

State Allotment Programs FAQs

(Updated January 27, 2026)

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If you have additional questions, please contact the Financial Compliance Division at StateAllotmentPrograms@tea.texas.gov.

State Allotment Monitoring Program (SAMP) Compliance Calculations

1. Which Near Final (NF) Summary of Finance (SOF) Run ID will be used for testing compliance with state program spending requirements during the annual financial audit and on the J-4 Schedule?

For **FY 2025**, the NF SOF run ID **45913** will be used in TEA's compliance testing calculations. This run ID should also be used in preparing the J-4 schedule.

Below are specific NF SOF run IDs that were used in prior years:

- 2023-2024 Run ID 44055
- 2022-2023 Run ID 41495. If this run ID is not posted on an LEA's SOF report, the LEA can use this link to access the spreadsheet: [2022-2023 SOF Data](#). On the spreadsheet, use the Tab named "**outputs_dpe**" and the Columns noted below.
 - State Compensatory Education – **Column CK (SCE_BLOCK_GRANT)**
 - Bilingual Education Allotment – **Column O (BIL_BLOCK_GRANT)**
 - Gifted and Talented – **Column BF (GT_BLOCK_GRANT)**
 - Special Education – **Column CS (SPECED_BLOCK_GRANT)**
 - CTE – **Column EL (VOCED_BLOCK_GRANT)**
 - Dyslexia – **Column AG (DYSLEXIA_ALLOT)**
 - Early Education – **Column AJ (EARLY_ED_ALLOT)**
 - CCMR – sum of **Column W (CCMR_OUTCOMES_ALLOT)**
- 2021-2022 Run ID 37791
- 2020-2021 Run ID 33209
- 2019-2020 Run ID 29015

2. We received a letter from TEA stating we did not meet our spending allotment requirement for the past two fiscal years in a couple of the mandated programs. What is the requirement to meet this year's state mandated allotment to make up for the prior years' shortfall along with this current fiscal year's requirement?

Theoretically, the LEA would spend the amount in the current year to make up the difference in the allotment programs where there were shortfalls in the past. However, this may not be obtainable all in one year, so budgeting and planning is critical to get the LEA back on track. We would expect to see an increase above 55% or 100%, depending on the allotment programs that were short, to begin eliminating the deficit.

3. Does TEA use allocated or unallocated data in its compliance calculation?

TEA uses **allocated** amounts for compliance purposes. In addition, the State has provided additional flexibility. In the SAMP compliance calculation, fund 199 (or fund 420 for charter schools) will be combined with ESSER fund codes 266, 281, 282, and 283 for testing compliance with state allotment spending for fiscal years 2020 through 2025.

4. What net assets code should charter schools use to record the state allotment programs' expenses?

Net assets code 420 (Foundation School Program and other State Aid) should be used to record expenses for the state allotment programs by charter schools that follow FASB. This calculation will also include the amounts from ESSER fund codes 266, 281, 282, and 283 for fiscal years 2020 through 2025.

5. I heard that TEA uses a 3-year running average to calculate compliance - is that still true?

Yes, TEA uses a rolling three-year average in its compliance calculation. Please refer to the *FASRG Module 1, FAR Appendices, section A.8* and *Module 4*.

6. Does TEA use the mid-year PEIMS data when calculating compliance?

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

7. Does TEA compare its calculation to the lesser of the LPE or DPE allotment in case underpaid in any given year?

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.

8. 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?

No, the calculation will not change. TEA uses specific near-final SOF runs prior to implementing the statewide adjustments.

9. What statute or rule references the rolling three-year average that TEA uses for SAMP compliance?

TEA policy provides maximum flexibility to LEAs by averaging costs up to three years (*FASRG Module 1, FAR Appendices, section A.8* and *Module 4*).

Additionally under TEC sections [48.104\(o\)](#) and [48.105\(e\)](#), in determining whether an LEA is subject to the withholding of funding required under this subsection, the commissioner may consider the district's average use of funds for the three preceding school years.

10. Why do the external auditors look at spending compliance on a fiscal year basis versus TEA looking at a rolling three-year average?

As part of the annual financial audit, external auditors must test compliance with the spending requirements for the FSP supplemental state allotment programs. These programs are structured on an annual basis, and the FSP allotments are paid annually. Therefore, the external auditor's focus of compliance testing during the annual financial audit for the FSP supplemental state allotment programs should be on data for that one-year time period.

With the external auditor looking at spending requirements on an annual basis, it lets the LEA know if they're on track – or if they need to modify upcoming expenditures. That way, the LEA should be in compliance when TEA does their 3-year average calculation.

11. What are the consequences for noncompliance with the FSP state allotment spending requirements?

If an LEA does not meet spending requirements, the TEA may ask the LEA to come into compliance by making up the difference during the next school year, request a corrective action plan, and/or adjust future funding. Beginning in the Spring 2026, the TEA will require corrective action plans for LEAs identified as out of compliance based on the average of the three most recent years of available financial data.

Additionally, the LEA's external auditor may indicate noncompliance as a finding in the annual financial report or include the issue as a comment in their communication letter to the board of trustees. TEA will defer to the auditor's professional judgment in such matters.

12. Can you explain the process TEA uses in its SAMP reviews?

The state allotment monitoring program (SAMP) review is based on TEA's analysis of Mid-Year PEIMS data and state funding information. As part of the compliance calculation, TEA applies a rolling three-year average.

LEAs may generate reports from Mid-Year PEIMS—such as report PDM2-101-004—and compare the data to the funding amounts reflected in the near-final Summary of Finances (SOF). When extracting data from PEIMS, LEAs should use the *allocated* amounts, as these are the figures TEA uses in its SAMP analysis.

During the PEIMS allocation process, TEA may reallocate certain amounts recorded under Program Intent Code (PIC) 99 into other PICs. This reallocation can result in minor variances between TEA's calculations and those performed by the LEA.

13. Should the non-cash TRS On-Behalf amounts be included as a direct cost for the various programs?

TEA includes on-behalf expenditures in the state allotment testing calculation. Consequently, if a teacher's salary is deemed allowable, the associated taxes and benefits are treated similarly.

AFR – Schedule J-4

For more information about the Schedule J-4 and AFR compliance, please see the following:

- [Annual Financial and Compliance Report | Texas Education Agency](#)
<https://tea.texas.gov/finance-and-grants/financial-compliance/annual-financial-and-compliance-report>
- [Financial Accountability System Resource Guide](#)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>
- To the Administrator Addressed Correspondence (TAA), 10/16/2025: [HB 2 Implementation: Repeal of 55% Spending Requirement for Compensatory Education Allotment | Texas Education Agency](#)

- 1. Which Near Final (NF) Summary of Finance (SOF) Run ID will be used for determining compliance with state program spending requirements during the annual financial audit and on the J-4 Schedule?**

Please see question #1 under the previous “*State Allotment Monitoring Program (SAMP) Compliance Calculations*” section.

- 2. If a District had met the 55% prior to the NF allocation but is now short of reaching that amount, how would you indicate that on the J-4?**

List the amount on the J-4 and include any additional explanation of shortages on the J-4 in the Notes to the Financial Statements.

- 3. Please confirm the amount that needs to be put the J-4 for program expenditures. This would be the fund 199 and ESSER expenditures coded those PIC codes but not other grant funds, is that correct?**

For clarification, school districts should only include unallocated amounts coded to fund 199 (or 420 for charter schools) on their J-4 schedule.

ESSER funds should not be included on the J-4 schedule.

- 4. What if we already submitted both our annual financial report and the audit data feed using the expenditures as were supposedly being used to comply with the spending requirement – i.e. the expenditures including those in the ESSER funds. What must we do? Do we resubmit both the entire annual report and the audit data feed making this correction?**

For LEAs that have already submitted the AFR and data feed, TEA is not requiring any further action.

- 5. 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. The J-4 schedule is asking just for information from State and Local funds. If the auditors only include local and state funds, then LEA's will not meet the schedule's compliance. How should the auditor respond to a school in this situation. Is this a failing? Is this a finding? Do they comment on it like a failing or finding?**

Not meeting the state compliance requirements without combining ESSER funding would not be considered 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 199 (or fund 420 for charter schools).

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 in the AFR or in the communication to the board.

If an LEA does not meet the minimum spending requirements when combining the general fund and ESSER funds, the external auditor would determine where to identify the issue. It could be identified as a finding in the AFR or in the written communications to the board. The TEA will defer to the auditor's professional judgment in such matters.

***Note:** After the FY 2025 annual financial audit, SCE data will no longer be required to be reported on the J-4 schedule.

- 6. With the passage of HB 2, will the J-4 Use of Funds Schedule be revised to exclude reporting of the SCE allotment beginning with the FY 2026 AFR submission?**

HB 2, enacted during the 89th Legislative Session, repealed the statutory requirement for local education agencies (LEAs) to allocate a minimum of 55% of their State Compensatory Education (SCE) allotment to direct instructional services.

As a result of this legislative change, LEAs will no longer be required to report SCE data on the J-4 schedule following the FY 2025 annual financial audit. However, reporting obligations for the Bilingual Education Allotment will still be required.

Gifted and Talented (PIC 21)

For information about Gifted and Talented Education, please see the following:

- [Gifted Talented Education | Texas Education Agency](https://tea.texas.gov/academics/special-student-populations/gifted-and-talented-education)
<https://tea.texas.gov/academics/special-student-populations/gifted-and-talented-education>
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>

Basic information about GT teacher salaries:

- Teachers' salaries (obj code 6119 & 6121) are an allowable expense under the GT Allotment – PIC 21
- Teachers coded to PIC 21 should be *solely* serving GT students.
- Teacher salaries may be split-funded based on time on task/class period, etc. (or must be split funded, if they are not full-day, GT-dedicated)

- 1. Must 100% of the students in a class be identified as GT for the teacher's salary to be an eligible GT expense? Or is there a threshold? (e.g., an AP course serves GT and non-GT identified students, but 90% of the class is GT)**

There is not a threshold. The teacher's salary would have to be allocated.

- 2. What if they gave their GT teachers extra duty pay? Like because they were taking on additional responsibilities for GT, received additional training in GT, etc.? Is that allowable? And if so, is it also appropriate/allowable to proportionately allocate benefits (TRS, insurance, etc.) to PIC 21? (e.g., object code 6119)**

This is allowable.

- 3. There is no threshold for split funding, correct? In other words, if a teacher does pull-out instruction and only teaches GT students full-time for a very small percentage of the day or week, is that percentage still eligible to be coded to PIC 21?**

There is not a threshold for split funding. LEAs can give a GT teacher extra duty pay, stipend, etc. for teaching GT. They can also charge the teacher's salary to the program if appropriate or allocate a portion of it if the teacher is only serving GT students part of the day.

- 4. Can instructional materials, software, and supplies be coded to PIC 21 if used in classrooms with both GT and non-GT students?**

In these cases, the costs for these items should be allocated according to the proportion of GT students served.

5. Can costs for GT Summer Camps where only GT students are allowed to participate be coded to PIC 21?

Yes. Expenditures for summer camps, summer school, field trips, and similar activities that are **exclusively designated** for students identified as **Gifted and Talented** (GT) may be coded to PIC 21.

However, if these activities are not specifically designated for GT students, the associated costs should be coded to other funds.

Career and Technical Education (PIC 22)

For more information about Career and Technical Education, please see the following:

- [Career and Technical Education | Texas Education Agency](https://tea.texas.gov/academics/college-career-and-military-prep/career-and-technical-education)
<https://tea.texas.gov/academics/college-career-and-military-prep/career-and-technical-education>
- [Career and Technology Education Allotment | Texas Education Agency](https://tea.texas.gov/finance-and-grants/state-funding/additional-finance-resources/career-and-technology-education-allotment)
<https://tea.texas.gov/finance-and-grants/state-funding/additional-finance-resources/career-and-technology-education-allotment>
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>

1. Can you provide information about using CTE funds to pay for a CTE facility?

Here is information about using CTE funds for facility acquisition, construction and renovation projects.

- First and foremost, the LEA must ensure it maintains and serves their CTE students with the funding that those students generate each year.
- CTE allotment funds can be used to construct CTE facilities, but the facility has to be dedicated to CTE only. This also includes purchasing portable buildings, renovating class rooms, etc. If other departments in the school use the CTE facility, then other funds must be used to pay that portion of the costs.
- If debt, including financing, bonds, etc., is used to pay for CTE projects such as facility acquisitions, construction, or renovations, then none of those costs can be charged to PIC 22 – CTE, including interest expense.
- Because function 81 is an indirect cost, those expenditures would not be included in the mid-year PEIMS allocation data used in TEA's allotment testing calculation. In instances such as this, your school would have to track it separately. If asked by TEA or your school's external auditor about spending compliance, the school would have to show that this facility was built with CTE funds.
- Keep in mind that this is an annual allotment. The annual expenditures would be counted towards the CTE allotment spending for that fiscal year, and this compliance testing calculation would not combine multiple years of construction expense into one year. Costs using CTE funds should be expended as the expenditures are incurred.

2. 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?

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. Acceptable uses include building an Ag barn or retrofitting a classroom in the school building to be used as a commercial kitchen. If other departments in the school use it, then the school must use other funds to pay that portion of the costs.

3. Can you provide further clarification about facility upgrades and the 55% mandatory spending requirements for the CTE allotment?

The TEA considers construction and renovation costs associated with CTE programs to be an allowable use of CTE allotment funds. These expenses may be included in meeting the 55% spending requirement.

However, it is important to note that TEA's standard compliance calculation for state supplemental allotment programs does not include Function 81. As a result, construction or renovation costs are not automatically captured in the initial compliance calculation. LEAs must therefore track these expenses separately and maintain appropriate documentation.

If, during the annual financial audit, the external auditor determines that the LEA did not meet the spending requirement for the CTE allotment, the LEA may present this documentation. The auditor can then incorporate those construction-related costs into their compliance testing.

A similar process applies to TEA's three-year average compliance testing. If an LEA receives a notification letter from TEA indicating a shortfall in CTE allotment spending, the LEA may submit documentation of relevant construction or renovation expenses. TEA will then manually recalculate compliance, including those additional costs.

4. 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?

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.

5. 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?

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 determined by the LEA (e.g., 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.

6. I need to know if the TCLAS grant expenditures (Fund 429) can be used with local funds to meet the 55% state spending requirement for Career Tech.

Currently, the state allotments spending compliance does not include fund 429, only fund 199 (or fund 420 for charter schools). During the pandemic, TEA has included ESSER funds 266, 281, 282, and 283 to provide additional flexibility in meeting the state requirements. Note that the federal compliance only includes fund 199.

7. Can a district use state weighted funds to pay a CTE teacher to teach a summer school CTE course even though the course isn't drawing weighted funds?

No, the state weighted funds have to be used to support those courses that created the funding.

8. I am looking for documentation that states when use of funds are allowed. Such as CTE allotment being used within three years.

The State CTE allotment funds are provided annually. The spending requirement is annual. Each year students generate funds, and each year the funds generated are required to be spent on those students. There is an annual spending requirement of 55% that must be spent directly (PIC 22). For compliance purposes, TEA uses a three-year rolling average to measure the minimum spending requirement was met. (See *FASRG Module 1, FAR Appendices, section A.8 and Module 4.*)

9. After HB 3 (86th legislative session), are the following expenses still allowable uses of CTE funds? Please advise.

- **Equipment, supplies, materials, or technology for CTE courses.**
- **Expenses related to performance or recruitment incentives established in local policy and employment contracts.**
- **Salaries, benefits, stipends, extra-duty pay for CTE teachers, CTE paraprofessionals, and CTE administrators.**
- **Construction, renovation, or remodeling of existing CTE facilities.**
- **Lease, purchase, upgrade, or adapt items designed to strengthen and support academic and technical skill achievement.**
- **CTE instructional aides/publications (trade magazines, includes digital).**
- **Motorized vehicles and trailers used exclusively for the benefit of CTE students in the CTE program.**
- **Consumable supplies used exclusively for the benefit of CTE students in the CTE program such as office supplies, paper, computer supplies, building and maintenance supplies, or laboratory supplies.**
- **Culinary food costs related to the CTE program.**
- **Materials/resources related to advisory council meetings; career fairs; CTE student and parent activities, or business industry stakeholder meetings.**
- **Distance learning for CTE personnel (e.g., teachers, admin & counselors).**
- **CTE student services such as field trips to colleges, career fairs, and college, career or academic guidance and counseling.**

Most of the expenditures listed would be considered allowable. TEA typically does not consider administrator salaries as allowable expenditures in the state allotment programs, but CTE directors and CTE administrators' salaries would be allowable. Principals and vice principals' salaries are not allowable.

10. Can CTE funding be used for FFA state competition expenses?

The use of CTE funds for FFA competitions would be considered an allowable use of CTE funds as long as your school has an FFA program, and it is not something the student activity group should cover.

11. Can a school use PIC 22 (CTE) funds to pay career prep student workers who are employed on a school campus?

A district cannot pay a student with state or federal funds while the student is generating funds and earning credit as it may constitute a gift of public funds. Also, there are human resource implications for hiring a student as an employee while simultaneously educating the student. LEAs should use other funds rather than state funds to cover the payroll costs for those student workers.

12. We are considering building a new CTE facility. Would interest expense incurred on an M&O note be considered as a direct cost for PIC 22?

If debt, including financing, bonds, etc., is used to pay for projects such as facility acquisitions, construction, or renovations, none of those costs can be charged to CTE, including interest expense.

However, using CTE funds to pay for these projects would be considered an allowable cost.

13. Can a district use CTE funds to pay for materials for the purpose of converting them into wall art and then gift the art to a 501(c)(3) organization? One of the district's teachers and a school board member are affiliated with the 501(c)(3) organization, which intends to sell the wall art and may also provide scholarships to students who qualify.

With the teacher and school board member being affiliated with the 501(c)(3) organization, this does not have the appearance of an arms-length transaction. Instead, it may be considered a related-party transaction, which is subject to disclosure in the district's annual financial report (see GASB 62).

Under the circumstances described, the district should not use state funds to support this project, since it has the appearance of offering a gift derived from public funds (see Texas Constitution, Article 3, Section 52). The district should use other funding sources instead, such as a student activity fund.

14. Can CTE funds be used to continue to support a student who graduated?

The supplemental allotment funds allocated for the school year should be utilized to benefit the students who are currently generating these funds. The use of state allotment funds for activities related to post-graduate students is not permissible. Therefore, the LEA will need to allocate other funds rather than state funds to cover costs associated with such activities.

Students with Disabilities – Special Education (PICs 23 and 33)

For information about Special Education, please see the following:

- [Special Education | Texas Education Agency](https://tea.texas.gov/academics/special-student-populations/special-education)
<https://tea.texas.gov/academics/special-student-populations/special-education>
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>
- Texas Administrative Code [§89.1125](#) - Allowable Expenditures of State Special Education Funds

1. Please clarify if security cameras installed on a special education bus should be coded to function 34 or 52? We note that function 34 is included in the IDEA-B LEA MOE calculation, but function 52 is excluded.

It would be appropriate to allow these costs to be coded to function 34 (student transportation) in PIC 23 with the caveat that the bus is used strictly for serving SPED students. The cameras are there to ensure a safe trip to and from school for these students.

2. If a district chooses to use their SHARS revenue (5931) for special education (SPED) costs, do those PIC 23 expenditures count towards the 55% minimum spending requirement for SAMP compliance?

Theoretically the expenditures used in serving students in SPED for SHARS services if coded to PIC 23 are included. We do not include the SHARS revenue reimbursement in the spending analysis, we only use SOF allotment funds to determine spending compliance.

3. Could you please confirm whether a student who has been identified as having dyslexia and has also been determined eligible for special education services may generate funding under both the Dyslexia Allotment and the Special Education Allotment?

Yes, the student could generate funding under both allotment programs as long as the student requires both services.

State Compensatory Education (PICs 24, 26, 28, 29, and 30)

For more information about State Compensatory Education, please see the following:

- [State Compensatory Education | Texas Education Agency](https://tea.texas.gov/finance-and-grants/financial-compliance/state-compensatory-education)
<https://tea.texas.gov/finance-and-grants/financial-compliance/state-compensatory-education>
- [FAQ - State Compensatory Education Program \(texas.gov\)](https://tea.texas.gov/sites/default/files/sce-faq.pdf)
<https://tea.texas.gov/sites/default/files/sce-faq.pdf>.
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>
- To the Administrator Addressed Correspondence (TAA), 10/16/2025: [HB 2 Implementation: Repeal of 55% Spending Requirement for Compensatory Education Allotment | Texas Education Agency](#)

1. Where do we record costs incurred to provide compensatory education to pre-K students based on strategies outlined in the district's campus and/or district improvement plan(s)? These costs were coded to PIC 34.

These costs should now be coded to PIC 24 or 30.

2. Can an LEA use state allotment funds to pay for dual credit courses?

LEAs can use local or state funds for dual credit courses, but not some of the state supplemental allotments.

The LEA could use the college, career, and military readiness (CCMR) outcomes allotment (PIC 38) for dual credit courses; however, the LEA cannot use state compensatory education (SCE) allotment funds.

3. Responses to questions regarding changes to the SCE program in the 89th Legislative Session:

a. Have SCE PIC codes 26, 28, 29, and 30 expired for the 2025-2026 school year, except for PIC 24?

No. All SCE PIC codes, including 26, 28, 29, and 30, remain available for use during the 2025–2026 school year and should be utilized as budgeted for FY 2026. These PIC codes are scheduled to expire at the conclusion of the 2025–2026 school year.

b. When will PICs 26, 28, 29, & 30 no longer be available for use in LEAs' budgets?

These PIC codes will expire following FY 2026. Beginning in FY 2027, LEAs are encouraged to use PIC 24 to account for all expenditures related to serving at-risk students.

c. Will PIC 24 also expire in FY 2027?

No. PIC 24 will be revised in the FASRG and will be strongly encouraged for continued use. For external reporting purposes, the TEA will consolidate PIC 24 expenditures into PIC 11. LEAs should maintain documentation demonstrating how they continue to serve students identified under TEC §29.081 and how they have budgeted for accelerated instruction for at-risk students.

d. Will PEIMS automatically consolidate SCE PIC codes into PIC 11, and if so, in which fiscal year?

Yes. Beginning in FY 2027, PEIMS will automatically consolidate PIC 24 into PIC 11 for TEA external reporting purposes, including legislative reporting.

e. After FY 2025, will LEAs and their external auditors still be required to conduct compliance testing for the SCE allotment, given that HB 2 removed the 55% spending requirement?

Although HB 2 (89th Legislative Session) repealed the statutory requirement for LEAs to allocate at least 55% of their SCE allotment to direct instructional services, LEAs remain responsible for ensuring that SCE funds are used to support students identified as at risk of dropping out of school and/or economically disadvantaged, as defined in Texas Education Code §29.081. The repeal of the statutory expenditure mandate reinforces the importance of strategic and purposeful use of SCE funds to address the academic needs of at-risk student populations. The following guidance is intended to assist LEAs and their external auditors in navigating these changes and maintaining compliance with program objectives.

Responsibilities of Local Education Agencies (LEAs):

LEAs are responsible for maintaining comprehensive and well-organized documentation that clearly demonstrates how SCE funds are budgeted and allocated. This documentation should identify the specific programs, services, and interventions supported by SCE funding, and provide evidence of efforts to deliver accelerated instruction and other targeted strategies aimed at improving academic outcomes for at-risk students. Such documentation is critical not only for internal planning and evaluation but also serves as a key component of program accountability and transparency.

Responsibilities of External Auditors:

While formal compliance testing related to the repealed 55 percent requirement will no longer be conducted after fiscal year 2025, external auditors will continue to evaluate the use of SCE funds as part of the annual financial audit. Auditors are expected to assess whether expenditures are being used effectively and in alignment with the statutory intent of the program. LEAs should be prepared to demonstrate that SCE-funded activities and expenditures support the goals of the program and contribute meaningfully to the academic success of students identified as at risk of dropping out. Clear documentation and evidence of programmatic impact will be essential to substantiate compliance with statutory expectations and to uphold the integrity of the program.

Bilingual Education Allotment (PIC 25)

For more information about Bilingual Education and ESL Programs, please see the following:

- [Bilingual and English as a Second Language Education Programs | Texas Education Agency](https://tea.texas.gov/academics/special-student-populations/english-learner-support/bilingual-and-english-as-a-second-language-education-programs)
<https://tea.texas.gov/academics/special-student-populations/english-learner-support/bilingual-and-english-as-a-second-language-education-programs>
- [Funding Guidebook](#) (use link above to access the latest version on the division's website under the Program Requirement Resources section)
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>

1. **Where do we record costs incurred to evaluate, place, and provide educational and/or other services for LEP pre-K students to increase proficiency in the English language? These costs were coded to PIC 35.**

These costs should now be coded to PIC 25.

2. **Are teachers' salaries now an allowable expense under the Bilingual Education Allotment – PIC 25?**

HB 2 (89th Legislative Session, effective September 1, 2025) authorized the use of bilingual education allotment funds for **teacher salaries**. These expenditures may be appropriately coded under Program Intent Code (PIC) 25 – Bilingual Education and Special Language Programs.

It is essential that the local education agency (LEA) ensures the effective delivery of bilingual education program services to all eligible students, as these students are the basis for the funding generated through the bilingual education allotment. Accordingly, salaries for teachers directly involved in providing these services to eligible students are considered an allowable use of these funds. In addition, **teacher stipends** remain an allowable expenditure under this allotment.

3. **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?**

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

4. **Our district offers a full day bilingual pre-k program. We only receive state funding for half a day and code that to PIC 11. Can we consider the other half day as “supplemental” and code it to PIC 25?**

Because the second half of the day would encompass a large portion of the teacher's salary and work day, it would not be considered supplemental. Also, full day pre-k is now required for certain groups of students.

However, there are other allotments to consider paying for the other half of the day, such as the Early Education Allotment or, in some circumstances, State Compensatory Education.

5. Are the following expenses allowable under PIC 25?

- a) Copier machine lease cost for use of bilingual administrative department (Central Office), and bilingual department use only.**
- b) Technology used by the bilingual administrative department (Central Office), and bilingual department use only.**
- c) Office supplies, business cards, furniture to be used by the bilingual administrative department (Central Office), and bilingual department use only.**
- d) Security for parent and community events hosted by the bilingual administrative department (Central Office), and bilingual department use only.**

These are administrative costs and do not impact improving students' English proficiency and primary language literacy. They would not count towards the 55% direct expenditures. The LEA could use the 45% which is not coded to PIC 25 to pay for those things.

PreKindergarten (PIC 32)

For more information about PreKindergarten, please see the following:

- [Early Childhood Education in Texas | Texas Education Agency](https://tea.texas.gov/academics/early-childhood-education)
<https://tea.texas.gov/academics/early-childhood-education>
- [Early Childhood Education FAQs | Texas Education Agency](https://tea.texas.gov/academics/early-childhood-education/early-childhood-education-faqs)
<https://tea.texas.gov/academics/early-childhood-education/early-childhood-education-faqs>
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>

1. Where do we record costs to help pre-K students develop skills needed for success in the public school curriculum? These costs were coded to PIC 32.

These costs should now be coded to PIC 11 – basic education services.

Early Education Allotment (PIC 36)

For more information about Early Childhood Education, please see the following:

- [Early Childhood Education in Texas | Texas Education Agency](https://tea.texas.gov/academics/early-childhood-education)
<https://tea.texas.gov/academics/early-childhood-education>
- [Early Childhood Education FAQs | Texas Education Agency](https://tea.texas.gov/academics/early-childhood-education/early-childhood-education-faqs)
<https://tea.texas.gov/academics/early-childhood-education/early-childhood-education-faqs>
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>

1. Can we do a 2-year online subscription with our EEA funds? Since it is state allotment funds, we wanted to make sure before moving forward. Normally with federal, we follow our fiscal calendar from 9-1 to 8-31.

It would be the same as federal. You can only record one year of the expense in the fiscal year you are using it. Since this is related to an online subscription, you may also need to follow [GASB 96](#).

2. I have questions regarding Pre-K PIC codes. Did HB 3 (86th legislative session) require districts to tie PIC code 36 for the early education allotment at 100% of the direct expenditures? Also, are districts required to tie PIC code 32 to expenditures for HQ? I was told that these are no longer required by TEA and wanted to verify.

Yes, 100% of the early education allotment must be spent on direct program services and coded to program intent code (PIC) 36 (Early Education Allotment). PIC 32 has been removed and

prekindergarten costs for high quality prekindergarten should be coded to PIC 11 (Basic Educational Services).

3. Can PIC 36 be used to support PreK for 3-year-olds? I checked the FASRG and didn't see anything distinguishing PreK 3 from PreK 4, but wanted to confirm.

Generally, yes it can.

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

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 **pre-k** classrooms.

5. Can you confirm that LEAs may charge 50% of a pre-k teacher's salary to the early education allotment?

Yes, 50% of a pre-k teacher's salary can be coded to PIC 36 as long as the part that is coded to PIC 36 is for services designed to improve student performance in reading and mathematics.

6. Can a portion of the Early Education Allotment funds be allocated to cover part of an aide's salary if they are working with RLA or math PK-3rd grade students?

Yes, the salary for the teacher's aide would be considered an allowable use of the Early Education Allotment funds, provided the aide is directly supporting the objectives of the early education program.

Dyslexia (PICs 37 and 43)

For more information about Dyslexia, please see the following:

- [Dyslexia and Related Disorders | Texas Education Agency](https://tea.texas.gov/academics/special-student-populations/dyslexia-and-related-disorders)
<https://tea.texas.gov/academics/special-student-populations/dyslexia-and-related-disorders>
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>

1. Is there is a required percentage that must be spent in relation to dyslexia?

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 or Related Disorders – screening, evaluation, and identifications) and/or PIC 43 (Dyslexia or Related Disorders – 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.

2. We understand the Dyslexia Allotment has a 100% spending requirement. When will the final amount be available to guarantee the full amount is expended? The current understanding is that this information is provided until late in the year. This may cause the district to be out of compliance as the full amount is not available until it is too late to spend 100%.

The state program spending requirement amount is determined using the district's Summer PEIMS attendance and enrollment data, which is annually incorporated into their summary of finances (SOF) report at near final settle up in September following the end of the fiscal year. This includes the PEIMS-reported dyslexia enrollment that is used in calculating the dyslexia allotment. At near final settle up, the dyslexia allotment value in the DPE column of the SOF will be updated to reflect the district's Summer PEIMS-reported enrollment data, found in the district's Tier One Detail Report. Summary of Finances (SOF) run ID 37791 is the specific SOF run that the district would use for SY2022. TEA combines program intent codes (PICs) 37 and 43 for Dyslexia for state compliance testing. For federal compliance with IDEA MOE, TEA only uses PIC 43, along with the special education PICs. In addition, TEA measures spending compliance based on a three-year average.

Prior to near final settle up and throughout the school year, the district is encouraged to utilize a state aid template to estimate their dyslexia allotment. They can enter their projected dyslexia enrollment and calculate their projected associated funding for planning purposes. For example, the district may use TEA's [State Aid Template 2022-2025](https://tea.texas.gov/finance-and-grants/state-funding) posted at <https://tea.texas.gov/finance-and-grants/state-funding> under District & Charter Planning Tools.

3. Are we allowed to use Dyslexia Allotment funds to pay a Dyslexia teacher for transportation (gas) that services dyslexia students in 4 different schools?

TEA typically does not suggest paying for gas. It would be a mileage reimbursement rather than a fuel reimbursement.

- 4. If we have a request to purchase a digital program, can the purchase only be for one year or is a multi-year purchase allowable. For example, the Amira Dyslexia Screener digital student resources. The company has sent a quote but it is for 6 years. Is that allowed or can the quote only state amounts for 1 year?**

The allotment is an annual allotment; therefore, you can only record the expense for each year. You would have to divide the quote by the number of years and charge the annual amount to the allotment each year. Since this is related to an online subscription, you may also need to follow [GASB 96](#).

- 5. We have been awarded the TCLAS-ESSER III grant Fund 279. If we have an expense coded to the grant for a Dyslexia program (PIC 37), can that expense be used toward meeting PIC 37's spending requirements?**

For state spending compliance, TEA is only combining ESSER funds 266, 281, 282, and 283.

- 6. Please provide updates regarding dyslexia coding.**

The FASRG FAR Appendices, section A.8, has been updated to incorporate the 88th legislative changes noted in [HB 3928](#) to the dyslexia program for students with dyslexia or a related disorder. More of the dyslexia expenditures are now coded to PIC 43. Costs coded to PIC 43 will be included in the calculation for IDEA-B maintenance of effort, but costs coded to PIC 37 will not be included in that calculation. Additionally, expenditures coded to both PIC 37 and PIC 43 will be incorporated into the TEA's spending requirement calculations to ensure compliance with the Dyslexia allotment program.

PIC 37 includes costs incurred related to:

- Tools and instruments used to screen, progress monitor, and/or evaluate for dyslexia and related disorders.
- Training in the identification of dyslexia for evaluation personnel.
- Professional development in the science of teaching reading.
- Regular education aids and services, such as instructional accommodations, provided to a student who has been identified as having dyslexia or a related disorder under a 504 accommodation plan.
- Personnel costs for the screening, evaluation, and identification of students with dyslexia.

PIC 43 includes costs incurred related to:

- Dyslexia instruction by a person with specific training in providing that instruction. This includes dyslexia teachers and dyslexia instruction providers.
- Personnel costs for licensed, training, or certified providers of dyslexia instruction.
- Evidence-based dyslexia program materials.

- 7. Is dyslexia considered special education now, resulting in all dyslexia services being coded to PIC 43?**

Not all dyslexia allotment funds will be spent in PIC 43. There are some expenditures that will be coded to PIC 37. The overall mix is determined by each LEA. The FASRG FAR Appendices, section A.8, has examples of allowable costs for each PIC.

8. Can state compensatory education (SCE) PICs be used for supplemental support of dyslexic students?

SCE funds would be supplemental to the dyslexia allotment funds used to support the students. LEAs have a 100% spending requirement for the dyslexia allotment, so SCE funds would be supplemental to the dyslexia allotment and not the first funding stream to pay for those costs.

9. If dyslexia now falls under special education, will PIC 37 still exist?

Yes, PIC 37 will continue to exist and be utilized. LEAs determine how to divide the dyslexia allotment between PICs 37 and 43. With [HB 3928](#) (88th legislative session), more of the allotment will be put towards PIC 43 because the feds changed dyslexia to more of a sped function. Also, PIC 37 is not added with PIC 23 for IDEA-B MOE calculations, but PIC 43 is included in this calculation.

Additionally, expenditures coded to both PIC 37 and PIC 43 will be incorporated into the TEA's spending requirement calculations to ensure compliance with the Dyslexia allotment program.

10. With HB 3928 (88th legislative session), is it possible for a student to be dyslexic and not be in special education?

Yes, students can be identified with dyslexia and not be coded/served under special education. If a student is identified with dyslexia and needs instructional accommodations through a Section 504 plan but does not require specialized instruction through the provision of direct dyslexia instruction, that student would still generate the dyslexia allotment.

11. With HB 3928 (88th legislative session), should dyslexia teacher salaries be coded to PIC 43 now?

If a district is using the dyslexia allotment to pay providers of dyslexia instruction, these individuals are providing a special education service, so therefore their salaries should be coded to PIC 43.

12. Could you please confirm whether a student who has been identified as having dyslexia and has also been determined eligible for special education services may generate funding under both the Dyslexia Allotment and the Special Education Allotment?

Yes, the student could generate funding under both allotment programs as long as the student requires both services.

College, Career, and Military Readiness (PIC 38)

For information about College, Career, and Military Prep, please see the following:

- [College, Career, and Military Prep | Texas Education Agency](https://tea.texas.gov/academics/college-career-and-military-prep)
<https://tea.texas.gov/academics/college-career-and-military-prep>
- [Financial Accountability System Resource Guide](https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide)
<https://tea.texas.gov/finance-and-grants/financial-compliance/financial-accountability-system-resource-guide>

1. Would it be all right to use PIC 38 for 100% of a Guidance Counselor's salary?

Yes, that would be all right. Technically the guidance counselor's salary meets the goal of the CCMR program (PIC 38), which is to prepare students for college, career, or military.

2. Can CCMR funds be used to continue to support a student who graduated?

State allotment program funds cannot be used for post-graduate students. The LEA would have to use other funds rather than state funds to cover those costs.

3. Can an LEA use state allotment funds to pay for dual credit courses?

LEAs can use local or state funds for dual credit courses, but not some of the state supplemental allotments.

The LEA could use the college, career, and military readiness (CCMR) outcomes allotment (PIC 38) for dual credit courses; however, the LEA cannot use any of the state compensatory education (SCE) allotment funds.

School Safety Allotment (no designated PIC)

For more information about school safety and the school safety allotment, please see the following:

- [School Safety Resources | Texas Education Agency](https://tea.texas.gov/texas-schools/health-safety-discipline/safe-and-supportive-schools/school-safety-resources)
<https://tea.texas.gov/texas-schools/health-safety-discipline/safe-and-supportive-schools/school-safety-resources>
- [School Safety Allotment | Texas Education Agency](https://tea.texas.gov/about-tea/news-and-multimedia/correspondence/taa-letters/school-safety-allotment)
<https://tea.texas.gov/about-tea/news-and-multimedia/correspondence/taa-letters/school-safety-allotment>
- If you have any questions, please contact TEA's safe schools' department at safeschools@tea.texas.gov.

1. Is a school district required to spend \$15,000 per campus as noted on the bill ([TEC, §48.115](#)) and/or is it required to keep track of expenditures by campus? Please provide clarification on how these funds should be tracked by campus, district, or otherwise.

It is important to report what the uses of the allotment are and to be able to identify what those uses are. One way of doing so is by the use of local option codes. An LEA may decide to create a generic fund code to track both the revenue and the expenditures. The main point is to track the use of the funds in way that allows for reporting their uses to TEA.

There is not a specifically assigned program intent code for the School Safety Allotment. The law is prescriptive on the uses of the funds. Each LEA should use a locally assigned code to track allotment expenditures. Each LEA is expected to spend 100 percent of the allotment in accordance with the law.

2. When is the last day to utilize the school safety allotment funds for the fiscal year?

Districts should spend 100% of their budgeted allotment by the district's FYE (either 6/30 or 8/31), as tracked by local option codes.

For the other supplemental state allotments, TEA uses a 3-year average to monitor compliance.

Dual Credit Courses

For more information about dual credit, please see the following:

- [Dual Credit | Texas Education Agency](#)

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

1. Can an LEA use state allotment funds to pay for dual credit courses?

LEAs can use local or state funds for dual credit courses, but not some of the state supplemental allotments.

The LEA could use the college, career, and military readiness (CCMR) outcomes allotment (PIC 38) for dual credit courses; however, the LEA cannot use any of the state compensatory education (SCE) allotment funds.