting classes, counseling, and referral services to other agencies for additional resources.

118. Can an LEA use SCE funds to provide transportation to pregnant students or student parents, and the children of those students, when the district offers a teenage parent program?

LEAs have the option to offer transportation for children of students to and from the campus or day care facility and transportation for students, as appropriate, to and from the campus or day care facility. The LEA should have established procedures describing the provision of this transportation service.

119. If a parent is truant while his or her child is being cared for, may the parent be dismissed from the program?

Yes. The LEA should have established guidelines describing district policies and state codes on attendance. Furthermore, the LEA should ensure students are well-informed on how many absences are allowed and what count as excused and unexcused absences.

120. [TEC, §48.104\(k\)\(2\)](#), states that SCE funds may be used to "support a program eligible under Title I of the Elementary and Secondary Education Act of 1965, as provided by Pub. L. No. 103-382 and its subsequent amendments, and by federal regulations implementing that act." Did this interpretation change the way SCE funds can be used on a Title I, Part A schoolwide campus?

Prior to HB 3, this flexibility was only available for Title I schoolwide campuses with a low-income status of 40 percent or greater. Provisions in HB 3 now allow SCE funds to be used to support a supplemental program implemented to ensure that students, particularly those who are low achieving, demonstrate proficient and advanced levels of achievement on state academic achievement standards at any Title I funded campus, including Title I targeted assistance campuses.

121. [TEC, §48.104\(l\)\(2\)](#), states that the SCE program may not prohibit the use of funds for any purpose that was previously authorized under the former [TEC, §42.152](#), that existed on September 1, 2018. What allowable costs were listed in [Section 42.152\(c\)](#)?

Formally, in reference to the SCE program, TEC, [§42.152\(c\)](#), stated that the funds, other than the indirect cost allotment, may be used to meet the costs of providing a compensatory, intensive, or accelerated instruction program or a disciplinary alternative education program; to pay the costs associated with placing students in a juvenile justice alternative education program; or to support a program eligible under Title I. Furthermore, in meeting the costs of providing this program, the allotment shall be used for costs supplemental to the regular education program, such as costs for SCE program and student evaluation, instructional materials and equipment and other supplies required for quality instruction; supplemental staff expenses; salary for teachers of at-risk students; smaller class size; and individualized instruction. It also stated that a program specifically designed to serve students at risk of dropping out of school, as defined by TEC, [§29.081](#), is considered a program supplemental to the regular education program, and a district may use its compensatory education allotment for such a program.

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HB 4545 FAQ: Providing Accelerated Instruction

122. Can compensatory education funds be used to pay for accelerated instruction that is required under HB 4545?

Yes. LEAs may use SCE funds described in TEC. Sec. 48.104 to fund supplemental programs and services listed in HB 4545, such as:

- targeted supplemental instruction,
- extended day and year instruction,
- tutoring, and
- transportation for extended day and year programs.

SCE funds may also be used for professional development designed to provide instructors the knowledge and skills to deliver accelerated instruction, and for the purchase of supplemental instructional materials for the intended population defined in the authorizing statute, [TEC, §29.081](#) and [TEC, §48.104](#).

123. If school systems may administer an assessment designed to show grade level proficiency on the Texas Essential Knowledge and Skills (TEKS) to students who did not participate in state assessments during the 2020-2021 school year and use the results of this assessment to determine which students should participate in and benefit from accelerated instruction required in HB 4545, can the result of this assessment also be used to exit students from at risk classification? Would the passing rate have to meet the 110 percent passing threshold as stipulated in [TEC, §29.081\(d\)\(1\)\(C\)](#)?

Yes. For the 2021–22 school year, if the school system decides to administer an assessment designed to show grade level proficiency on the TEKS, for students who did not participate in the spring 2021 STAAR administration, the school system may determine the 110 percent passing rate to confirm the student achieved acceptable performance and not identify the student as at risk of dropping out of school. School systems should retain documentation of the assessments used, as well as the assessment results and calculations.

HB 572 FAQ: Additional At-Risk Criterion

124. What is the “new” 15th criteria?

HB 572 amended TEC, 29.081 to include the additional at risk criterion, “is enrolled in a school district or open-enrollment charter school, that is designated as a dropout recovery school under [Section 39.0548](#).” [TEC, §29.081\(d\)\(15\)](#)

HB 1697 FAQ: Allowing Parents to Elect for a Student to Repeat or Retake a Course or Grade

125. If a student was in prekindergarten or kindergarten and did not advance to the next grade level solely at the request of his or her parent, is this student identified as an at-risk student?

No, [TEC, Sec. 29.081\(d-1\)](#) states that a student is not considered a student at risk of dropping out of school if the student did not advance from prekindergarten or kindergarten to the next grade level only as the result of the request of the student's parent.

126. If a student was enrolled in grades one through eight during the 2020-2021 school year, and did not advance to the next grade level solely at the request of the parent or guardian, should this student be identified as an at-risk student?

Yes. As stated in [TEC, §29.081\(d\)\(1\)\(A\)](#), a student who was not advanced from one grade level to the next for one or more school years meets the at-risk criteria. Furthermore, students that meet one of the listed criteria are eligible for additional academic supports to improve their learning.

127. If a student was enrolled in a course for high school credit during the 2020-2021 school year, and the parent or guardian elects for their child to retake a course, solely at their request, should this student be identified as an at-risk student?

No. A student who was enrolled during the 2020-2021 school year, is not identified at risk of dropping out of school if the student retakes a course only as the result of the request of the student's parent. [TEC, §29.081\(d\)\(1\)\(B\)](#) identifies a student as at-risk if the student is in grade 7, 8, 9, 10, 11, or 12, 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.

HB 1525 FAQ: Authorizes Additional USE of SCE Funds

128. What address should be used for determining the census block group for a student who is experiencing homelessness?

Districts do not need to report a census block group for a student who is experiencing homelessness. [TEC, §48.104\(e-1\)](#) entitles districts to the highest possible compensatory education weight of 0.275 for each enrolled student who is experiencing homelessness.

129. Can the position of an attendance officer be funded with SCE funds?

Yes, but only if the chief goal of this SCE-funded attendance officer is to assist in reducing the dropout rate by identifying situations which jeopardize student attendance so that appropriate measures can be taken.

[TEC, §48.104\(4\)\(A\)](#), states that SCE funds may be used to pay expenses related to reducing the dropout rate, including expenses related to funding the duties performed by an attendance officer to support this effort. Therefore, the job description would require sufficient information to describe major responsibilities and essential functions in which decreasing the drop-out rate is the primary duty of this position. As with any SCE-funded position, all duties and responsibilities are reflected in the district and/or campus improvement plan and meet a defined need or set of needs identified in the comprehensive needs assessment (CNA). Measurable outcomes tied to this specific position's job duties and responsibilities should be reflected in the LEA's annual SCE evaluation as referenced in [TEC, §29.081\(b-3\)](#).

130. Can the position of an instructional coach be funded with SCE funds?

[TEC, §48.104\(k\)\(1\)](#), states that SCE funds may be used to pay costs for services provided by an instructional coach employed to raise success in the state assessment at a campus in which educationally disadvantaged students are enrolled.

An SCE-funded instructional coach is someone who supports the teachers by providing evidence-based practices in the classrooms through professional development trainings and modeling. It is not a supervisory position and does not include the required annual evaluation of colleagues. The primary goal is twofold: improved instructional practice and improved student achievement.

As with any SCE-funded position, all duties and responsibilities are supplemental and are reflected in the district and/or campus improvement plan; and meet defined needs identified in the comprehensive needs assessment (CNA). The success of this position in meeting the established educational goals will be reflected in the LEA's annual SCE evaluation as referenced in [TEC, §29.081\(b-3\)](#).

131. Can the cost of programs that build skills related to managing emotions, establishing, and maintaining positive relationships, and making responsible decisions be funded with SCE funds?

[TEC, §48.104\(j-1\)\(4\)\(B\)](#), states that SCE funds may be used to pay expenses related to reducing the dropout rate and increasing the rate of high school completion, including expenses related to programs that build skills related to managing emotions, establishing, and maintaining positive relationships, and making responsible decisions.

Before providing any program or service, an LEA must conduct adequate planning and research to determine the most suitable option for serving its students. As with all other services provided with SCE funds, the LEA must conduct a needs assessment to assist in the selection of a proven, evidence-based, student-oriented program, such as one that will assist students in managing their own emotions, forming, and maintaining healthy relationships, making good decisions, and coping with everyday social and academic challenges. The success of this program in meeting the established goals will be reflected in the annual SCE evaluation as referenced in [TEC, §29.081\(b-3\)](#).



Contact Information

For questions or comments, please e-mail statecompensatoryeducation@tea.texas.gov, or contact the SCE grant coordinator by phone at **512-463-9366**.

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