

**Report of the State Board of Education  
Committee of the Full Board  
July 16, 2014**

The State Board of Education Committee of the Full Board met at 9:03 a.m. on Wednesday, July 16, 2014, in the State Board of Education Room, #1-104, of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. The following members of the committee were present:

Presiding: Barbara Cargill, chair; Lawrence A. Allen, Jr.; Donna Bahorich; David Bradley; Ruben Cortez, Jr.; Martha M. Dominguez; Pat Hardy; Mavis B. Knight; Sue Melton-Malone; Ken Mercer; Geraldine “Tincy” Miller; Marisa B. Perez; Thomas Ratliff; Marty Rowley

Absent: Tom Maynard

**Public Testimony**

This item provides an opportunity for the public to present testimony at the time the related item comes up for committee discussion or action. The procedures for registering and taking public testimony at State Board of Education committee meetings and general board meetings are provided at <http://www.tea.state.tx.us/ind2ex4.aspx?id=25769804094> or in the information section (yellow pages) of the agenda.

The Committee of the Full Board heard public testimony on agenda items #3 and #8. Information regarding the individuals who presented public testimony is included in the discussion of that item.

**DISCUSSION ITEMS**

**1. Commissioner’s Comments Regarding the SBOE Agenda and Legislation Implementation**  
(Board agenda page I-59)

Commissioner of Education Michael Williams and state board members had a lengthy and robust discussion about the commissioner’s decision to grant an expansion amendment to Great Hearts charter. The commissioner also discussed additional topics such as staffing changes, state and federal testing requirements, teacher shortages and the commissioner’s decision to appoint a board of managers for the Beaumont Independent School District.

**2. Introduction of the 2013 and 2014 Texas Secondary Teachers of the Year**  
(Board agenda page I-61)

The board heard from Monica Washington, the 2014 Texas Secondary Teacher of the Year, and Jeremy Wagner, the 2013 Texas Secondary Teacher of the Year. The teachers spoke about their experiences as the Teacher of the Year, such as meeting the president of the United States, and talked about issues of concern to them, such as beefing up mentoring programs.

**3. Instructional Materials Allotment Update**

(Board agenda page I-63)

Public testimony was provided by the following individual:

NAME: Susan Lenox

AFFILIATION: Instructional Materials Coordinators' Association of Texas

Monica Martinez, associate commissioner for standards and programs, presented an update on the instructional materials allotment and the processes involved in using the funds. She provided explanations of the current adoption cycle, approved expenditures related to Proclamation 2014 as of July 2014, and estimated minimum projected costs for proclamations 2015 and 2016.

**CONSENT ITEMS**

**4. Review and Adoption of the Long-Term Strategic Asset Allocation Plan of the Permanent School Fund**

(Board agenda page I-1)

[Consent agenda item #(1)]

Holland Timmins, executive administrator and chief investment officer, began the presentation by stating that asset allocation is the key determinant of Fund performance over the long run and the board sets the asset allocation policy for the Fund. He noted that the PSF staff and NEPC are in agreement on the proposed plan. Tim Bruce, partner, and Keith Stronkowsky, senior consultant, gave a presentation for NEPC. During their comments there was discussion on the different asset classes and the basis for the proposed allocations to each class.

**MOTION AND VOTE:** *It was moved by Ms. Hardy, seconded by Mr. Ratliff, and carried, with Mrs. Miller voting No, that the committee recommend to the State Board of Education adoption of the Permanent School Fund Long-Term Strategic Asset Allocation Plan recommended by NEPC as presented on page 9 of the NEPC Asset Allocation Review presentation (see attachment). (Mrs. Bahorich and Mr. Allen were absent for the vote.)*

**5. Review of the Report on Permanent School Fund Percentage Distribution Rates under Consideration for Fiscal Years 2016 and 2017**

(Board agenda page I-3)

[Consent agenda item #(2)]

Mrs. Cargill called on Mr. Timmins to make a presentation on the history and current activity of the Permanent School Fund to the Available School Fund. He explained the concept of intergenerational equity and commented on the board's objective to strive to maintain intergenerational equity when setting the distribution rate.

Carlos Veintemillas, deputy chief investment officer, stated that the agenda item fulfills the requirement regarding reporting the distribution rates under consideration to the Legislative Budget Board and the Governor prior to their adoption. He discussed the factors to consider in determining an appropriate distribution rate for the fund and explained that the staff recommendation was largely in agreement with NEPC's recommendation, with the only difference being the inflation forecast.

In response to questions from board members, Mr. Veintemillas explained that the PSF staff was using the United States Consumer Price Index as its inflation factor, while NEPC was using global inflation as its factor. PSF staff recommends the CPI measure as more appropriate since a global rate includes higher inflation rates faced by emerging market countries. Mr. Veintemillas concluded that the staff recommendation was for the board to adopt a range for the distribution rate of between 2.75% and 3.5%

Mrs. Cargill called on Mr. Stronkowsky to make their presentation on the distribution rate. Mr. Stronkowsky discussed the factors NEPC used to make its recommendation, stating that the only difference in the variables was the inflation rate. NEPC's recommendation was for a range in the distribution rate of between 2.5% and 3.0%.

**MOTION AND VOTE:** *It was moved by Mr. Ratliff, seconded by Ms. Hardy, and carried unanimously that the percentage distribution rate to the Available School Fund from the Permanent School Fund for fiscal years 2016 and 2017 shall be between 2.75% and 3.5%. (Mr. Allen, Mrs. Bahorich, and Dr. Dominguez were absent for the vote.)*

### **ACTION ITEM**

6. **Proposed Revisions to 19 TAC Chapter 114, Texas Essential Knowledge and Skills for Languages Other Than English**  
(First Reading and Filing Authorization)  
(Board agenda page I-7)  
[Official agenda item #3]

Shelly Ramos, curriculum division director, explained that, based on direction given by the board at the last meeting, the classical languages committee developed proposed new Texas Essential Knowledge and Skills for classical languages.

**MOTION AND VOTE:** *It was moved by Mrs. Melton-Malone, seconded by Mr. Rowley, and carried unanimously to recommend that the State Board of Education approve for first reading and filing authorization proposed revisions to 19 TAC Chapter 114, Texas Essential Knowledge and Skills for Languages Other Than English. (Mr. Allen, Mr. Bradley, Mr. Cortez, Mrs. Knight, Mr. Mercer, and Mrs. Miller were absent for the vote.)*

### **DISCUSSION ITEM**

7. **Update on Texas Essential Knowledge and Skills (TEKS) Review**  
(Board agenda page I-67)

Ms. Ramos explained the upcoming steps in the board's review and revision process for the career and technical education TEKS and the final steps for the classical languages portion of the languages other than English TEKS.

## ACTION ITEMS

### 8. **Proclamation 2016 of the State Board of Education Advertising for Bids on Instructional Materials**

(Board agenda page I-15)

[Official agenda item #4]

Ms. Martinez highlighted the need to make adjustments to Proclamation 2016 to include classical languages.

Public testimony was provided by the following individuals:

NAME: Georgina Perez  
AFFILIATION: Self

NAME: Tony Diaz  
AFFILIATION: Self

**MOTION:** *It was moved by Mr. Cortez and seconded by Dr. Dominguez to recommend that the State Board of Education approve Proclamation 2016 of the State Board of Education Advertising for Bids on Instructional Materials with the addition of classical languages.*

**MOTION AND VOTE:** *It was moved by Mr. Rowley, seconded by Ms. Hardy, and carried, with Mr. Cortez voting No, to recommend that the State Board of Education amend Proclamation 2016 to read as follows:*

“The subjects and grade levels included in Proclamation 2016 are Languages Other Than English (LOTE) and Special Topics in Social Studies when used to teach ethnic studies to include, but not be limited to, ethnic studies such as Mexican-American Studies, African-American Studies, Native-American Studies, and Asian-American Studies.”

*(Mr. Allen and Mr. Bradley were absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mr. Ratliff, seconded by Mrs. Miller, and carried, with Mr. Cortez voting No, to recommend that the State Board of Education change the effective date of Proclamation 2016 to delay for one calendar year and to instruct staff to adjust the dates in the proclamation accordingly. (Mr. Allen and Mr. Bradley were absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Bahorich, seconded by Ms. Perez, and carried to recommend that the State Board of Education amend page 4 of Proclamation 2016 to read as follows:*

“Deadline for publishers to submit one (1) complete, electronic, pre-adoption sample copy of instructional materials along with one (1) completed *Correlation to the Texas Essential Knowledge and Skills* (TEKS) form to **each of the twenty ESCs**. Publishers shall file all materials by 5:00 P.M. CDT.

Each complete sample copy shall consist of the full official submission in its entirety, comprising the totality of the electronic versions of both the student and the teacher edition.

~~Publishers providing Internet-based instructional materials shall supply the TEA and ESCs with appropriate information, such as locator information and passwords, required to ensure public access to their programs until final samples are submitted in April 2016. Access to electronic samples should be available for multiple simultaneous users.~~

Publishers shall ensure that all samples are complete as to content. Electronic instructional materials, including Internet-based products, must be functional for review purposes.

The TEA, ESCs, and affected publishing companies shall work together to ensure that hardware or special equipment necessary for review of any item included in the complete sample copies of a student and/or teacher component of an instructional materials submission is available in each ESC.

Publishers providing Internet-based instructional materials shall supply the TEA and ESCs with appropriate information, such as locator information and passwords, required to ensure public access to the complete sample copies of their programs until final samples are submitted in April 2017. Access to complete electronic samples shall be available for multiple simultaneous users.

Note: The TEA may require additional complete samples for use by contracted reviewers, members of the SBOE, and others.”

*(Mr. Allen and Mr. Bradley were absent for the vote.)*

**VOTE:** *A vote was taken on the motion to recommend that the State Board of Education approve Proclamation 2016, as amended. The motion carried unanimously. (Mr. Allen and Mr. Bradley were absent for the vote.)*

## **9. Approval of Question and Answer Document for Proclamation 2016**

(Board agenda page I-51)

[Official agenda item #5]

As a result of the change to the effective date of Proclamation 2016, the committee did not take action on this item.

## **DISCUSSION ITEMS**

### **10. Ethics Training**

(Board agenda page I-75)

Board members were provided with copies of the *Ethics Handbook for the Permanent School Fund* and *A Guide to Ethics Laws for State Officers and Employees*, and received a briefing by Christopher Maska, TEA ethics advisor, regarding ethical requirements and issues.

**11. Report on Open-Enrollment Applications and Interviews**  
(Board agenda page I-117)

Board members were provided an overview regarding access to the online charter school open-enrollment applications, and information regarding the aspects of the interview process was shared with board members.

**12. Discussion of Pending Litigation**  
(Board agenda page I-119)

The committee did not discuss pending litigation; therefore, no executive session was held.

Mrs. Cargill adjourned the meeting at 6:28 p.m.