

Action Required

December 16, 2010

TO THE SUPERINTENDENT ADDRESSED:

Attached is a list of schools identified under the Public Education Grant (PEG) Program, authorized under *Texas Education Code*, Chapter 29, Subchapter G, §§29.201 - 29.205, and a description of the methodology used to identify the schools on the list. This list, effective for the 2011-12 school year, identifies campuses at which 50 percent or more of the students did not pass TAKS in any two of the preceding three years or were rated *Academically Unacceptable* in 2008, 2009, or 2010 under the statewide accountability system.

Under the PEG interdistrict transfer provision, a parent of a student enrolled in any of the campuses listed may make application to attend a campus in any other school district for the 2011-12 school year. A school district chosen by a student's parent under this statute is entitled to accept or reject the application for the student to attend school in that district but may not use criteria that discriminate on the basis of a student's race, ethnicity, academic achievement, athletic abilities, language proficiency, sex, or socioeconomic status. Alternatively, a district may accept interdistrict transfers under Section 25.036 of the *Texas Education Code*. Civil Action 5281 remains applicable to some districts and may limit the ability of those districts to accept transfer students in circumstances that impede desegregation.

Under the PEG intradistrict transfer provision, a parent of a student enrolled in any of the campuses listed may apply to attend another campus in the same school district for the 2011-12 school year.

Notification of eligibility must be provided by February 1, 2011, to each parent of a student in the district assigned to attend a school on the enclosed 2011-12 PEG list. Statute also stipulates that the notice must contain an explanation of the Public Education Grant Program and how the parent may obtain further information about pursuing a transfer. A Frequently Asked Question (FAQ) document is available to assist districts with this explanation and to instruct parents how to pursue a transfer. The FAQ, along with a copy of this letter and the list of PEG-identified schools, can be found under the "accountability" application on the Texas Education Agency Secure Environment (TEASE) at:

<https://seguin.tea.state.tx.us/apps/logon.asp>

Requirements related to the PEG program concerning the identification criteria, student eligibility, effective dates, notification dates, and funding allotments are summarized below:

Requirement	Explanation
Effective Date of PEG Transfers	2011-12 school year
Parent Notification Requirement	February 1, 2011
Allotment	For interdistrict transfers, the district educating the child receives an additional weight of 0.1; supplemental funding if costs exceed state aid benefit; limited to net students educated on PEG.
Interdistrict Transfers (across districts)	These may be refused or accepted by district receiving the transfer request.
Intradistrict Transfers (within district)	These are explicitly permitted, although no additional funding is allotted for this type of transfer.
Continued Student Eligibility for Interdistrict Transfer	<p>Student eligibility for PEG transfers is based on assignment to attend a PEG campus in the district of residence. Student eligibility expires upon any of the following three conditions:</p> <ul style="list-style-type: none"> • Completion of all grades offered by the campus upon which eligibility was originally based • Removal of the campus from the PEG list • Assignment of the student to a campus that is not on the PEG list as a result of redrawn attendance boundaries or student movement into a different attendance area <p>A receiving district is permitted to continue to treat a student as PEG eligible (and draw the PEG funding weight) after expiration of eligibility only if the student has not yet completed all grades on the campus to which the student transferred during the eligibility period.</p>
School Identification Criteria	TAKS passing rate \leq 50% in <u>two of the three</u> preceding years (2008, 2009, 2010) OR rated <i>Academically Unacceptable</i> in 2008, 2009, or 2010.
Transfer Restriction	A student may only transfer from a PEG school to a non-PEG school.
Tuition Prohibition	Tuition may not be charged to the student's parents/guardian or to the school district of residence.
Transportation	The school district in which the student resides is not required to provide transportation free of charge from the PEG-listed school to the new school. The district is only responsible for providing the transportation it would otherwise provide (as if the student did not transfer).

Because of the manner in which funding takes place using a weight of 0.1, the worksheet used for calculating state aid can be used to calculate the PEG amount. The district providing educational services to the student will report attendance as it would for any other student. The worksheet, which can be found on the TEA web site under the school finance topic (see http://www.tea.state.tx.us/index2.aspx?id=7721&menu_id=645) includes the PEG funding weight. There are no special accounting requirements or limitations on the use of PEG-related funds. Rules governing access to supplemental funding for districts with property wealth per weighted student above the guaranteed level in TEC §42.302 have been adopted and can be found in 19 TAC §61.1011. Bear in mind that a district is eligible

to receive PEG-weighted funding only to the extent the number of students accepted on the basis of a PEG exceeds the number of resident students who are educated in other districts on a PEG.

Questions concerning the PEG program and the methodology used to identify schools should be directed to the Division of Performance Reporting at (512) 463-9704. Questions regarding the funding implications of the program should be directed to the Division of State Funding at (512) 463-9238.

Contact Information

Texas Education Agency

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Attachments