

**MEMORANDUM**

July 25, 2025

**TO:** Justin M. Smith  
Executive Director, Assessment, Accountability, & Compliance

**FROM:** Georgia Graham, Ph.D.  
Director, Evaluation, Monitoring, and Compliance

**SUBJECT:** **STATE COMPENSATORY EDUCATION, 2023–2024**

The State Compensatory Education report for the 2023–2024 school year is attached. Section 29.081 of the Texas Education Code (TEC § 29.081) outlines the State Compensatory Education Program (SCE), which is designed to reduce dropout rates and improve academic performance for students at risk of dropping out of school. SCE operates as a funding source to supplement instructional services and offer academic support to students who meet the SCE at-risk criteria established by the state. This report identifies the characteristics of HISD’s student population and evaluates the effectiveness of instructional programs in reducing disparities in STAAR 3–8 and STAAR EOC performances.

**Key findings include:**

- Of the 176,250 students who attended HISD during the 2023–2024 academic year, 114,601 students (65.0 percent) were identified as at-risk according to SCE criteria. This number represented a 12.2 percentage-point increase in at-risk student count from the prior year.
- A lower percentage of students identified as at-risk in ninth, 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup> grade, compared to the other grades, were English learners (48.2, 48.7, 39.7, and 39.1 percent, respectively).
- A total of \$83.3M in funds were allocated to SCE programs for the 2023–2024 school year, with expenditures totaling \$73.8M.

*Student Performance*

- Districtwide, during the 2024 STAAR 3–8 administration, a higher percentage of at-risk students met or exceeded grade-level standards in math and reading compared to 2023, except in third-grade reading. Despite these gains, performance gaps between at-risk and non-at-risk students remained: -24.4% in math, -34.1% in reading, -33.3% in science, and -36.9% in social studies.
- In the spring 2024 STAAR EOC, at-risk student performance at Meets or above increased in all subjects except U.S. History compared to 2023. However, performance gaps favoring non-at-risk students remained large: -43.0% points in Algebra I, -45.0% in Biology, -51.9% in English I, -53.3% in English II, and -39.4% in U.S. History.
- The at-risk student graduation rate rose from 75% in 2019 to 82.2% in 2023. For the class of 2023, 90.1% of non-at-risk and 82.2% of at-risk students graduated within four years, reflecting overall gains for both groups since 2019.

Further distribution of this report is at your discretion. Should you have any additional questions, please contact Georgia Graham at 713-556-6700.



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CC: Kristen Hole  
Matthew Sawyer  
Rachel Rucker

Monica Zdrojewski



## STATE COMPENSATORY EDUCATION REPORT, 2023–2024

TED D. SERRANT, PH.D., TAMMI S MITCHELL, PH.D. & GEORGIA GRAHAM, PH.D.  
 Assessment, Accountability, and Compliance  
 Houston Independent School District

### Program Description

The State Compensatory Education (SCE) program is designed to reduce dropout rates and increase the academic performance of students identified as being at risk for dropout. SCE is a funding source for supplemental instructional services and offers academic support to students who meet the SCE at-risk criteria established by the state. Funds allocated under SCE law are to be used for programs and services that eliminate disparities in performance on assessment instruments administered under the Texas Education Code, Chapter 39, Subchapter B. Furthermore, programs designated for SCE funding should aim to reduce disparities in high school completion rates between students at risk of dropout and all other students. For SCE funds to be allocated to a campus, the campus must not only meet the state criteria for the percentage of students at-risk for school dropout, but the services provided to students must also be described in the district and/or campus improvement plan.

As mandated by law, SCE programs and/or services are designed to supplement the regular education programs that districts offer to students, and the funds must provide additional support for at-risk students. Supplemental costs include program and student evaluation costs; instructional materials, equipment, and other supplies required for quality instruction; supplemental staff expenses; salary for teachers of at-risk students; smaller class sizes; and individualized instruction (Section 29.081 of the Texas Education Code [TEC §29.081], Subchapter C: Compensatory Education Programs).

### Purpose of the Evaluation Report

The purpose of this report is to comply with the TEC §29.081 evaluation requirement of the SCE-funded programs in HISD. Specifically, the report (1) documents the effectiveness of accelerated instruction in reducing disparities in student outcomes on summative assessments and (2) presents disparities in high school completion rates between at-risk and non-at-risk students.

To accomplish these requirements, the report identifies the characteristics of HISD's student population, evaluates and documents the effectiveness of instructional programs in reducing any disparities in performance on the STAAR and STAAR EOC, as well as disparities in the rates of high school completion, between students at-risk for school dropout and all other district students. Differences in graduation rates between at-risk and non-at-risk students have been reported for the past five years, when data are available, allowing for progress in reducing the disparity in passing rates to be ascertained.

### State and District Criteria for Identification of At-Risk Students

The state lists 15 separate criteria for at-risk identification in TEC §29.081. Additionally, the HISD Board of Trustees identified one additional criterion for at-risk identification, as permitted by TEC §29.081(g). A complete list of criteria, both state and district, is provided in **Appendix A** (page 12).

## Methodology

### Data Collection

Student demographic information was taken from the HISD SIS Ad hoc Data Warehouse and downloaded using Cognos on January 17, 2025. Only ADA-eligible students (that is, students counted toward membership because they are served at least two hours per day) were included in this report's calculations. Data on students' performance on the 2023–2024 STAAR 3–8 and STAAR EOC assessments was extracted from HISD SIS Ad hoc Data Warehouse and downloaded using Cognos and student at-risk status indicators.

### Data Analysis

#### ***Analysis 1: Demographic Characteristics***

The Fall 2022 PEIMS snapshot captured student demographics, programs, classifications, and grade levels for ADA-eligible students. Descriptive statistics illustrate differences between at-risk and non-at-risk populations.

#### ***Analysis 2: STAAR Performance Grades 3–8***

Current STAAR 3–8 results from ETS-Cambium student data files, which may differ from previously reported results, were used to capture the outcome gap in at-risk and non-at-risk student populations. English and Spanish language results were combined, and the STAAR Alternate 2 tests were excluded from the calculation. Student outcomes were examined using the Meets Grade Level standard, as specified by local policy.

#### ***Analysis 3: STAAR EOC Performance***

STAAR EOC results from ETS-Cambium student data files, which may differ from previously reported results, were used to illustrate the performance gap between at-risk and non-at-risk student populations. Results are shown for all students tested in the spring 2024 administration, while only re-tester results are used for the summer 2024 and fall 2024 administrations, as most first-time testers take the spring assessment. Student outcomes are reported at the Meets Grade Level standard. STAAR Alternate 2 test results are excluded from the calculation.

#### ***Analysis 4: Graduation and Dropout Rates***

The high school completion rate is calculated based on a cohort of students identified as enrolled in ninth grade for the first time in the 2019–2020 academic year and tracked longitudinally over a four-year period. Students specified in Section 39.053 of the Texas Education Code (TEC §39.053, g-2 to g-4) are excluded from this cohort. At the end of the fourth year, each member of a cohort is given one of the following statuses: (i) graduated, (ii) received a Texas Certificate of High School Equivalency (TxCHSE), (iii) continued in a Texas public high school in the fall following the completion year of interest, or (iv) dropped out. This cohort count serves as the denominator for graduation and dropout rates.

The completion rate is a lagging indicator; data is only available to report one year after the completion of the previous academic year. Thus, completion information is available only for the classes of 2019, 2020, 2021, 2022, and 2023, but not for the class of 2024. Preliminary dropout data were provided in the Annual Dropout Summary Report from the TEA. The at-risk rates for middle and high school were calculated by dividing the number of students in grades 7–8 who dropped out during the school year by the total number of at-risk students in grades 7–8. The numerator and denominator used above were subtracted from all student counts, with the remainder representing the not-at-risk dropout numbers. These values were then calculated into the non-at-risk dropout rates using the same methodology above.

#### **Limitations in Evaluating SCE-Funded Programs and Services**

Due to capacity constraints, this evaluation did not include a detailed analysis of SCE spending or financial implementation at either the district or campus level. Additionally, District and Campus Improvement Plans were not reviewed to verify that services for at-risk students were appropriately documented, as required by state guidelines.

## Results

### Result 1: Demographic Characteristics

**Table 1. Districtwide Not At-Risk and At-Risk Student Distribution, 2023–2024**

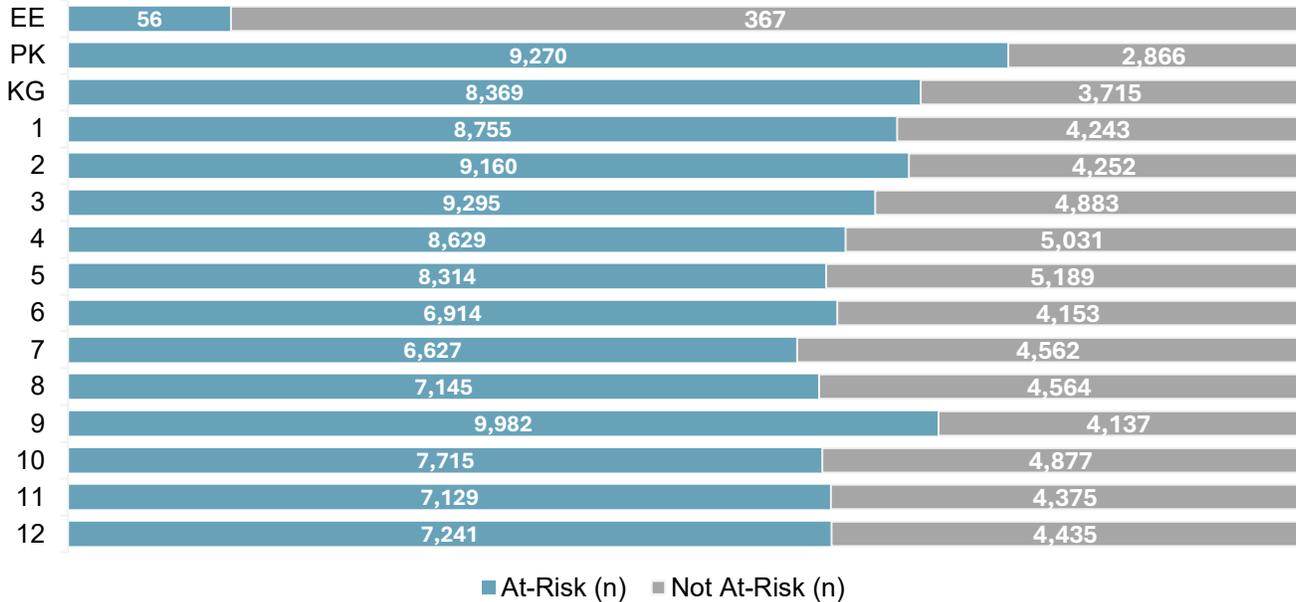
A breakdown of student at-risk indicators by demographics showed that Houston ISD had 176,250 students enrolled during the 2023–2024 school year, with 114,601 (65%) identified as at-risk. Economically disadvantaged, Hispanic, male, and student with disabilities populations each had higher percentages of at-risk students when compared to their non-at-risk peers within those student populations. 98 percent of EB students are identified as at-risk. According to TEC §29.052 100% of EB students should be coded as at-risk (Appendix A, p. 12).

Demographic Characteristic	Enrollment	Not At-Risk			At-Risk		
		Not at Risk (N)	% of Enrollment	% of Not At-Risk	At-Risk (N)	% of Enrollment	% of At-risk
Total	176,250	61,649	35.0	100	114,601	65.0	100
<b>Gender</b>							
Female	86,857	31,597	36.4	51.3	55,260	63.6	48.2
Male	89,393	30,052	33.6	48.7	59,341	66.4	51.8
<b>Ethnicity</b>							
White	17,805	11,641	65.4	18.9	6,164	34.6	5.4
African American	36,530	16,015	43.8	26.0	20,515	56.2	17.9
Hispanic	108,601	26,416	24.3	42.8	82,185	75.7	71.7
Asian/Pacific Islander	9,243	5,030	54.4	8.2	4,213	45.6	3.7
American Indian	279	125	44.8	0.2	154	55.2	0.1
Two or More	3,787	2,417	63.8	3.9	1,370	36.2	1.2
<b>Economically Disadvantaged Status</b>							
Not Economically Disadvantaged	41,481	27,100	65.3	44.0	14,381	34.7	12.5
Economically Disadvantaged	134,769	34,549	25.6	56.0	100,220	74.4	87.5
<b>Emergent Bilingual Status</b>							
Not Emergent Bilingual	107,719	60,277	56.0	97.8	47,442	44.0	41.4
Emergent Bilingual	68,531	1,372	2.0	2.2	67,159	98.0	58.6
<b>Students with Disabilities Status</b>							
Students without Disabilities	154,776	56,511	36.5	91.7	98,265	63.5	85.7
Students with Disabilities	21,474	5,138	23.9	8.3	16,336	76.1	14.3
<b>Gifted and Talented Status</b>							
Non-Gifted and Talented	148,888	42,017	28.2	68.2	106,871	71.8	93.3
Gifted and Talented	21,474	19,632	91.4	31.8	7,730	36.0	6.7

Source: SIS Ad hoc, Cognos 2023–2024, excluding ADA of 0; downloaded on 01/27/2025

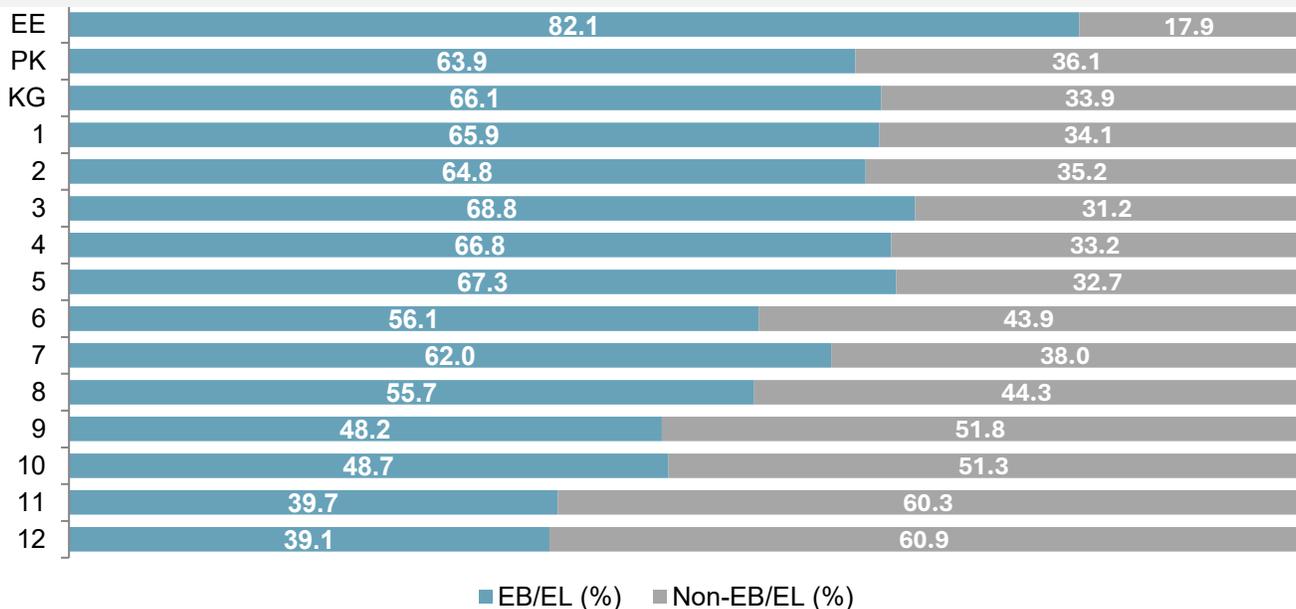
**Figure 1. Districtwide Not-At-Risk and At-Risk Student Counts by Grade, 2023– 2024**

At-risk identification by grade level. Excluding pre-kindergarten students (where criteria for being identified as at-risk overlap with free pre-kindergarten TEA eligibility criteria), at-risk populations represent between 59 percent and 76 percent of the student population across grade levels.



**Figure 2. Percentage of At-Risk Students Identified as EB/ EL by Grade, 2023–2024**

The subset of students identified as at-risk who are emergent bilingual (EB/EL) peaks in early education and pre-kindergarten and fluctuates through to fifth grade and then gradually decreases through to graduation as students exit EB status.



Source: SIS Ad hoc Cognos download, 2023–2024, downloaded on 01/27/2025

**Table 2. Students Reported At-Risk by At-Risk Indicator, 2023-2024** provides an overview of the reasons why students were identified as at-risk. In contrast, 58.6 percent of students flagged as at-risk were represented as emergent bilinguals in Table 1, and 57.9 percent specified emergent bilingual status in Table 2. This can be attributed to the two independent methodologies used to identify students as being at risk. The values in Table 1 represent the automated binary flagging system in PEIMS, while the values in Table 2 are self-disclosed indicators in PowerSchool, the district’s student information system. The most frequent reasons for at-risk identification were emergent bilingual status, unsatisfactory assessment performance, and unsatisfactory performance on readiness tests (57.9%, 37.4%, and 22.2%, respectively). About 60.6 percent of students labeled as at-risk were missing underlying reason indicators.

Description	N	% of At-Risk	% of All
Unsatisfactory assessment test	42,848	37.4	24.3
The underlying cause is not specified in Cognos	69,425	60.6	39.4
Lack of progress in the foundation curriculum	23,500	20.5	13.3
Student is of limited English proficiency (EB/EL)	66,367	57.9	37.7
Retained in one or more grades	20,560	17.9	11.7
Homeless	2,782	2.4	1.6
Unsatisfactory performance on the readiness test	25,440	22.2	14.4
Has been/is in an Alternative Education Program (AEP)	1,719	1.5	1.0
Previously reported as a dropout	508	0.4	0.3
Was/is in a residential placement facility	285	0.2	0.2
Pregnant or parenting	98	0.1	0.1
Was/is in custody of the Texas Department of Family and Protective Services (DFPS)	124	0.1	0.1
Is currently on parole, probation, or deferred prosecution	21	0.0	0.0
Student, parent, or guardian has been incarcerated	133	0.1	0.1

Source: SIS Ad hoc Cognos download, 2023–2024, downloaded on 01/27/2025, excluding ADA of 0, including At-Risk underlying reason.

Note: Students can be coded at-risk for multiple reasons; therefore, the total exceeds the number of At-risk students for 2023–2024.

### Supplemental Funded Services and Programs

Per district policy EHBC (LOCAL), SCE instruction “includes alternative programs and schools, student services, and extended day/extended year programs. A description of programs and services provided, and eligibility requirements are included in the District’s State Compensatory Education Programs and Services Guide, which shall be updated annually.”

- ✓ The services guide was distributed for the 2023– 2024 school year.

**Result 2: STAAR Performance Grades 3–8**

**Table 3. STAAR 3–8 Meets+ Rates and Performance Gaps, 2023–2024** presents the performance gaps between at-risk and non-at-risk students scoring at or above the Meets Grade Level standard on the STAAR 3–8 assessments. At-risk students scored below their non-at-risk peers across all STAAR 3–8 subjects and grade levels. Performance gaps ranged from 15.9 points in third-grade math to 45.6 points in seventh-grade reading.

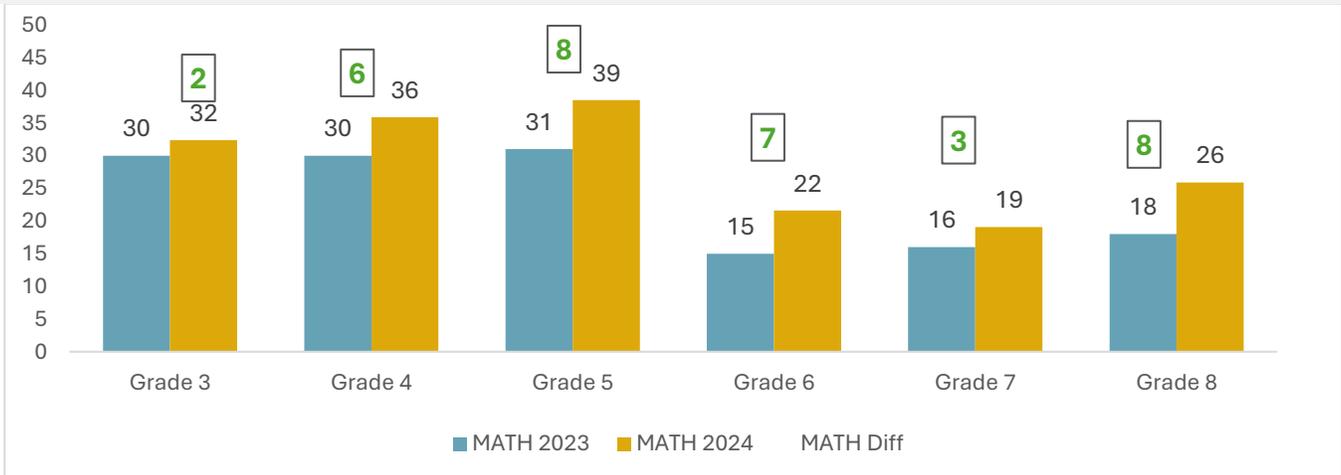
Subject	Grade	Not At-Risk		At-Risk		% pt. Difference between groups
		N	%	N	%	
Math	3	3,071	48.3	2,280	32.4	-15.9
	4	3,020	52.0	2,645	35.9	-16.1
	5	3,100	65.7	3,385	38.5	-27.2
	6	2,068	51.7	1,407	21.6	-30.1
	7	1,759	50.8	1,292	19.1	-31.7
	8	1,624	57.2	1,760	25.9	-31.3
	<b>Total</b>		<b>14,642</b>	<b>53.9</b>	<b>12,769</b>	<b>29.5</b>
Reading	3	3,386	53.2	2,055	29.2	-24.0
	4	3,493	60.1	2,515	34.1	-26.0
	5	3,469	73.7	3,331	37.9	-35.8
	6	2,989	73.3	2,274	34.6	-38.7
	7	3,088	76.7	2,176	31.1	-45.6
	8	3,308	79.0	2,547	33.7	-45.3
	<b>Total</b>		<b>19,733</b>	<b>67.7</b>	<b>14,898</b>	<b>33.6</b>
Science	5	1,856	39.4	1,154	13.1	-26.3
	8	2,542	62.9	1,606	21.3	-41.6
	<b>Total</b>		<b>4,398</b>	<b>50.2</b>	<b>2,760</b>	<b>16.9</b>
Social Studies	8	2,010	48.1	847	11.2	-36.9

Source: SIS Ad hoc Cognos download, Spring 2024, downloaded on 01/27/2025. English & Spanish combined. Excludes STAAR Alt 2.

Note: The data presented reflects the most recently updated files. Therefore, they may differ from previous reports.

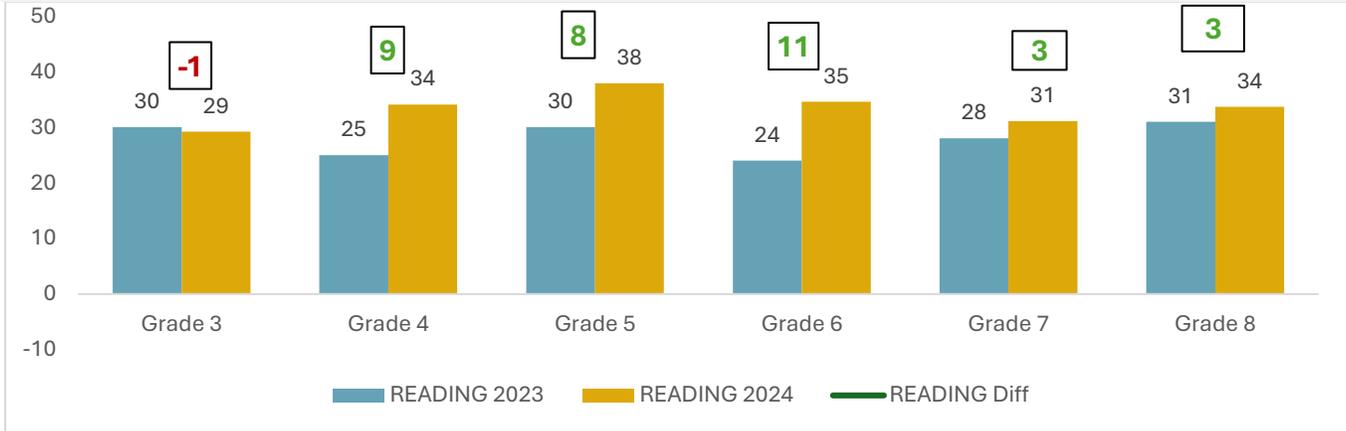
**Figure 3. STAAR 3–8 Math Meets+ Performance Rates for At-Risk Students, 2022–2024**

From 2023 to 2024, math performance improved across all grades for at-risk students, with the strongest gains in middle school. Grade 6 saw a 46.7% increase, followed by Grade 8 at 44.4%. Grades 4 and 5 also improved, with increases of 20.0% and 25.8%, respectively.



**Figure 4. STAAR 3–8 Reading Meets+ Performance Rates for At-Risk Students, 2022–2024**

The STAAR 3–8 reading data from 2023 to 2024 shows overall improvement, with Grades 4–6 making the biggest gains—Grade 6 increased by 11 points. Grades 7 and 8 saw smaller improvements, while Grade 3 was the only one to decline, dropping by 1 point. Notwithstanding, the general trend indicates positive progress in reading achievement.



Source: SIS Ad hoc Cognos download, Spring 2024, downloaded on 01/27/2025. English & Spanish combined. Excludes STAAR Alt 2. Note: The data presented reflects the most recently updated files. Therefore, they may differ from previous reports.

### Result 3: STAAR EOC Performance

The STAAR End-of-Course assessment is administered three times a year, and most first-time testers take the assessment in the spring. Summer and fall administrations are primarily used for retesting opportunities. **Table 4** examines the performance gaps between all at-risk and non-at-risk first-time testers and re-testers, as well as their combined scores at or above the "Meets Grade Level" standard on the spring administration. **Table 5** focuses on re-tester performance for the summer and fall administrations since these are among the targeted groups for compensatory education.

**Table 4. STAAR EOC All Testers Meets+ Rates and Performance Gaps, Spring 2024**

Double-digit performance gaps are seen for each subject in each administration. When looking at all students tested in spring 2024, the largest performance gap is for the English I and II EOC assessments, with the highest being for English II (-53.3%) and the lowest for U.S. History (-39.4%).

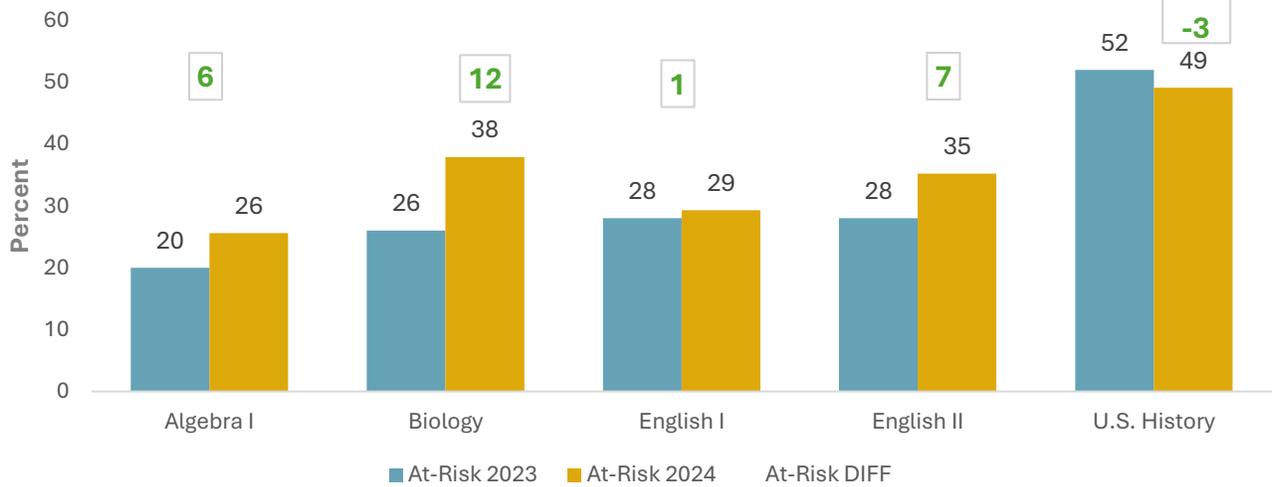
Table 4. STAAR EOC All Testers Meets+ Rates and Performance Gaps, Spring 2024					
Subject	Not At-Risk		At-Risk		% pt. Difference between groups
	N	%	N	%	
Algebra I	3,014	68.6	2,669	25.6	-43.0
Biology	3,357	83.2	2,779	37.9	-45.3
English I	3,721	81.2	3,425	29.3	-51.9
English II	3,545	88.5	4,057	35.2	-53.3
U.S. History	3,924	88.5	3,941	49.1	-39.4

Source: TEA-ETS-Cambium STAAR Student Data Files, First Administration. Includes first-time testers and re-testers.

Note: The data presented reflects the most recently updated files. Therefore, they may differ from previous reports.

**Figure 5. STAAR EOC Meets+ Performance Rates for At-Risk Students, 2022–2024**

Four out of five subjects saw an increase in the number of at-risk students performing at Meet and above in 2024 compared to 2023. Largest increase was in Biology (+12). English II (+7) and Algebra I (+6) also showed notable increases. U.S. History saw a small decrease (-3).



Source: TEA-ETS-Cambium STAAR Student Data Files, Third Administration. Includes first-time testers and re-testers.  
 Note: The data presented reflects the most recently updated files. Therefore, they may differ from previous reports.

**Table 5. STAAR EOC Re-testers Meets+ Rates and Performance Gaps, Summer and Fall 2024**

More re-testers during the summer and fall 2024 testing windows were at-risk students. Among all testers in these windows, the largest performance gap was in U.S. History (-20.0%). This contrasts with spring 2024 first-time testers, where U.S. History had the smallest gap, though still sizable (-39.4%). Overall, the percentage of students who attained Meets+ was relatively low in both the summer and fall windows.

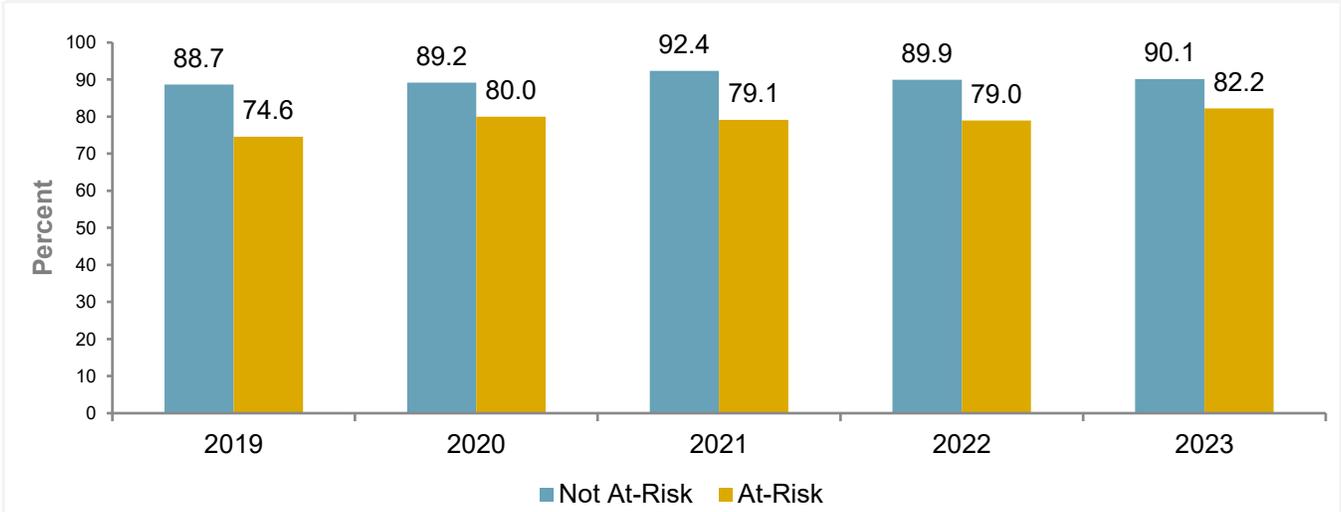
Subject	SUMMER 2024							FALL 2024						
	Not At-Risk			At-Risk			% pt. Diff Between Groups	Not At-Risk			At-Risk			% pt. Diff Between Groups
	Total Tested	Meets+		Total Tested	Meets+			Total Tested	Meets+		Total Tested	Meets+		
	N	%		N	%		N	%		N	%			
Algebra I	195	7	8	1,967	44	2	-6	91	7	8	2,638	217	8	0
Biology	68	12	18	674	31	5	-13	55	17	31	942	119	13	-18
English I	277	32	12	3,700	99	3	-9	125	23	18	4,813	321	7	-11
English II	117	14	12	2,694	95	3	-9	86	23	27	3,674	314	8	-19
U.S. History	24	7	29	486	46	9	-20	34	7	29	574	129	22	-7

Source: TEA-ETS-Cambium STAAR Student Data Files, Third Administration. Excludes first-time testers.  
 Note: The data presented reflects the most recently updated files. Therefore, they may differ from previous reports.

### Result 4: Graduation and Dropout Rates

**Figure 6. Graduation Rates for Not-At-Risk and At-Risk Students, Class of 2019–2023**

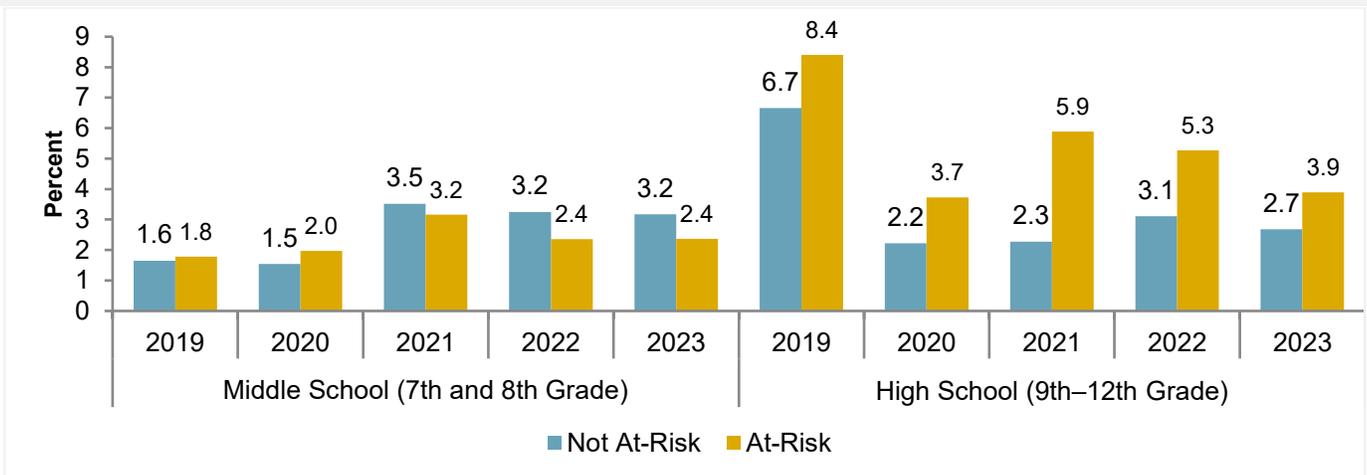
The completion rate has increased for not-at-risk students and at-risk students between the Class of 2019 and the Class of 2023. The completion gap between at-risk and not-at-risk students has declined from 14.1 percent for the Class of 2019 to 10.9 percent for the Class of 2023.



Source: Texas Education Agency (TEA) Four-Year Class of 2019–2023 Student Listing Data File.

**Figure 7. Annual Dropout Rates by Grade Level Enrolled, 2019–2023**

- The dropout rate for at-risk and not-at-risk seventh–and eighth-grade middle school students increased between 2019 and 2023 and remained flat between 2022 and 2023.
- Similarly, the dropout rate among high school students increased between 2019 and 2023 but declined between 2021 and 2023.
- A lower percentage of at-risk middle school students dropped out of school compared to their not-at-risk peers in 2021, 2022, and 2023, while the opposite is true for high school students for the same period and dating back to 2019.



Source: Texas Education Agency (TEA) 2019–2023 Annual Dropout Summary Reports.

Note: The gap is not drawn to scale for better visualization.

## References

Texas Education Agency. (2024). Module 6: State Compensatory Education Guidelines, Financial Treatment, and an Auditing and Reporting System. *Financial Accountability System Resource Guide Version 19*. Author. [Module 6 \(texas.gov\)](#)

Texas Education Code, Section 29.081. <https://statutes.capitol.texas.gov/Docs/ED/htm/ED.29.htm#29.081>

## Appendix A – Criteria for Identifying At-Risk Students

### State Criteria

TEC §29.081 defines a student at risk of dropping out of school as each student who is under 21 years of age and who:

1. Was not advanced from one grade level to the next for one or more school years, except if the student did not advance from prekindergarten or kindergarten to the next grade level only as a result of the request of the student's parent;
2. Is in grades 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;
3. Did not perform satisfactorily on an assessment instrument administered to the student under TEC Subchapter B, Chapter 39, and who has not in the previous or current school year subsequently 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;
4. Is in pre-kindergarten, kindergarten, or grades 1, 2, or 3 and did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year;
5. Is pregnant or is a parent;
6. Has been placed in an alternative education program under TEC §37.006 during the preceding or current school year;
7. Has been expelled under TEC §37.007 during the preceding or current school year.
8. Is currently on parole, probation, deferred prosecution, or other conditional release;
9. Was previously reported through the Public Education Information Management System (PEIMS) to have dropped out of school.
10. Is a student of emergent bilingual, as defined by TEC §29.052;
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;
12. Is 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;
14. 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 of the Texas Penal Code.
15. Is enrolled in a school district or open-enrollment charter school, or a campus of a school district or open-enrollment charter school designated as a dropout recovery school under Section 39.0548.

### Local Criteria

In addition to the 15 state criteria outlined in TEC §29.081 for identifying students who are at risk of dropping out of school, there is a provision that allows the board of trustees of a school district to adopt local eligibility criteria (TEC §29.081(g)). The following local criteria also identify students who are at risk for dropping out of school:

1. Students who are identified as dyslexic under general education.