The State Compensatory Education (SCE) program provides funding for programs and/or services that supplement the regular education program for students identified as at risk of dropping out of school. The goal of SCE is to reduce any disparity in 1) performance on state assessments between at-risk students and not-at-risk students and 2) rates of high school completion between at-risk students and not-at-risk students. Texas Education Code (TEC) §29.081 defines the state criteria used to identify students as at risk of dropping out of school. Among the 13 criteria are students who are limited English proficient, students who failed a state assessment, or students who were retained.

Districts and campuses must design appropriate strategies to provide compensatory, intensive, or accelerated instructional programs for the purpose of improving the academic achievement of at-risk students. This report examined what programs were funded by SCE, the SCE budget and expenditures, and the academic performance of at-risk students.

### At-Risk Students

In 2010-11, a total of 104,327 students were identified as at risk (i.e., met one or more of the state criteria), representing 66.4 percent of the district’s total enrollment (157,162). Most at-risk students were Hispanic (75.8%). Slightly more at-risk students were male (52.5%). The percentage of at-risk students by grade level ranged from 55.7 percent at grade six to 82.4 percent at grade two.

### Use of SCE Funds

The primary records supporting expenditures attributed to the SCE program are the district and campus improvement plans, which are required by state law. SCE programs/services must be described in the Campus Improvement Plan (CIP) if implemented at the campus level or in the District Improvement Plan (DIP) if implemented districtwide. According to Texas Education Agency (TEA) SCE program requirements, the following are required components to be included in the D/CIP:

1. Total amount of SCE funds allocated,
2. Comprehensive needs assessment identifying needs of at-risk students,
3. Strategies to help at-risk students aligned with the needs assessment,
4. Dollar amount of each strategy funded by SCE,
5. How SCE funds used for strategies are supplemental to basis instructional program,
6. Full-time Equivalents (FTEs) associated with SCE strategies,
7. How FTEs are supplemental,
8. Measureable performance objectives for each identified need,
9. Timelines for monitoring strategies,
10. Formative evaluation of strategies, and

### District Improvement Plan

The 2010-11 DIP was reviewed for the presence or absence of each of above required components. Four of the 11 components were present to some extent in the DIP: 1) total amount of SCE funds, 2) needs assessment, 3) strategies to help at-risk students, and 4) measureable performance objectives. However, for component 1 (total SCE funds), the budgeted allotment was for 2006-07 to 2008-09 only. The SCE allotment for 2010-11 was not included. For component 2 (needs assessment), the performance data had not been updated for 2010-11. For component 3 (strategies), only one specific strategy, summer school, was listed. Lastly, performance objectives included TAKS passing rate targets for 2009-10, but these were not updated for 2010-11.

### Campus Improvement Plans

The district provides campuses with training in the development of CIPS. Prior to 2010-11 the district training did not include any focus on at-risk students and how SCE funds should be used to supplement their instruction. A review of the 2010-11 training documents revealed some reference to SCE-required components. That is, campuses were instructed to include at-risk students in their comprehensive needs assessment and to indicate which strategies/activities referenced in the needs assessment were funded by SCE. In addition, the training instructed campuses to include within the CIP the total amount of SCE funds allotted and a listing of FTEs funded by SCE. This SCE allotment information was provided by the budget department. Components missing from the training included the dollar amount for each strategy/activity funded by SCE and how the SCE funds were supplemental, an indication of how FTEs were supplemental, and timelines for monitoring strategies.

A total of 16 CIPs were reviewed (two from each of the eight 2010-11 learning communities), which included...
two alternative schools, three high schools, three middle schools, and eight elementary schools. Most of the CIPs addressed six of the 11 required SCE components: total amount of SCE funds allocated, needs assessment for at-risk students, strategies aligned with needs assessment, measureable performance objectives, formative evaluation measures, and summative evaluation measures. The five components that were absent from the CIPs (dollar amount of strategies, how SCE funds used were supplemental, FTEs for each strategy, how FTEs were supplemental, and timelines for monitoring strategies) were consistent with those components missing from the training.

The most frequent strategies/activities for at-risk students identified in CIPs were tutoring (during/after school, Saturday school) and Summer School. These strategies/activities are appropriate SCE expenditures. However, it appears that these activities account for only a small portion of the total SCE funds allocated to campuses, as indicated in the SCE budget and expenditures section below.

SCE Budget and Expenditures

The 2010-11 total district SCE allocation was $146,807,437. The total amount budgeted was $81,399,123 (55% of the total allocation), with actual expenditures totaling $81,504,012. SCE funds were expended under four program intent codes (PICs):

- **PIC 24: Accelerated Education**
  The costs incurred to provide services in addition to those allocated for basic services for instruction, thereby increasing the amount and quality of instructional time for students at risk of dropping out of school.

- **PIC 26: Nondisciplinary Alternative Education Programs (AEP) – AEP Basic Services**
  The costs incurred for services to students who are separated from the regular classroom to a nondisciplinary AEP.

- **PIC 28: Disciplinary Alternative Education Program (DAEP) – Basic Services**
  The costs incurred to provide the basic line program (non-supplemental) services to students who are separated from the regular classroom to a DAEP.

- **PIC 30: Title I, Part A Schoolwide Activities**
  All costs incurred to supplement federal awards for use on Title I, Part A schoolwide campuses with at least 40 percent economically disadvantaged students.

The majority of SCE funds were expended at the campus level under PIC 30 ($63,827,367 or 78.3%). According to the budget department, these funds were distributed to campuses using a Per Pupil Allocation based on the number of at-risk students at each campus. At the central level, the majority of funds ($3,623,884 or 85.4%) were expended under PIC 24 (Accelerated Education). Across campus and central levels, the majority of funds were used for payroll expenses ($79,872,599 or 98.0%).

For PIC 30 at the campus level, where the majority of funds were expended, most FTEs funded by SCE were core content teachers at elementary and secondary campuses (see Table 1).

<table>
<thead>
<tr>
<th></th>
<th>Funded</th>
<th>Filled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative Education Teacher</td>
<td>53.00</td>
<td>40.00</td>
</tr>
<tr>
<td>Reading Improvement Teacher</td>
<td>111.50</td>
<td>95.00</td>
</tr>
<tr>
<td>Elementary Counselor</td>
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<td>144.50</td>
</tr>
<tr>
<td>Pre-K Teacher Assistant</td>
<td>313.50</td>
<td>278.50</td>
</tr>
<tr>
<td>Core Content Teacher</td>
<td>572.50</td>
<td>513.99</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1210.50</td>
<td>1071.99</td>
</tr>
</tbody>
</table>

TAKS Passing Rates and Graduation/Completion

At-Risk Students’ TAKS Performance

Figures 1 and 2 present the results for 2010-11 TAKS Reading and Mathematics, respectively. Reading passing rates for at-risk students were highest at grades five (85%) and 11 (86%), and lowest at grades six (64%) and seven (64%). Not-at-risk students outscored at-risk students at all grade levels. The largest gap between at-risk and not-at-risk students was at grade seven, with a difference of 31 percentage points followed by grade six with a difference of 28 percentage points.

![Figure 1. TAKS Reading Passing Rates by At-Risk Status](image-url)

Mathematics passing rates for at-risk students were highest at grades four (79%) and five (85%) and lowest at grades nine (42%) and 10 (49%). The largest gap between at-risk and not-at-risk students was at
grade 10, with a 41 percentage point difference, followed by grade nine with a 39 percentage point difference.

The DIP identified one strategy, Summer School, to improve the academic performance of at-risk students. Tutoring was another strategy identified in CIPs reviewed. The inclusion of this strategy component in CIP training documents may have helped to improve this aspect of the CIPs, which had been absent in previous years.

However, a key component that was missing from the D/CIP was how at-risk strategies were linked to the use of SCE funds. SCE was almost never listed as a resource for the at-risk strategy identified. The only SCE budget information provided in the D/CIP was a table showing the total amount of SCE funds allocated to the campus.

As indicated by the budget allocations and expenditures, the majority of SCE expenditures at the campus level funded core content teachers. According to SCE program policy, SCE funds can be used to hire core content teachers but only after the generally required ratio of teachers to students has been met using non-SCE funds. In this way, SCE funds could be used to reduce class size. Unfortunately, CIPs did not indicate whether and how SCE funds were used for this class size reduction purpose.

As recommended in previous years, the district should prioritize development of a plan for the specific use of SCE funds to meet at-risk student academic needs. The district should develop procedures for selecting programs to receive funding on an annual basis.

It is also recommended that the district designate a program coordinator who can:

- Be familiar with the SCE program requirements and the TEA Financial Accountability System Resource Guide.
- Ensure that the intent, purpose, and requirements of the SCE program are met, including compliance with requirements that budget allocations and expenditures are supplemental and can be traced back to SCE.
- Assist campuses and central office program managers in designing appropriate interventions to meet at-risk student needs.
- Monitor implementation of at-risk programs and services.
- Attend the Association of Compensatory Educators of Texas (ACET) conference where current information and requirement updates for SCE are presented.

In addition, once SCE programs are consistently identified by campuses, a tracking system for student participation in SCE programs and services should be designed and implemented. Documenting participation will allow an examination of the impact of these programs on the academic performance and high school completion of at-risk students.

For more information, see EA11-301-2, available at http://www.dallasisd.org/Page/15252.