HB 3 in 30:
State Compensatory Education (SCE) Program

July 11, 2019

Agenda and Introductions

Agenda

- What is Compensatory Education?
- How did HB 3 change Compensatory Education?
- Identification of Student Information
- Census Tiers
- Flow of SCE Allotment Funding
- Use of SCE Funds
- Advisory Committee

What is Compensatory Education?

What is Compensatory Education?

State Compensatory Education (SCE or Comp Ed):

¾ The goal of the SCE program is to **provide additional resources**

How Compensatory Education Changed: Overview

The main components of the SCE program as a result of the passage of HB 3:

- Increases overall allotment:
  - From 0.20 to a range from 0.225–0.275
- Established a new allotment methodology:
  - The methodology accounts for severe economic disadvantage in a student's neighborhood based on the census block in which the student resides and the index category of the census block.
- Changes spending requirements:
  - Added childcare services and life skills programs to the allowable use of SCE funds
  - Requires 55% of the allotment be spent on the SCE program
  - Requires the commissioner to adopt rules on spending requirements, with a focus on streamlined reporting and in a way that does not reduce eligible uses
- Requires a Compensatory Education Advisory Committee

To the Administrator Addressed: House Bill 3 (HB 3) Implementation: State Compensatory Education Program (July 11, 2019)

In Statute:
This topic can be found in Section 48.104 of House Bill 3, starting on page 49

How did the Compensatory Education allotment change?

HB 3 changes the previous funding methodology:

Was: a single multiplier (0.20 x the basic allotment) for each student

Compensatory Education: Tiering

The Compensatory Education Allotment is based on a tiering methodology:

- Establishes economic disadvantage census blocks with five tiers and assigned funding weights to tier.
- Assigns a higher multiplier for educationally disadvantaged students than prior law
- Requires an annual review of the census block data and assigned weights by March 1
- TEA is developing a tool that will allow school districts and charter schools to easily obtain a cens group based on the student's address.
- Allows the use of an alternate calculation, when no census data is available.

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Compensatory Education Funding: Prior Law vs. Current Law

Prior to HB 3:

- Students eligible for the national free and reduced lunch program determined the funding
- Best six months of the prior federal fiscal year

Post HB 3:

- Student's determined to be **educationally disadvantaged**; and
- The **census block group determined**

Frequently Asked Questions

Question	**What is the difference between an economically disadvantaged student and an educationally disadvantaged student?**
Answer	Texas Education Code (TEC) §5.001(4) defines educationally disadvantaged as "eligible to participate in the national free or reduced-price lunch program." Therefore, when we use educationally disadvantaged student, we are saying the student qualifies for free or reduced-price lunch program. Which is the same for economically disadvantaged. The terms have an identical meaning.

Identification of Student Information

Steps for identification:

1. Student Level/Student Type/ 8 0 T1 2 /Tss0 -1.202 T.459 035 0 Td [( )-863.9 ( )]TJ 14.109.16002 Tc -06

Frequently Asked Questions

Frequently Asked Questions

Question	What address should I use for determining the census block group for a student with a P.O. Box?

Frequently Asked Questions

Question	What address should I use for determining the census block group for a student who is Homeless?

Frequently Asked Questions

Question	What address should I use for determining the census block group for a student when parents have j (a)-3 (ddr)8 (72piD8 (u(s)7)8 (7 ((a)dy(a)

Frequently Asked Questions

Question	**What address should I use for determining the census block group for a student residing in a residential facility?**
Answer	There are some funding and data collection issues with regard to residential facility students that require additional review by TEA. So expect more

Census Tiers

Census Block Group Tiers: How will census block groups be categorized/determined?

Below are the five categories used in determining census block groups:

1. Median household income by block group
2. The highest average educational level of the population (i.e., block group)
3. Percentage of single-parent households
4. Home ownership rate (i.e., calculated as owner occup (m)1.8 7en

Census Block Group Tiers: How will census block groups be categorized/determined?

How the categories of census block groups were used to determined Tier placement:

1. Each of the four categories were ranked and assigned a percentile score from 0 to 1.
2. The scores were added together and given an overall Socioeconomic score between 0 and 4.
3. After scoring all 15,286 block groups, they were ranked from lowest to highest.
4. Census blocks groups were placed into tiers starting with the lowest scores -0.7 (c)8.3 (o3T .)0.7 (p)5. (o3T .)0.entoiTiricHes thh (i)-1.47 (p)5

Results of preliminary analysis of census block data

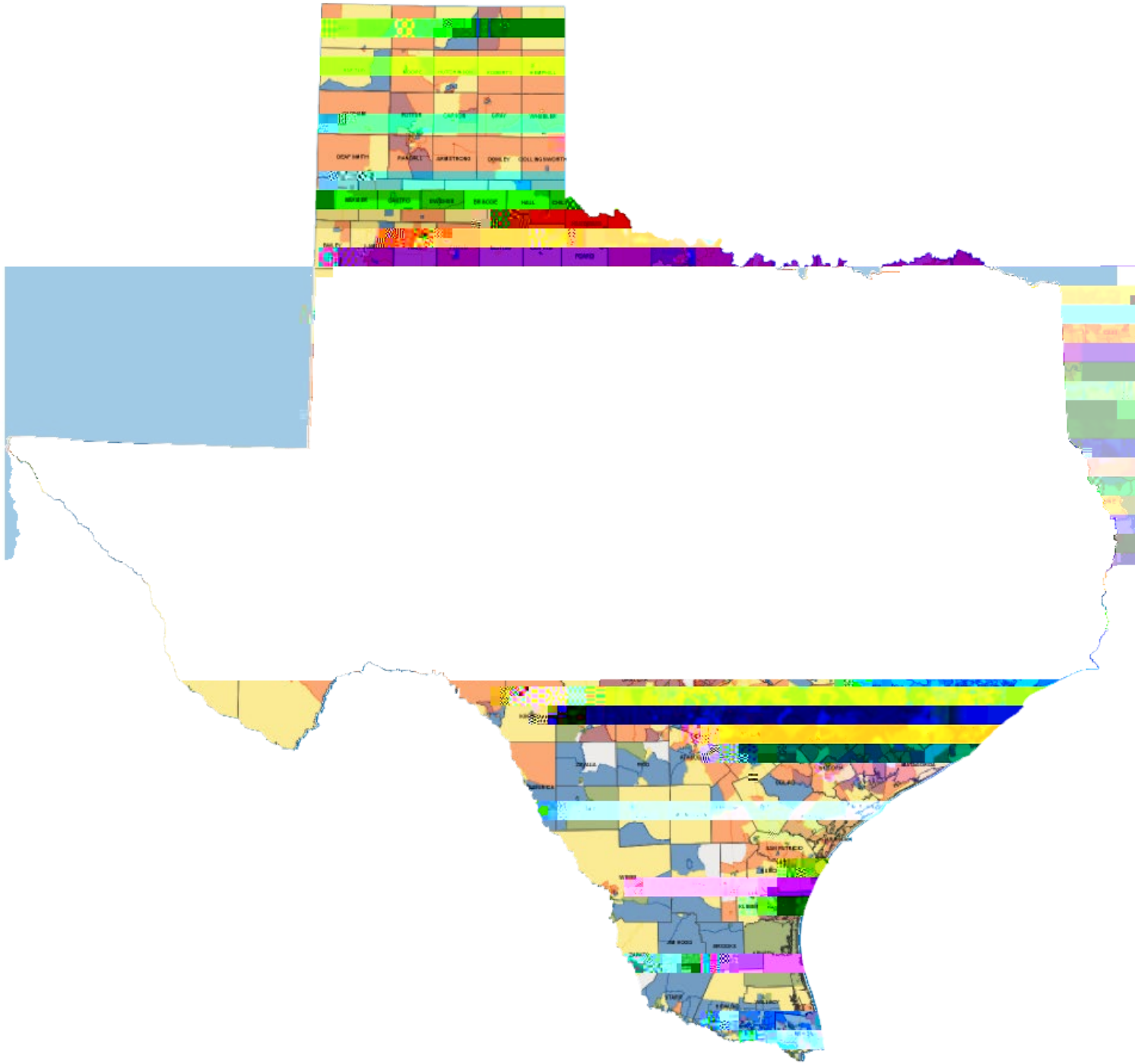
Table 3. Mean Indicators for Texas Census Block Groups by Calculated SES Tier (ACS 2016 5- yr Estimates) *

SES Tier	Median Household Income	% Home Ownership	% Single - Parent Households	Educational Score %	Total Socio-economic Score
	Categories for determining census blocks				
Tier 1	$114,358	89%	11%	70%	3.4
Tier 2	$68,724	75%	19%	60%	2.7
Tier 3	$52,944	64%	27%	54%	2.0
Tier 4	$40,507	54%	37%	48%	1.4
Tier 5	$28,705	37%	53%	42%	0.8

An excel document containing all the underlying data and tiering determinations based on this methodology from the 2016 ACS.

Campus Census Block Group https://tea.texas.gov/WorkArea/DownloadAsset.aspx?id=51539630883

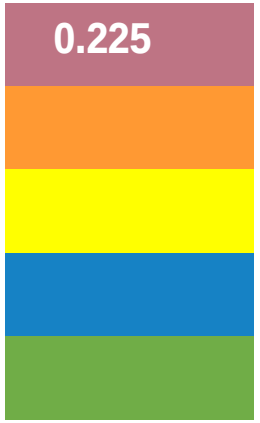
Census Tiers



Highest Socioeconomic

Lowest Socioeconomic

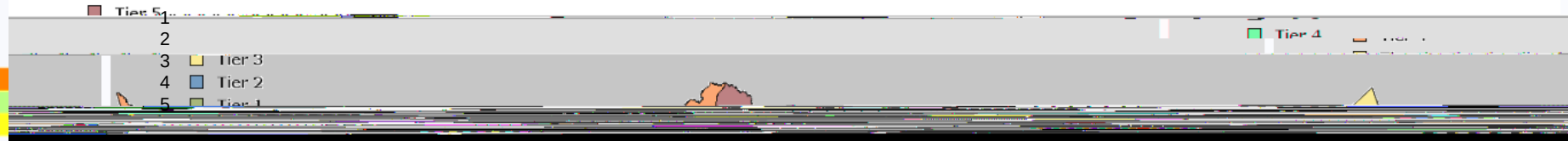
Tier 1



Census Tier Close-up View:

Harris County

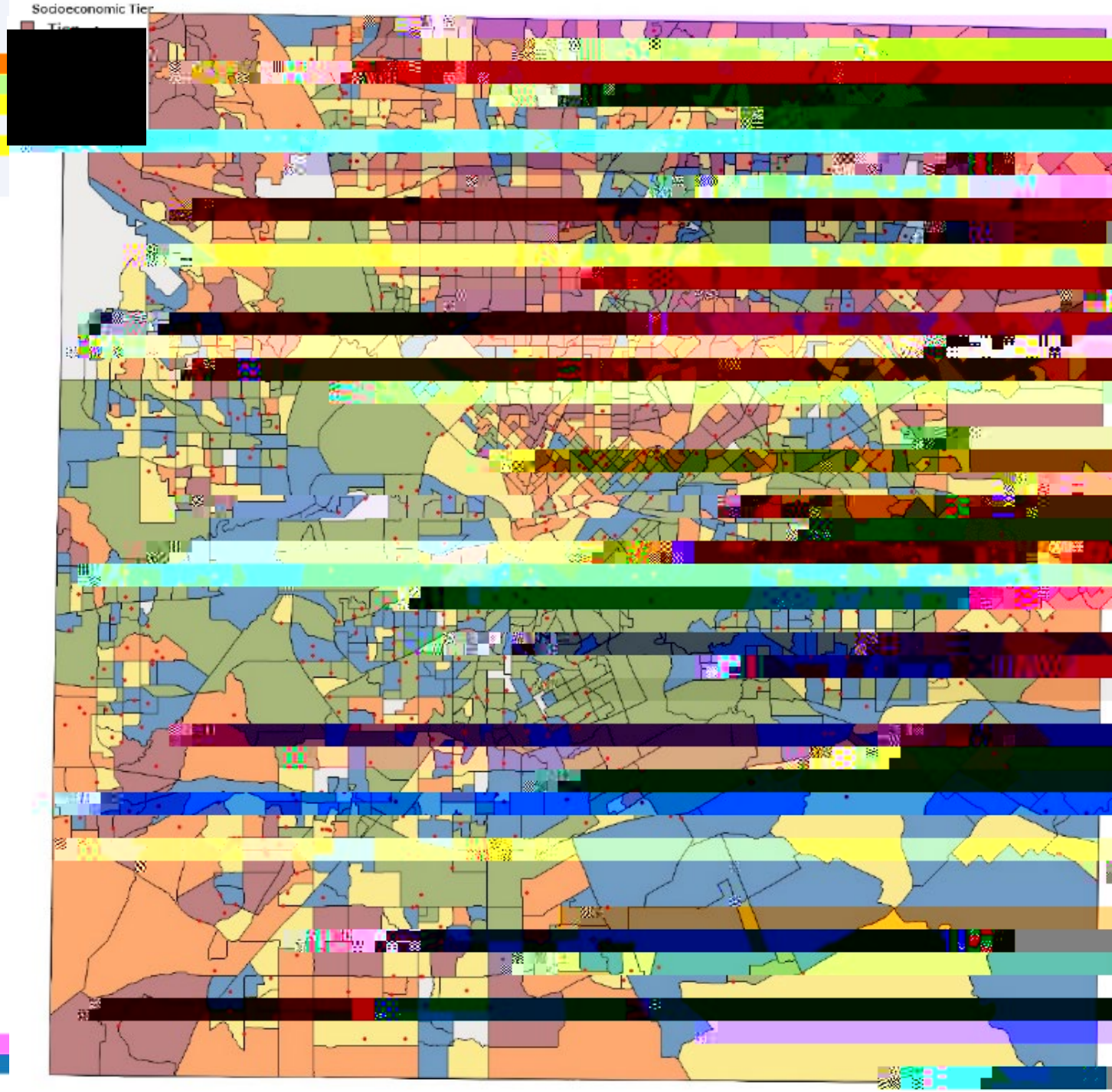
Each red dot is a campus



Census Tier Close-up View:

Dallas County

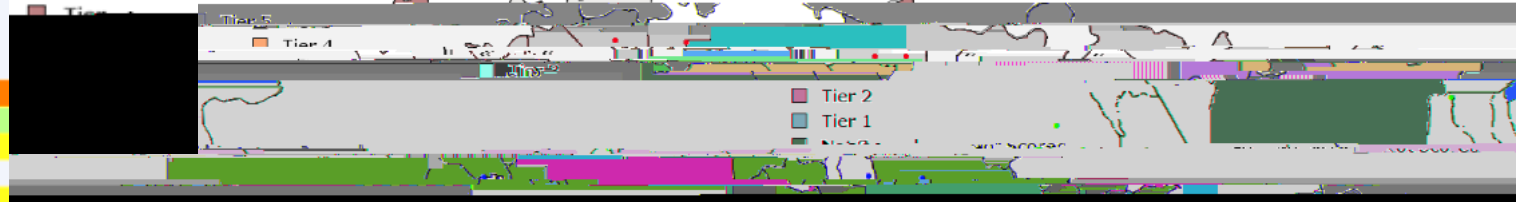
Each red dot is a campus



Census Tier Close-up View:

Bexar County

Each red dot is a campus



Census Tier Close-up View:

Hidalgo County

Each red dot is a campus

Census Tier Close-up View:

Gray County

Maps for census block groups

For an interactive map of the entire state with census data as tiered for the purposes of supporting legislative deliberations, visit:

http://tea4avcastro.tea.state.tx.us/research/

(be patient, that web resource was not designed for heavy use)

Frequently Asked Questions

Question	What if a block group doesn't have a tier assigned due to insufficient census information?
Answer	

SCE Allotment Funding for 2019-2020

SCE Funding for 2019-2020

The 2019-2020 School Year is the first year of the new HB 3 methodology, and student level census block group information is not yet known. As a result, this year will involve a transition process for the purposes of SCE Allotment Funding.

1. Starting with the new school year, district payments will be provided based on

submissions pending rule adoption

Methodology for Funding Estimates in 2019-2020

TEA will initially fund the SCE allotment for 2019-2020 based on the census block group of each campus and the fall 2018 student estimates.

- TEA used the **address of each campus** to determine a single campus census block group.
- TEA used the initial census block grouping determinations developed during the legislative process to assign each **campus a poverty tier**.
- Each campus poverty tier was applied to **every educationally disadvantaged student at those campuses**, using counts from the 2018 fall enrollment snapshot.

An excel document containing estimated SCE allotments by district can be found on the HB3 website.
SCE Allotment Data

Note: This funding methodology produces an estimate. But this is NOT the actual payment methodology stipulated by law. This methodology is used because student enrollment information by census block grou is not yet known. As a result, a reconciliation process will be required after that information is obtained.

Texas Education Agency

Frequently Asked Questions

Question	How do we handle Community Eligibility Provision students for Compensatory Education funding?

Use of SCE Funds

How SCE funds can be spent

State Compensatory Education funding can be spent on the following:

- Programs that meet the needs of **educationally disadvantaged students** - as permitted before and after the passage of HB 3
- Childcare services or assistance with **childcare expenses for students at risk of dropping out of school**, as described by the TEC §29.081(d)(5)
- Pay the costs associated with services provided through a **life skills program** in accordance with the TEC §29.085(b)(1) and (3)
- Continue to support a **program eligible under Title I of the Elementary and Secondary Education Act of 1965** and its subsequent amendments.
- Additionally rules will be adopted to permit a school district to use funds for programs and services that reflect the needs of the students at each campus

Frequently Asked Questions

Question	**Will TEA continue to allocate expenditures coded to Program Intent Code(PIC) 99?**
Answer	Yes. TEA will continue to allocated PIC 99 to the other programs through PEIMS after the mid-year submission. However, TEA recommends that districts and charters code as much as they can to the actual program and

Adoption of rules for use of funds

The Commissioner will adopt rules regarding the use of funds:

- Rule proposal expected in

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Compensatory Education Advisory Committee

Next Steps (TEA and District)

TEA Next Steps

- Develop a tool that allows districts and charters to upload students' addresses to obtain census block group information.
- Creation of an advisory committee in the **Fall 2019.**
- Rule proposal in **October 2019.**

District Next Steps

- Report to TEA the census block group for educationally disadvantage students **Fall 2019**.

House Bill 3: Resources

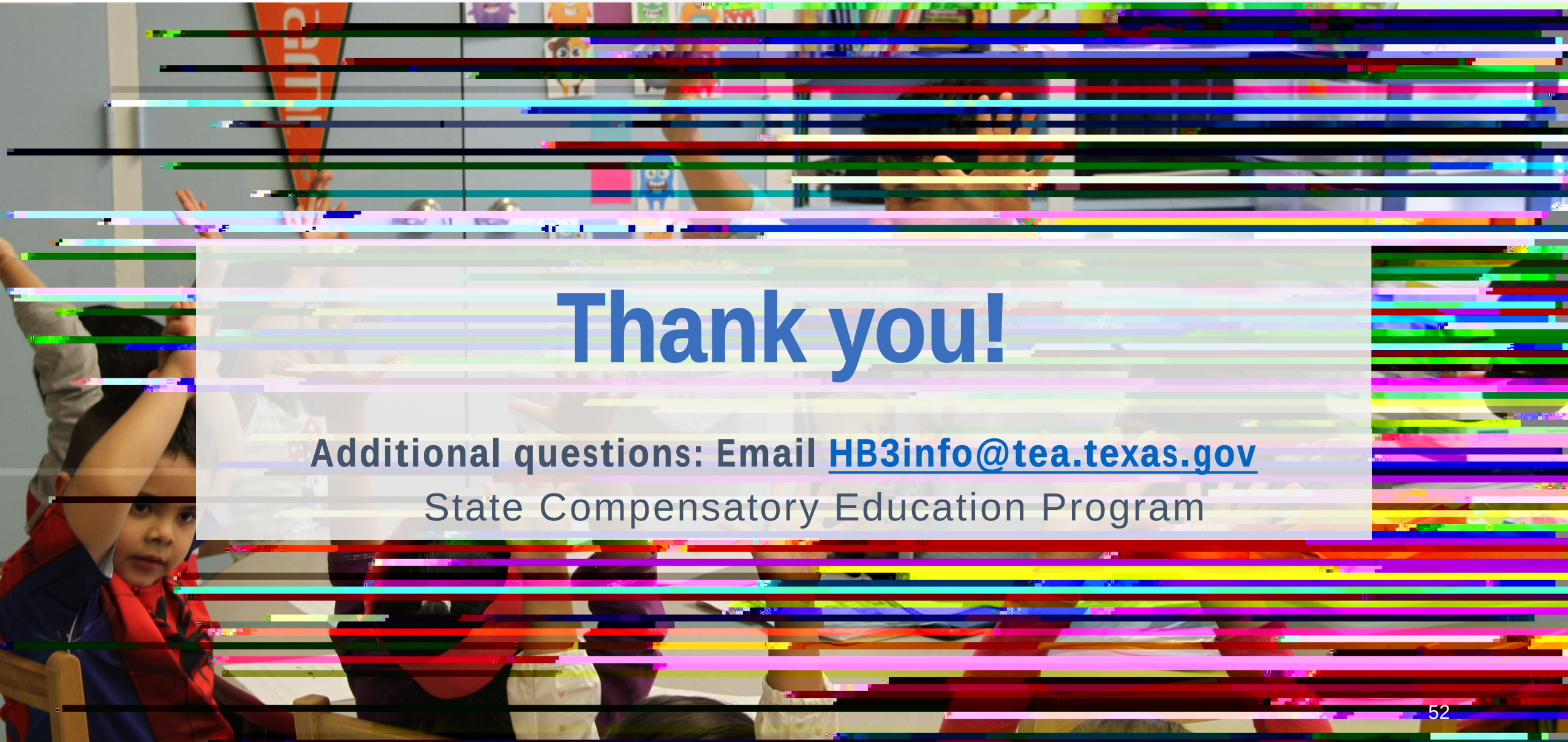
Stay tuned for the most up-to-date information from TEA on the implementation of House Bill 3

tea.texas.gov/HB3

Visit tea.texas.gov/HB3 for the most up-to-date information

HB3info@tea.texas.gov

Email HB3info@tea.texas.gov with any questions



Thank you!

Additional questions: Email HB3info@tea.texas.gov

State Compensatory Education Program