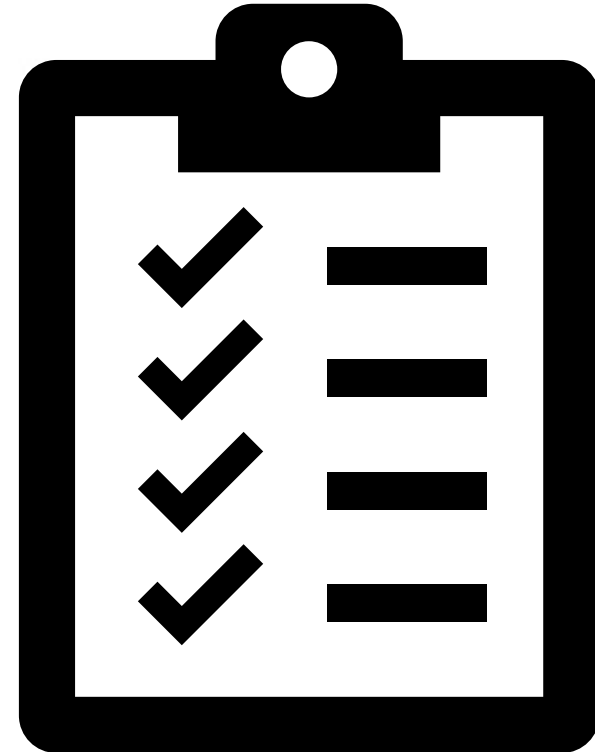


An aerial photograph of a city skyline at sunset. The sky is a mix of blue and orange, with scattered clouds. The city features several tall buildings, including a prominent skyscraper with a glass facade. In the foreground, there are green trees, a body of water, and a parking lot with some buildings.

TEA Update on the **S**tate **A**llotment **M**onitoring **P**rogram

Presented by:
TEA Division of Financial Compliance

- **State Allotment Monitoring Program (SAMP) Overview**
- **J-4 Schedule**
- **Allotment Programs - Use of Funds FAQs**
- **SAMP Compliance FAQs**



Supplemental State Allotment Programs

55% spending requirement:

- Career & Technology Education
- Special Education
- Compensatory Education
- Bilingual Education Allotment
- College, Career, and Military Readiness Outcome Bonus

100% spending requirement:

- Dyslexia Allotment
- Early Education Allotment
- Gifted and Talented

State Allotment Monitoring Program

SAMP Compliance Review Flowchart



For SAMP compliance, the TEA looks at a rolling 3-year average to see if schools meet the required spending percentage for each program. The TEA identifies local education agencies (LEAs) with underutilized supplemental state allotment program funds.



The TEA notifies LEAs via emailed letter that they have underutilized funds and should come into compliance with mandated supplemental state allotment expenditure spending requirements.



Based on the level of underutilization, the TEA may ask the LEA to make up the difference in the following year, require corrective action plans, and/or conduct further monitoring review activities to seek LEA statutory compliance.

TEA uses **allocated** amounts for compliance purposes.

In addition, the State has provided additional flexibility:

In the SAMP compliance calculation, fund 199 will be combined with ESSER fund codes 266, 281, 282, and 283 for testing compliance with state allotment spending.

Please see TEA's To the Administrator Addressed correspondence (August 11, 2022) about **ESSER Planning**:
<https://tea.texas.gov/about-tea/news-and-multimedia/correspondence/taa-letters/esser-planning>

Results of SAMP Analysis for FY 2019, FY 2020, and FY 2021

LEAs that spent **50% or less** of their state allotment:

- State Compensatory Education – 65
- Bilingual/ESL Allotment – 110
- Career and Technical Education Allotment– 32
- College, Career, and Military Readiness – 243

LEAs that spent **75% or less** of their state allotment:

- Early Education Allotment – 155
- Dyslexia (2yr analysis) – 156

State Allotment Variance Report

Program Intent Code (PIC)	PIC 21	PIC 22	PIC 23, 33	PIC 24, 26, 28, 29, 30, 34	PIC 25, 35	PIC 36	PIC 37, 43	PIC 38
Supplemental State Allotment Area	Gifted and Talented	Career and Technology Education	Special Education	Compensatory Education	Bilingual Education	Early Education	Dyslexia	College, Career and Military Readiness
Required Level of Spending	100%	55%	55%	55%	55%	100%	100%	55%
In compliance True or False?	TRUE	TRUE	TRUE	TRUE	TRUE	FALSE	TRUE	TRUE
Summary of Finance 3 year average	\$ 29,766	\$ 2,031,634	\$ 2,381,663	\$ 2,905,666	\$ 347,896	\$ 449,494	\$ 131,824	\$ 38,000
Actual Expenditure 3 year average	\$ 76,120	\$ 1,390,069	\$ 2,360,635	\$ 2,096,014	\$ 398,667	\$ 227,538	\$ 147,920	\$ 310,727
Percent of funds expended 3 year average	256%	68%	99%	72%	115%	51%	112%	818%
Amount of expenditure needed to be in compliance	-	-	-	-	-	(221,956.50)	-	-
Fiscal Year (FY) 19								
Summary of Finance	\$ 89,297	\$ 1,864,212	\$ 1,919,630	\$ 2,518,196	\$ 276,027	\$ -	\$ -	\$ -
TSDS/PEIMS Report	\$ 74,394	\$ 1,328,451	\$ 2,299,935	\$ 2,070,832	\$ 393,039			
Actual percent of funds expended	83%	71%	120%	82%	142%	#DIV/0!	#DIV/0!	#DIV/0!
Fiscal Year (FY) 20								
Summary of Finance	\$ -	\$ 2,522,518	\$ 2,664,068	\$ 3,098,156	\$ 416,282	\$ 445,162	\$ 117,656	\$ 29,000
TSDS/PEIMS Report	\$ 77,846	\$ 1,641,755	\$ 2,431,971	\$ 2,117,210	\$ 427,962	\$ 155,075	\$ 145,839	\$ 321,453
Actual percent of funds expended	#DIV/0!	65%	91%	68%	103%	35%	124%	1108%
Fiscal Year (FY) 21								
Summary of Finance	\$ -	\$ 1,708,173	\$ 2,561,292	\$ 3,100,645	\$ 351,378	\$ 453,826	\$ 145,992	\$ 47,000
TSDS/PEIMS Report		\$ 1,200,000	\$ 2,350,000	\$ 2,100,000	\$ 375,000	\$ 300,000	\$ 150,000	\$ 300,000
Actual percent of funds expended	#DIV/0!	70%	92%	68%	107%	66%	103%	638%

TASBO also has a similar state allotment spending compliance tool available on their website:

<https://www.tasbo.org/tools-services/state-allotment-spending-compliance-tool>

J-4 Schedule

J-4 Schedule

Reminder: The J-4 Schedule is **required** for Charter Schools and ISDs for the FY 2022 Annual Financial Report submission.

- ❖ Only include **unallocated** amounts coded to 199 or 420 on the J-4 schedule.
- ❖ Summary of Finance (SOF) Near-Final Run ID #37791 will be used for determining compliance with state program spending requirements.
- ❖ Currently, to provide additional flexibility in meeting the **state program allotment spending requirements**, TEA's internal calculations will include ESSER funds 266, 281, 282 and 283. However, **schools should not include these amounts in their J-4 submissions.**

J-4 Schedule Example

Exhibit J-4

**Anywhere Independent School District
Use of Funds Report - Select State Allotment Programs
For the Year Ended June 30, 20XX or August 31, 20XX**

Data Codes		Responses
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes / No
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes / No
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ _____
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30,34)	\$ _____
<u>Section B: Bilingual Education Allotment Programs</u>		
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes / No
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes / No
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ _____
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25 and 35)	\$ _____

J-4 Schedule - FAQ

FAQ:

How is TEA wanting auditors to comment on J-4's that do not meet the annual spending compliance amount because the auditors are not allowed to include ESSER funds in their PIC allowances.

Is this a failing?

Is this a finding?

Answer:

Not meeting the state compliance requirements without combining ESSER funding would not be a failure on the J-4 schedule.

The J-4 schedule only includes the state allotment amounts and expenditures that are coded to the SCE and BEA program intent codes in the general fund.

(see next slide for further explanation)

Answer (cont.):

If an LEA does not meet the minimum spend requirements when combining the general fund and ESSER funds, the auditor would determine where to identify the issue; it could be in the written communications to the board or identified as a finding in the AFR.

If the LEA does not meet the spending requirements using only the general fund *but meets it with ESSER funds*, then there is not an expectation that this would be documented as a finding or in the communication to the board.

In these situations, TEA will defer to the auditor's professional judgment.

Allotment Programs' Use of Funds FAQs

BEA FAQ #1: Are teachers' salaries an allowable expense under the Bilingual Education Allotment – PIC 25?

Answer:

No, teacher salaries are not allowable from bilingual education allotment funds and cannot be coded to program intent code (PIC) 25 (Bilingual Education and Special Language Programs). The basic salary for bilingual/ESL instructors should be coded to PIC 11.

*****ESL teacher aides & paraprofessional salaries are allowable.**

BEA FAQ #2: What if you have a teacher who is solely serving bilingual students (maybe a section or two a day for pull outs), could that portion of her salary where she is providing “supplemental” services be coded to PIC 25? Or is it still restricted to only stipends for teachers?

Answer:

Stipends and supplemental pay for teachers may be coded to PIC 25.

Bilingual Education Allotment

BEA – allowable/unallowable uses:

<https://tea.texas.gov/sites/default/files/EL%20Use%20of%20Funds%20Side-by-side%20document%20updated%20Jan%202020.pdf>

BEA webpage:

<https://tea.texas.gov/academics/special-student-populations/english-learner-support/bilingual-and-english-as-a-second-language-education-programs>

Side-by-Side Guidance Document:
Allowable vs. Unallowable Use of
Funds To Support English
Learners



Topics Covered:

1. [Bilingual Education Allotment \(BEA\) Funds](#)
2. [Title III, Part A Funds](#)
3. [Supplement, Not Supplant](#)
4. [Side-by-Side Guidance](#)

EEA FAQ: Can we use early education allotment funds to purchase classroom supplies, desks, chairs, books, etc. for **K-3rd** grade classes?

Answer:

No, those classroom items would not be considered allowable expenditures for Early Ed Allotment funds in **K-3rd** grade classes. The purpose of the early education allotment is to help students pass the math and reading 3rd grade STAAR exams.

*** TEA allowed early education allotment funds to be used on these items for **pre-k classrooms**.



Early Education Allotment

Early Childhood Education FAQs webpage:

<https://tea.texas.gov/academics/early-childhood-education/early-childhood-education-faqs>

CTE FAQ #1: We are in the process of adding a CTE program. We will need to purchase or lease a portable building for these CTE classes. Can we use CTE designated funds to do this?

Answer:

CTE allotment funds can be used to make these purchases, but the classroom/portable building has to be dedicated to CTE only. Making modifications to the classroom to be used specifically for CTE makes this more justifiable. If other departments in the school use it, then the school must use other funds to pay that portion of the costs.

CTE FAQ #2: We want to build an Ag Barn using CTE funds. These costs are usually coded to function 81, which is considered an indirect cost and typically not included in the CTE calculations. Would these costs be an allowable use of CTE funds?

Answer:

As long as the school is using the building as CTE, renovating existing buildings would be considered allowable. When looking at the PEIMS allocation, it's true function 81 is not included in PIC "direct" category. In instances such as this, the school would have to track it separately.

If asked by TEA or the school's external auditor about spending compliance, the school would have to show that this classroom was built with CTE funds.

CTE FAQ #3: If a school purchases a vehicle utilizing 100% CTE funds, what are the rules surrounding the utilization of that vehicle and documentation of that usage? What if the school purchases items with CTE funds, but then the usage is primarily outside of CTE?

Answer:

If an LEA purchases an item with CTE funds and records it with a PIC 22, then the LEA must not use it for other purposes. If the LEA uses the item for more than just a *trivial* use, then they must split fund the item based on a systematic method, i.e., time of use or they may reimburse the CTE program for usage of the item.

***Students participating in the program generated the funding, so the funding must be used to provide a career tech education to those students.

Career and Technical Education webpage:

<https://tea.texas.gov/academics/college-career-and-military-prep/career-and-technical-education>

DA FAQ: Is there is a required percentage that must be spent in relation to dyslexia?

Answer:

There is a 100% spending requirement for the Dyslexia allotment. State dyslexia allotment funds should be spent on expenditures that are coded to PIC 37 (Dyslexia – Regular Education) and/or PIC 43 (Dyslexia – Special Education).

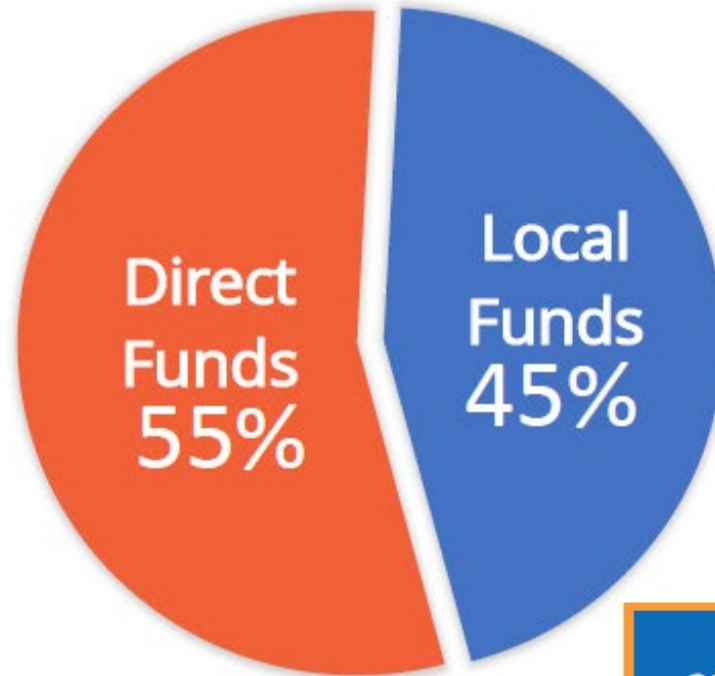
The costs that are coded to PIC 43 will be included in the calculation for IDEA-B maintenance of effort, but costs that are coded to PIC 37 will not be included. Additionally, [TEC, §48.103](#) states that no more than 20% of the state dyslexia allotment should be spent on a contract with a private provider for dyslexia services.

Dyslexia webpage:

<https://tea.texas.gov/academics/special-student-populations/dyslexia-and-related-disorders>

SCE Allotment – Required use of 55%

55% of the SCE Allotment ... must be (spent) used on allowable costs to provide support programs and services that are supplemental to the regular education program, essential to closing the education gap between the intended beneficiaries and other students.



This portion of the allocation may fund administration, additional personnel, supervisors, deans, office personnel, general classroom equipment and materials, general travel expenses, stipends, screening services, general supplies, and all other costs that are not directly accountable to the SCE program, i.e., not providing direct allowable services to SCE eligible students.

These expenditures are not recorded in financial accounting records under PICs 24, 26, 28, 29, and 30.

SCE funds are *Supplemental*

Supplemental – means to *add to*

Supplanting – means to *replace*



SUPPLEMENTING TEST

- Is the position, service, or activity required by district, state and/or local policy?
- Would the position, service, or activity still take place without SCE funds?

If the answer to either of these questions is **YES**, then there is a risk of **supplanting** – therefore, the use of SCE funds is not advisable.

SCE – Life Skills Program Services

SCE funds may be used for the costs associated with services provided through a life skills program (program for teen parents). What are the specific services?

- individual counseling, peer counseling, and self-help programs;
- daycare for the students' children on the campus or at a day-care facility in close proximity to the campus;
- transportation for children of students 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

Local Funds

- Custodial supplies
- Basic daycare supplies
 - Diapers, wipes, food
 - Clothing
- Administrative costs, personnel
- Equipment, furniture

These expenditures are not recorded in financial accounting records under PICs 24, 26, 28, 29, and 30.



Note: This SCE-funded program is **only for student parents** and **must be separate** from the daycare arrangement for the LEA's staff and community members.

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



HB 1525:

Authorizes
Additional Uses
of 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.

All duties and responsibilities are

- noted in job description;
- supplemental; and
- reflected in the CNA and D/CIPs

Measurable outcomes are tied to this specific position's job duties and responsibilities should be reflected in performance evaluation.



The job description requires sufficient information to describe major responsibilities and essential functions in which decreasing the drop-out rate is the primary duty of this position.

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



HB 1525:

Authorizes
Additional Uses
of SCE Funds

Yes, if employed to raise success in the state assessment at a campus in which educationally disadvantaged students are enrolled. The primary goal is twofold: improved instructional practice and improved student achievement.

Position:

- supports the teachers by providing evidence-based practices through trainings and modeling, and
- is evaluated in meeting the established educational goals.

All duties and responsibilities are:

- noted in job description;
- supplemental; and
- reflected in the CNA and D/CIPs



Note: This position is not a supervisory position and does not include administrative duties such as the required annual evaluation of colleagues.

SCE – Programs that Build Skills

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?




HB 1525:

Authorizes
Additional Uses
of SCE Funds

Yes, SCE funds may be used to pay expenses related to programs that **build skills related to managing emotions, establishing, and maintaining positive relationships, and making responsible decisions.**

Conduct a needs assessment to assist in the selection of a **proven, evidence-based, student-oriented program**, 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).



State Compensatory Education Contact

State Compensatory Education Coordinator:

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Additional SCE questions:

- Email
StateCompensatoryEducation@tea.texas.gov
- State Compensatory Education Webpage
<https://tea.texas.gov/finance-and-grants/financial-compliance/state-compensatory-education>
SCE FAQ is located on this webpage

SAMP Compliance FAQs

FAQ #1: Does TEA use allocated or unallocated data in its compliance calculation?

Answer:

TEA uses **allocated** amounts for compliance purposes.

In addition, TEA is also combining certain ESSER funds with fund 199 to test for compliance. The ESSER funds are 266, 281, 282, and 283.

FAQ #2: I heard that TEA uses a 3-year running average to calculate compliance - is that still true?

Answer:

Yes, TEA uses a rolling 3-year average in its compliance calculation.

More information about compliance testing can be found in the FASRG Module 4 and in Module 1 - FAR Appendices.

FAQ #3: Does TEA compare its calculation to the lesser of the LPE or DPE allotment in case underpaid in any given year?

Answer:

No. TEA compares the actual expenditures to the Near Final SOF.

From a budgeting perspective, a district can budget to meet the minimum spending requirements using unallocated amounts; therefore, when TEA uses allocated amounts the district would meet the spending requirements.

FAQ #4: Does TEA use the mid-year PEIMS data when calculating compliance?

Answer:

Yes, TEA uses mid-year PEIMS (actual amounts).

FAQ #5: If the NF SOF used for PIC compliance shows the district is noncompliant but the Final SOF this coming April would yield compliant results, does TEA change their calculation to the Final SOF?

Answer:

No, the calculation will not change. TEA is using specific SOF runs because of the adjustments the state has made during Covid. The last two SOF runs specified below are based on the actual attendance of the LEAs before the state made adjustments to attendance or operational minutes.

These are the specific NF SOF run IDs that need to be used.

2019-2020 [Run ID 29015](#)

2020-2021 [Run ID 33209](#)

2021-2022 [Run ID 37791](#)

FAQ #6:

During the annual financial audit, why must external auditors look at one year data to see if schools are meeting their state allotment programs' spending requirements, but TEA looks at three years?

Answer:

These programs are structured on an annual basis, and the FSP allotments are paid annually. The focus of the annual financial audit should be on data for that one-year time period.

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