



[Home](#) / [Student Testing and Accountability](#) / [Accountability](#) / [State Accountability](#) / [Performance Reporting Division](#)

## Public Education Grant (PEG) FAQ

In 1995, the Texas Legislature created the Public Education Grant (PEG) program (TEC §§29.201–29.205). The PEG program permits a parent whose child attends a school on the PEG List to request a transfer to another school within their home district or to a school in a different district.

The information on this page is intended to help districts and parents understand and make appropriate use of the PEG program.

Updated December 14, 2016

### 1. What is the PEG program?

In 1995, the Texas Legislature created the Public Education Grant (PEG) program (TEC §§29.201–29.205). The PEG program permits a parent whose child attends a school on the [PEG List](#) to request a transfer to another school within their home district or to a school in a different district. A list of PEG-designated schools is provided to districts annually. By February 1, districts must notify each parent assigned to a school on the PEG List. Parents may then request a transfer for the following school year.

Through the PEG program, districts receive a slightly higher allocation of funding from the state for each PEG-transferred student. (The additional funding is equal to 10 percent of the adjusted basic allotment, which varies by school.)

### 2. What schools are on the current PEG List?

See the most current [PEG List](#) (PDF).

## Identification

### 3. Why does a school appear on the PEG List?

Included on the [PEG List](#) are 2016 campuses with passing rates on STAAR that are less than or equal to 50 percent in any two of the preceding three years: 2014, 2015, and 2016 or with an accountability rating of *Improvement Required* in 2014, 2015, or 2016.

Some examples of schools that would appear on the current PEG List include

- a school that was *Improvement Required* in 2014,
- a school with fewer than 50 percent of its students passing reading in 2015 and 2014, and
- a school with fewer than 50 percent of its students passing science in 2014 and fewer than 50 percent passing ELA in 2016.

For more details on how schools are identified, please see the [Methodology and Explanation \(PDF\)](#).

### 4. How can a school that was rated *Met Standard* for 2016 be on the PEG List?

A school can remain on the [PEG List](#) for up to three years, even if its subsequent rating is *Met Standard*.

**5. Why aren't charter schools on the PEG List?**

Charter campuses are schools of choice, and students at a charter school are eligible to transfer back to their home school district whenever they desire.

**6. Do PEG calculations use the same accountability subset used for state accountability ratings?**

Yes.

**7. In spring 2016 our campus had assessments flagged as experiencing online testing issues. How did those assessments impact the PEG List?**

For 2016, the results of grades 5 and 8 reading and mathematics, grades 4 and 7 writing, and EOC English I and English II assessments affected by the online testing issues that occurred on March 29, 2016, were excluded from PEG processing.

**8. Are specific student groups evaluated for PEG or *All Students* only?**

PEG identification is based on the performance of *All Students* only. However, schools that are PEG-listed as the result of an *Improvement Required* rating may have received the rating based on the performance of a student group in one of the four indices.

**9. Why can't state accountability ratings and the PEG List be aligned?**

The PEG statute, which has been in place since 1995, provides very specific requirements for the PEG program. Legislative requirements for the accountability system do not correlate perfectly with the PEG statute.

## Transfer

**10. How does a parent obtain a transfer?**

The parent contacts the destination district and submits a written transfer request. Either the PEG notification letter from the home district or the [PEG List](#) provides adequate justification for the transfer request.

**11. Can a PEG-listed school deny a student the right to request a transfer to a school in another district?**

No, the purpose of the letter sent by the PEG-listed school is to notify every parent that they can request a transfer under the PEG program.

**12. I can't find the parent notification letter from our home school; I'm not even sure the school sent me one. Can I still request a transfer?**

Yes, simply show the destination district the [PEG List](#) and explain that your home school is listed.

**13. Must a district accept all students who request transfers under the PEG program?**

No, but districts must follow the same policies they follow for evaluating non-PEG transfer requests. For example, they may restrict transfers by using a first-come-first-serve system and may deny further requests for lack of space.

Interdistrict (different district) – These may be refused or accepted by the district receiving the transfer request based on existing district policy.

Intradistrict (within district) – These requests may also be refused or accepted based on existing district policy, although no additional funding is allotted for this type of transfer.

**14. My daughter attends a very low-performing school that is now on the PEG List. I would like to transfer her to a high-performing school in another district. They have refused her transfer even though other students have been allowed to transfer under PEG. They tell me their district has a policy of only accepting PEG transfers of students who perform well on the**

**STAAR. Is this legal?**

No, districts may not discriminate based on a student's academic performance. A school district chosen by a student's parent under [Section 29.201](#) 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 (TEC §29.203 [d]).

**15. Can a district refuse to accept a transfer because they do not wish to incur the additional special education expenses for that student?**

No, a district cannot discriminate based on special education needs.

**16. Can a district accept PEG transfers only for the children of staff?**

No, however, a district may deny PEG transfers and accept non-PEG transfers for the children of staff as long as this is consistent with the district's policy.

**17. Is a fifth grader eligible to request a transfer if the middle school he/she will attend as a sixth grader is on the 2017–18 PEG List?**

Yes.

**18. My child attends school in a district that is rated *Improvement Required*. Her school is rated *Met Standard*. Can I still request a PEG transfer?**

No, PEG transfers are specifically for schools with the *Improvement Required* rating. District ratings are not a consideration.

**19. Does the ability to transfer last the duration of the 2017–18 school year?**

Yes, parents may request a transfer under the PEG program any time during the 2017–18 school year.

**20. Can students transfer before the beginning of the upcoming school year?**

No, the list refers to the upcoming school year. PEG-funded transfers are not allowed until registration for the new school year begins.

**21. Can a student transfer from one PEG-listed campus to another PEG-listed campus under the PEG program?**

No, under the PEG program criteria, a student may not transfer from one PEG-identified campus to another PEG-identified campus under the PEG program. However, district-to-district transfers exist outside of the PEG program and can begin, end, or continue regardless of the PEG status of the schools.

**22. What happens to students who transferred to a district under the PEG program, and in a subsequent year the campus they attend becomes a PEG-listed campus? Do they remain eligible to stay at the school?**

The conditions of their original transfer are no longer in effect. They may still request to transfer during 2017–18, but only as a non-PEG transfer.

**23. In the situation above, is funding sustained?**

The receiving district can no longer receive PEG funding for transfers to a school that has become a PEG-listed campus.

**24. In the situation above, do the PEG-transferred students get the same notification as all other enrolled students?**

Yes, all students attending the school that is PEG-identified must be notified that the school they are attending is on the [PEG List](#).

**25. Please explain continued student eligibility in cases where a school is no longer PEG-listed or the student's attendance zone changes.**

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:

- 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

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.

**26. In the case of larger districts with multiple schools that are not on the PEG List, can students request a transfer to another school that is within the district?**

Yes.

**27. Are districts required to allow those transfers?**

Districts must follow the same policies they follow in allowing any transfer requests. For example, they may deny a request because of lack of space.

## Athletic Eligibility

**28. If a student transfers under the PEG program, is their athletic eligibility affected?**

Possibly. Rules regarding UIL eligibility are governed by the University Interscholastic League, not by TEA or school districts. See the downloadable [TEA-UIL Side by Side](#). Page 9 addresses PEG transfers.

**29. Are districts responsible for providing transportation for students if they transfer to a school in another district?**

No, districts are not required to provide transportation for students who transfer to another district under the PEG program.

The school district in which a student resides shall provide each student attending a school in another district under this subchapter transportation free of charge to and from the school the student would otherwise attend (TEC 29.203 [f]).

The phrase, "to and from the school the student would otherwise attend" means that the district is not required to provide transportation beyond what it would normally provide—to and from the students' homes and their regularly assigned schools. In other words, neither the residing nor receiving district is required to provide transportation to the new school.

## District Responsibilities

**30. Is there an overview of district responsibilities?**

[Correspondence To Superintendents](#) was sent via email to superintendents of districts with at least one campus on the [PEG List](#). The letter addresses district responsibilities.

**31. Districts are instructed to provide a clear, concise explanation of PEG when they notify parents. Can TEA provide such an explanation or provide a sample letter that could be used to send to parents?**

Because each school's situation for being on the PEG List is unique, the school needs to write its own

letter addressing its specific situation. It is recommended that local administrators include the following:

- State the basic situation (that the school is on the PEG List for the 2017–18 school year).
- Describe the PEG program (see the answer to the first question in this FAQ).
- Explain how the school came to be on the list.
- Address how the school plans to remedy any problems.
- State the district's policy regarding in-district transfers if that is an option for parents.

**32. The TEA letter instructs districts to inform parents of how to obtain a transfer. What should be said?**

The letter should clearly state that parents must contact the destination district and submit a written transfer request. The letter they have received from the home district, as well as the [PEG List](#), provides adequate justification for the transfer request.

**33. Must districts document all requests they get for transfers, especially if the district denies them?**

While there is no requirement for such documentation, it is sensible for a district to document the disposition of all requests, including reasons and/or justifications for denial.

**34. Do we need to send letters to parents of fifth graders? Our school is K–5, and these kids will be gone next year.**

Yes, according to statute, you are required to send the notice to all parents. There is a possibility that some fifth graders will be retained and attend the school again. Such retained students are eligible to be transferred under PEG guidelines. However, only students who would otherwise attend the K–5 campus in 2017–18 are eligible for PEG transfers from that school.

**35. Must we notify the parents of incoming freshmen that the high school is on the list? Or, similarly, must we notify the parents of incoming kindergarten students that the elementary school is on the list?**

No, while those students also have the right to request a transfer, statute specifies that notification by February 1 of each year to parents of students currently assigned to the PEG-listed campus is sufficient.

**36. If a student moves into a PEG-listed school after the notification has been sent out, must the school provide them notification?**

Notification is not required beyond the February 1 deadline specified in statute; however, all students who would be attending a PEG-listed campus during the 2017–18 school year must be given the opportunity to transfer if they wish.

**37. Do districts need to contact other districts to let them know they have a PEG-listed school?**

No.

**38. Are districts obligated to prepare the application for a transfer on behalf of the parent?**

No, the student's parent or guardian needs to apply for the transfer.

**39. Is there an appeals process?**

No.

**40. If a district is working with the agency to remove a school from the list, does the notification letter to parents still need to be sent by February 1?**

Yes, because the outcome of the correspondence is unknown, districts must comply with statute by notifying parents of the school's status as of February 1. However, the notification can include a statement that communication with the agency is in progress and that the school's PEG status may change.

**41. If a school is on the PEG List but will be closed for 2017–18, is there still a requirement to send PEG notification letters to the current students?**

No, if a school listed on the 2017–18 [PEG List](#) will be closed for the 2017–18 school year, districts are not required to send notification letters to the students currently attending the school. However, students reassigned to an existing school that is on the 2017–18 PEG List should receive notification letters.

**42. We changed our grade configuration completely, from middle school to elementary school, but kept the same campus number. We will send the required PEG notification to the parents of this new elementary. Can parents request a transfer from this elementary to another elementary, even though it was performance at the middle school that put us on the PEG List?**

Yes, if the campus identification number remains the same, the new school will still be on the [PEG List](#), regardless of changed grade span. The district must treat transfer requests within the district in the manner mentioned above. Parents can request to transfer to a school with the same grade as the PEG-listed school. Parents can also request to transfer to a similar school outside the district.

**43. Do PEG-listed schools have other special requirements they must meet to get off the list, such as more highly trained teachers or a smaller teacher-student ratio?**

No, there are no special requirements they must meet to get off the list. PEG-listed schools must work to improve their accountability rating or increase the percentage of students passing the state assessments to get off the [PEG List](#). Information on how the 2016 accountability ratings were determined is available in the [2016 Accountability Manual](#).

## Financial Questions

**44. Can a district charge tuition for a student who transfers under the PEG program?**

No.

**45. Can a district accept paid-tuition transfers but decline PEG transfers?**

Yes, a district may accept paid-tuition transfers but decline PEG transfers. Specifically, a district may do any of the following: accept regular transfers under Chapter 25, accept PEG transfers, accept both, or accept neither. The district's policy must be consistent on this.

**46. Can they accept a student from a PEG-listed school but not call it a PEG transfer and charge them?**

Yes, if district policy is to accept transfers under Chapter 25, but not PEG, a student from a PEG-listed school would be treated the same as any other transfer student under Chapter 25, including charging any tuition permitted under Sec. 25.038.

**47. What if they have a paid-tuition transfer student from a school that later becomes a PEG-listed school, can they continue to charge tuition?**

Yes, if they do not take PEG transfers. However, if they do take PEG transfers, they must treat the student as a PEG transfer the school year that the student becomes PEG eligible.

**48. If a parent is paying tuition for a student to attend a non-PEG campus under a tuition transfer agreement and the student's home campus becomes a PEG-listed campus, can the parent stop paying tuition and the student continue to attend the campus of choice?**

Yes, as long as the receiving district agrees to accept the student under the PEG program.

**49. Can a district charge an additional "transfer fee" for accepting a student who transferred under the PEG program?**

No, the school district cannot charge a transfer fee for a PEG transfer. They can only charge fees where they have been granted statutory authority to charge fees.

**50. If a charter school accepts a student previously served in a PEG-listed campus, is the charter eligible to receive additional state funding?**

No.

## PEG Archives

**51. Where can I find PEG Lists from prior years?**

Links to most lists, dating back to 1995, have been compiled at the [PEG Archives](#) page. Letters, lists, and other materials dating to 1999 can also be found at the [TEA Correspondence](#) site.

Correspondence prior to 2012 is available on the [TEA Correspondence archive](#) site. Most PEG letters were sent in December of each year.

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