

Date: May 16, 2014

Subject: Compensatory Education Allotment Alternative Funding

TO THE ADMINISTRATOR ADDRESSED:

This letter is to inform you that your school district or open-enrollment charter school may qualify to be able to use an alternative state compensatory education allotment funding count. The Texas Education Code, §42.152(b), and commissioner's rules allow school districts and open-enrollment charter schools that do not participate in the National School Lunch Program (NSLP) or School Breakfast Program (SBP) to provide an alternative funding count. This letter is being sent to ensure that you are aware of the alternative funding count or because of your status as an open-enrollment charter school. All open-enrollment charter schools are sent this letter to make the schools aware of the existence of the alternative funding count (Since the Texas Unified Nutrition Programs System (TX-UNPS) data from the prior federal fiscal year are not available to the Office of School Finance until January of the current school year, we are not aware of a charter school's suspension of participation in the NSLP or SBP until then. If a school district or charter school suspends participation in the NSLP or SBP and is not made aware of the alternative funding count the school risks being over funded through February and having remaining payments for the school year reduced). Alternative compensatory education allotment funding procedures for the current school year can be found on the Texas Education Agency (TEA) website at http://www.tea.state.tx.us/index2.aspx?id=7720&menu_id=645&menu_id2=789.

Eligibility Guidelines

Under commissioner's rules (19 Texas Administrative Code §61.1027), the count of students used for the alternative reporting method is those students that would otherwise meet the income requirements for eligibility under the NSLP, if it were offered. You must retain the qualification information for each child for audit purposes. Also, you must record the counts of eligible students each month and report them to the TEA. Note that changes in family income status through the year may affect whether a student remains or becomes eligible for this funding count.

In general, students in families that receive Supplemental Nutrition Assistance Program (SNAP) benefits (formerly known as food stamps) or Temporary Assistance for Needy Families automatically qualify for the funding count, and districts can satisfy the documentation requirements by recording the appropriate case numbers. Students in families that do not receive such assistance may qualify if they are in families that meet the same income guidelines as are used for the NSLP and SBP. The income guidelines are a function of family size and total income of all family members. The table entitled *Income Eligibility Guidelines for 2014-2015* which can be found on the TEA website at http://www.tea.state.tx.us/index2.aspx?id=7720&menu_id=645&menu_id2=789, shows the maximum income for a given family size.

Data Collection

The following documents, posted to the TEA website at http://www.tea.state.tx.us/index2.aspx?id=7720&menu_id=645&menu_id2=789, may be helpful in gathering the proper income eligibility information for families:

- sample letter to households to qualify the district for compensatory education funding (both English and Spanish versions available)
- form for compensatory education funding qualification (both English and Spanish versions available)
- instructions for completing the compensatory education funding qualification form (both English and Spanish versions available)

The letter to households explains the need for personal income data. The standard form for qualification and the related instructions provide direction to parents or heads of households on how to report the necessary information. On receipt of the qualification forms, school district or charter school personnel must make a determination in each case of the qualifications of the applicant for funding. Personnel must complete relevant fields at the bottom of each form, and your school district or charter school must retain the form for audit purposes. Each of these documents may be customized with your district's or charter school's identifying information.

The Foundation School Program *State Compensatory Education subsystem* is the data collection instrument that your school district or charter school must use to report the number of eligible students to receive funding. The alternative compensatory education count requires only aggregated counts of eligible students in each month. Enter the highest number of students in the district approved for free or reduced-price meals for the claim month. The highest number of students is determined by the day in the month that had the highest number of approved students. Do not use cumulative monthly enrollment or obtain the data from reports that use Public Education Information Management System economic indicator codes. Your district or charter school must review records monthly to determine whether students are still enrolled and whether family income status has changed. You must report the number of eligible students by the fifteenth of each month with the prior month's student count. For example, the claims for October will be due on November 15.

Funding for 2014–2015

A school district or open-enrollment charter school may use an alternative compensatory education allotment funding count if the district or school did not participate in the NSLP or SBP in the 2013-2014 school year. The average of the highest six months' count of pupils, collected from the 2013–2014 school year, will be used to fund the state compensatory education program in the 2014–2015 school year, as is the case for school districts and charter schools that operate lunch or breakfast programs. Open-enrollment charter schools that will begin operations in 2014–2015 will be allowed to use 2014–2015 data for state compensatory education funding in the 2014–2015 and 2015–2016 school years.

District Responsibilities

If your school district or open-enrollment charter school receives the alternative compensatory education allotment, it is responsible for obtaining the appropriate data from the families of potentially eligible students, verifying the information, and retaining records. The TEA will conduct an audit of the data submitted by districts and charter schools. For this reason, your district or charter school should retain records for a minimum of five years after the end of each school year.

Contact

Please contact Ashley Behnke in the Office of School Finance at (512) 463-4834 if you have questions about this letter or the alternative state compensatory education allotment funding count method.

Sincerely,

Amy Copeland
FSP Manager, State Funding Division