

# **REPORT ON HIGH SCHOOL ALLOTMENT: Review of Uses of High School Allotment Funds during the 2006-07 School Year**



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## **Executive Summary**

The High School Allotment, created in May 2006 by the 79<sup>th</sup> Texas Legislature (Third Called Session), is intended to enhance college readiness and increase high school completion and success rates among Texas high school students. Each school district in the state receives an amount equal to the product of \$275 multiplied by the number of students in average daily attendance (ADA) in grades 9 through 12 in the district. These funds are received by school districts as part of their annual Foundation School Program (FSP) transfer of funds. In 2006-07, this resulted in a total of \$322 million that was allocated to school districts.

Districts may use allotment funds to support district-wide programs or allocate allotment funds to any school that serves high school or middle school students (i.e., high schools, middle schools, junior high schools, all-grade campuses, and open-enrollment charter schools serving high school or middle school students). Allowable uses of funds include the support of programs that do the following: 1) help prepare underachieving students for entrance into an institution of higher education; 2) encourage students to pursue advanced academic opportunities; 3) provide opportunities for students to take academically rigorous course work; and 4) align the curriculum for grades 6 through 12 with postsecondary curriculum and expectations. Allotment funds may be used to create entirely new high school completion and success and college readiness programs, support or expand existing high school completion and success and college readiness programs, or supplant other funds supporting such programs at the campus to create or support other program areas.

This report describes how high school allotment funds were used by school districts and campuses during the 2006-2007 school year, the first year that allotment funding was available to school districts. Data for the analyses came from a survey of school districts and a survey of a stratified, random sample of high schools. Data also came from TEA administrative databases (Public Education Information Management System [PEIMS] and Student Assessment).

Because there was no requirement to expend all funds the year in which funding was allocated, only 38% of allotment dollars were expended in 2006-07 (\$123 million out of a total of \$322 million). Findings in this report reflect only the initial spending by school districts and campuses in the 2006-07 school year.

The following key findings are included in the report:

### *District Decision Making*

Approximately 72% of all districts responding to the survey reported that they had only one secondary campus and directed all of their allotment funds to that school.

Among districts with more than one secondary campus, the most commonly cited factor considered when deciding how to allocate allotment funds was the “need for resources at a campus” (70%).

### *School Characteristics*

Most (70%) campuses that expended allotment funds in 2006-07 were high schools.

Approximately half (49%) of all high schools statewide expended allotment funds.

Student characteristics were similar between schools that expended allotment funds and schools that did not expend allotment funds in 2006-07.

### *Allotment Expenditures*

Approximately 38% of allotment funds allocated to districts in 2006-07 were expended during the 2006-07 school year.

Allotment schools reported that they expended a median amount of \$58,769 in allotment funds during the 2006-07 school year. High schools expended the largest amount overall (\$88,010).

Allotment schools expended an average of \$207 in allotment dollars per student during the school year.

On a per-pupil basis, only \$52 of the \$207 expended in per-pupil allotment funds was new money being expended to support new programming. The remainder was used to support existing programs, expand existing programs, or supplant other funds.

Districts reported that 84% of schools used allotment funds to supplant other funds, either fully or partially.<sup>1</sup>

### *Uses of Allotment Funds*

According to the district surveys:

- The most common allowable programs supported with allotment funds were programs to expand participation in dual or concurrent enrollment courses (62%), programs to increase the number of students completing the Recommended or Distinguished Achievement High School Program (60%), and programs to ensure students have access to rigorous curricula, effective instruction, and timely formative assessment (59%).
- School districts most often expended allotment funds on “personnel costs” (77%), followed by the “purchase of textbooks and other instructional materials” (60%), and “technology” (56%).

According to the high school campus surveys:

- The most frequently cited allowable activities supported by allotment funds were technology for credit recovery (30%), tutoring to help students earn a high school diploma (28%), and books/materials for dual/concurrent enrollment courses (25%).
- In the top ten activity categories, 41% to 62% of the schools reported that the allotment funds were used to implement a new activity.

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<sup>1</sup> District-reported results on the extent of supplanting should not be compared with campus-reported results since campuses reported only allotment expenditures within activity categories; districts reported total allotment expenditures per campus. Campuses were not asked to report on total allotment expenditures in the survey.

- In the top ten activity categories, most schools (ranging between 81% and 94%) that used allotment funds to support an existing activity reported that the funds were used to expand the activity.
- In the top ten activity categories, the largest median expenditure of allotment funds was in the category of “technology to assist students applying for financial aid” (\$12,615), followed by “technology for credit recovery” (\$12,000), “tutoring to help students earn a high school diploma” (\$9,666), and “academic skills courses” (\$9,666).

*Relationship between Per-Pupil Expenditures and Student Performance*

Most allotment schools (72%) had an increase in per-pupil expenditures between 2005-06 and 2006-07. Slightly more than half (57%) of non-allotment schools experienced a similar increase. On average, there was only a \$22 difference between allotment schools and non-allotment schools in change in per-pupil expenditures from one year to the next. This difference was not statistically significant.

After adjusting for demographic characteristics and previous academic ability, statistical analysis could detect no statistically significant relationship between allotment expenditures and student TAKS performance in reading and mathematics.

These results indicate that the majority of initial spending of high school allotment funds took place in high schools and that funding was used for high school completion and success and college readiness activities and programs as intended. Districts reported that most of their schools used allotment funds to supplant other funding. For this first year of expenditures, the majority of the funding was used to support personnel costs, instructional materials, and technology. All of these costs are commonly associated with activities designed to increase the rigor and quality of instruction. As well, districts held most 2006-07 allotment funding for district-wide initiatives or rolled the unexpended balance over to the next school year. One possible explanation for this outcome is the fact that legislative appropriations for the allotment were not made until after districts’ budget decisions for the 2006-07 school year had already been made.