

SUBJECT: Expanding the definition of at-risk students for compensatory funding

COMMITTEE: Public Education — committee substitute recommended

VOTE: 9 ayes — Sadler, Dutton, Dunnam, Grusendorf, Hochberg, Lengefeld,
Oliveira, Olivo, Smith

0 nays

WITNESSES: (*On original version:*)

For — Wallace Jackson and Miguel Saldana, Brownsville ISD; David Dunn, Texas Association of School Boards; Karen Soehnge, Texas Association of School Administrators; Clarissa Martinez, National Council of La Raza

Against — None

On — Richard Lavine, Center for Public Policy Priorities, David Anderson, Texas Education Agency

BACKGROUND: The compensatory education program is designed to increase funding to districts in order to serve students considered at-risk of dropping out of school. In fiscal year 1998, the compensatory education allotment was \$1.04 billion. Funding for compensatory education programs is sent to districts based on the number of students that qualify for the federal free and reduced priced lunch program, currently 1.9 million students in 1,030 districts. The districts are allowed to use the funds to provide additional services for at-risk students.

Currently, at-risk students are considered any student in grades seven through twelve that:

- ! has not advanced grade levels for two years,
- ! has mathematics or reading skills that are two or more years below grade level;
- ! did not maintain or is not maintaining a 70 in two or more courses;
- ! is not expected to graduate within four years of beginning the ninth grade;
- ! did not perform satisfactorily on the TAAS test; or
- ! are pregnant or is a parent.

Students in pre-kindergarten through grade six are also considered at risk if they:

- ! did not perform satisfactorily on a readiness test or assessment test administered at the beginning of the school year;
- ! did not perform satisfactorily on the TAAS test;
- ! are a limited English proficient student;
- ! are sexually, physically, or psychologically abused; or
- ! are considered a delinquent under the Family Code.

SB 1873 by Bivins, enacted in 1997, requires districts to show in audits that at least 85 percent of the funds they receive through the compensatory education allotment are spend on services to at-risk students.

DIGEST:

CSHB 3653 would expand the definition of which students are considered at-risk and expand the programs on which districts could spend compensatory education funds. It also would add the performance of at-risk students on the TAAS test in the state accountability system.

Expanding the definition of at-risk students. CSHB 3653 would eliminate the distinction between different classifications of at-risk students from pre-kindergarten to sixth grade and students from seventh to twelfth grades. The new single category would cover all students under 21 who were not eligible for a special education program and:

- ! did not advance from one grade level to the next for two years;
- ! had mathematics or reading skills two years below grade level;
- ! did not or are not maintaining an average of at least 70 in two or more foundation curriculum (English language arts, mathematics, science and social studies) classes;
- ! did not perform satisfactorily on a TAAS test and has not achieved a score of at least 105 percent of the passing score during the following two years;
- ! are pregnant or a parent;
- ! are in pre-kindergarten through third grade and failed to perform satisfactorily on a readiness or assessment test administered;
- ! are a limited English proficient student;
- ! in the current or preceding school year, resided in a residential placement facility;

- ! in the current or preceding school year, was removed to an alternative education program (AEP);
- ! are currently released on parole, under community supervision or probation, placed on deferred adjudication, or released under any other type of conditional release;
- ! has been reported as being a dropout;
- ! has failed to attend 10 percent or more of class days without an excused absence;
- ! are in the custody of care of the Department of Protective or Regulatory Service, or has been referred to that agency during the current school year; or
- ! are homeless.

If the student was a special education student, that student's admission, review, and dismissal (ARD) committee could classify the student as at-risk. Districts could create additional criteria to identify other students as at-risk, but the number of students identified under that criteria could not exceed 10 percent of the number of students classified as at-risk during the preceding school year.

Compensatory education spending. CSHB 3653 would expand the permissible uses of compensatory education funding to include operation of an AEP or programs eligible for federal funding under Title I of the Elementary and Secondary Education Act, which are designed to provide funding to help disadvantaged students improve academic performance.

Compensatory education mission. Districts would be required to evaluate and document the effectiveness of compensatory education funding in reducing any disparity between the TAAS scores or high school completion rates of students considered at-risk and other students.

Additional accountability standards. CSHB 3653 would add an additional category of at-risk students to the state accountability system. (Under the current accountability system, performance is judged based on that of students as a whole and that of each group of students. If any group of students fails to meet the performance criteria, the school as a whole does not meet that criteria.)

CSHB 3653 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. It would apply beginning with the 1999-2000 school year for all provisions except the changes to the accountability system, which would take effect starting with the 2000-2001 school year.

**SUPPORTERS
SAY:**

The state needs to allow districts greater flexibility in identifying and serving at-risk students. CSHB 3653 would allow districts greater flexibility in providing services to this needy population by expanding the definition of which students are considered to be at-risk and allow the spending of compensatory education funding on additional programs and services to reflect the expanded definition.

However, in order to ensure that districts not only spend money, but actually produce results, this legislation will require districts to examine the effectiveness of the program in reducing the academic achievement gaps between at-risk and other students. It also would create a separate category in the accountability system for at-risk students, requiring that the same number of those students pass as all other students and student groups in order for that district and campus to achieve a satisfactory or better rating in the state accountability system.

Texas has made exceptional progress in improving educational achievement among the discrete groups considered in the accountability system. Research has shown that directing additional resources to at-risk students, as this state has done since the enactment of the compensatory education program in 1975, can significantly improve the chances of those students achieving academic success. This legislation would not increase the funding that a district or campus would receive, as that amount would remain fixed at the funding drawn down by the number of economically disadvantaged students. But it would allow those funds to be spent on a wider range of at-risk students and services.

The expansion of the definition of at-risk students is meant to encompass other students not currently included in the compensatory education system who are also at-risk of dropping out or not performing satisfactorily on statewide assessments. Allowing districts to determine to which students among this greater class they should direct funding would better target funding to help greater numbers of at-risk students.

Expanding the acceptable programs for which districts could use compensatory education funds also would allow districts to target funding to areas with the greatest need or supplement other funding for those areas with compensatory education money. Additionally, expanding that definition could help to reduce some of the complexity of the current auditing system for compensatory education funds that requires districts to subdivide all purchases that could be used for compensatory education students and attribute those expenditures to the compensatory education program.

Including at-risk students as a discreet class in the accountability system would help ensure that adequate resources are directed to these students so that they will perform satisfactorily on the statewide TAAS test. Without this link to the accountability system, there would be no incentive to ensure that all students classified in this group perform satisfactorily.

OPPONENTS
SAY:

CSHB 3653 would expand the definition of compensatory education students too broadly and could result in a dilution of funding to those students. According to the Texas Education Agency (TEA), there are over 1.4 million students considered at-risk under the current criteria. The expansion of that definition under CSHB 3653 could increase that number by more than 350,000 according to TEA data, and would result in nearly a majority of students in the public school system being classified as at-risk.

Because this legislation would not expand the funding to these at-risk students, the number of dollars that each student would receive would be reduced by half. While many services are spent on students as a group, the dilution of resources to individual students could result in poorer performance among students already considered to be at-risk.

Expanding the funding criteria to include AEPs would mean that any district that ran an AEP simply could count compensatory education funding toward that program. This would make it very easy for districts to account for funds under the compensatory education auditing guidelines, but would reduce the effectiveness of those audits in determining whether districts were spending compensatory education funds to provide services to all at-risk students.

OTHER
OPPONENTS
SAY:

In order to make meaningful changes to the compensatory education system, something needs to be done to correct the lack of any link between the funding mechanism for compensatory education (the number of students

qualifying for free and reduced priced lunches) and the students served by compensatory education funds (at-risk students). Until this disconnection between funding and services is corrected, it is very difficult to create policies to improve the performance and retention of at-risk students.

NOTES:

The committee substitute to HB 3653 would require districts to evaluate the effectiveness of programs in reducing achievement disparities between at-risk students and other students and would lower the percentage that students would have been allowed to score on the TAAS test from 110 percent to 105 percent in order to remain at-risk.

A similar bill, SB 1455 by West, which the Senate passed on May 4 by 30-0 and has been referred to the House Public Education Committee, would expand the definition of at-risk students and the uses for compensatory education funds and include at-risk students in the accountability system.