



State Compensatory Education program receives increased allotment

Beginning with the 2019-2020 school year, school districts and open-enrollment charter schools will receive an increased allotment for the SCE Program. House Bill 3, the school finance bill passed during the most recent legislative session, changes the allotment from 0.20 per student to a range from 0.225-0.275 per student. With increased funding and spending requirements, the purpose of the SCE program is to increase academic achievement and reduce the drop-out rate for educationally disadvantaged students and at-risk students.

Key takeaways from the new policy include:

- The methodology for funding the program has changed from a single multiplier for each eligible student to a tiered multiplier focused on individual students. The weight is now based on coding each individual student designated as educationally disadvantaged by the census block group where that student's home or residence address is located.
- Census blocks identified as economically disadvantaged are further sorted into five tiers and assigned different funding weights for each tier. The five tiers of the index are 0.225, 0.2375, 0.25, 0.2625, and 0.275, from least to most severe economic disadvantage.
- Per TEA, the previous methodology resulted in close to \$1,000 per eligible student. The new spectrum will provide approximately \$1,400 per student on the low end and \$1,700 per student on the high end.
- TEA must review census block data and assigned weights by March 1 of each year.
- TEA is developing a tool for school districts to use to easily obtain a census block group based on the student's address, without revealing the student's personal address.
- Fifty-five percent of the compensatory education allotment must be used on supplemental services to prevent the disparity between students who are labelled at risk and not at risk and economically dis-

advantaged and non-economically disadvantaged. Childcare and life skills programs are now permissible uses of SCE funds.

- Initial Implementation begins with the 2019-2020 school year and uses the address of each campus to determine which weight to apply for each educationally disadvantaged student at that campus.

For the 2019-2020 school year, initial funding will be based on fall 2018 enrollment estimates. In the spring of 2020, payments will be based on actual student census block groups determined by fall 2019 PEIMS data.

In some cases, actual funding may be vastly different than the methodology used for estimates and reconciliation will be required after the fall data is obtained. Districts will need to budget accordingly.

FUTURE STEPS

The Commissioner will adopt rules regarding the use of funds in October 2019, with a focus on allowing funds to be spent on different student needs. An advisory committee will be formed in fall 2019 to advise the agency in adopting its rules.

The State Board of Education will adopt rules for annual reporting, including minimum standards. If a district does not comply, funds can be withheld starting in the 2021-2022 fiscal year until the district is compliant again.

As part of the Texas Education Agency's efforts to provide details on various aspects of HB 3, a deeper dive into how the bill is slated to change State Compensatory Education (SCE or Comp Ed) program has now been posted to the agency's website. The episode, "State Compensatory Education (SCE) Program", discusses how school districts will identify eligible students, the new census tier system for calculating funding, how the funding will be distributed, the permitted uses of the funds, and the creation of an advisory committee.