

Minutes
State Board of Education
July 22, 2016

The State Board of Education met at 9:20 a.m. on Friday, July 22, 2016, 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 board were present:

Presiding: Donna Bahorich, Chair; Erika Beltran; David Bradley; Barbara Cargill; Ruben Cortez, Jr., Secretary; Martha M. Dominguez; Pat Hardy; Tom Maynard; Sue Melton-Malone; Geraldine “Tincy” Miller; Marissa B. Perez; Thomas Ratliff, Vice-Chair; Marty Rowley

Absent: Lawrence A. Allen, Jr.; Ken Mercer

Invocation

Pledge of Allegiance

Approval of Minutes

State Board of Education, April 8, 2016

MOTION AND VOTE: *The State Board of Education unanimously approved the Minutes of the April 8, 2016, meeting of the State Board of Education, as printed.*

Public Testimony - Individual testimony will be taken to address items other than those on the board agenda. The procedures for registering and taking public testimony at State Board of Education committee meetings and general board meetings are provided at [http://tea.texas.gov/About_TEA/Leadership/State Board of Education/SBOE Meetings/SBOE Operating Rules Amended 4-17-15/](http://tea.texas.gov/About_TEA/Leadership/State_Board_of_Education/SBOE_Meetings/SBOE_Operating_Rules_Amended_4-17-15/) or in the information section (yellow pages) of the agenda.

The State Board of Education received seven presentations of public testimony, as follows:

NAME: Lynn Shawndelle Kreger
AFFILIATION: Cosmetology Instructors of Public Schools (CIPS)
TOPIC: Proposed Reduction of Credit for Secondary Cosmetology Programs

NAME: Velma Ybarra
AFFILIATION: Hispanics Organized for Political Education (HOPE)
TOPIC: Adoption of Mexican American Studies Textbook

NAME: Al Maldonado
AFFILIATION: HOPE
TOPIC: Adoption of Mexican American Studies Textbook

NAME: Randy Houchins
AFFILIATION: Self
TOPIC: Math TEKS

NAME: Amy Houchins
AFFILIATION: Self
TOPIC: Math TEKS

NAME: Matt Buehner
AFFILIATION: Self
TOPIC: Process Standards in Math and Science

NAME: Pam Johnson
AFFILIATION: Self
TOPIC: Process Standards in Math

The State Board of Education considered agenda items in the following order: #1; #2; #13; #3 through #12.

1. Resolutions and Presentations

Student Heroes Awards Resolution

The State Board of Education, by unanimous consent, adopted a resolution recognizing each of the following students and commending them for their unselfishness, good character and altruism towards others: Josh Clark, Jocelyn Sosa Ramirez, Briana Anahi Zuniga, Lizi Xiong, Zack Reyna, Lauren Forney, Jeremy Crabtree, Grant Miles Neal, Dryver Cowart, Vanessa Rodriguez, Katherine Nelon, Kendall Dietch, Cooper Philpot, Nickolai A. Galuppo, and Hannah Keaty.

(ATTACHMENT 1, page 11)

Bellaire High School Team

The State Board of Education, by unanimous consent, adopted a resolution congratulating the following team of students from Bellaire High School, Houston Independent School District, on their victory in the 16th Annual National Economics Challenge: Liana Wang, Amy Fan, Suneal Vemuri, and Antony Yun.

(ATTACHMENT 2, page 13)

The State Board of Education recessed at 11:03 a.m., and reconvened at 11:18 a.m.

2. Approval of Consent Agenda

Any agenda item may be placed on the consent agenda by any State Board of Education committee. The State Board of Education may elect to take separate action on any item on the consent agenda.

Mrs. Bahorich reported that consent agenda item (6), Overview of the Permanent School Fund Real Estate Policy, was being pulled from the original consent agenda.

Mrs. Miller reported that she was recusing herself from any discussion, and would not cast a vote, on consent agenda item number (7)—Decision on Real Estate Investments.

By unanimous consent, the State Board of Education approved the following items on the consent agenda, excluding consent agenda item #6.

(1) Review of the Report on Permanent School Fund Percentage Distribution Rates Under Consideration for Fiscal Years 2018 and 2019

(Board agenda page I-1)

(COMMITTEE OF THE FULL BOARD)

The State Board of Education approved that the percentage distribution rate to the Available School Fund from the Permanent School Fund for fiscal years 2018 and 2019 shall be between 2.50% and 3.72%, as recommended by the Committee of the Full Board.

(2) Review and Adoption of the Long-Term Strategic Asset Allocation Plan of the Permanent School Fund

(Board agenda page I-5)

(COMMITTEE OF THE FULL BOARD)

The State Board of Education adopted the 2016 Permanent School Fund Long-Term Strategic Asset Allocation Plan (Mix E), as recommended by the Committee of the Full Board, as follows:

- US Large Cap Equities 13% (decrease of 3% from current policy)
- US Small/Mid Cap Equities 5%
- Int'l Equities 14% (decrease of 2% from current policy)
- Emerging Int'l Equities 3%
- Emerging Int'l Equities 3%
- Core Bonds 12%
- Emerging Market Debt (Local Currency) 7%
- Private Equity 13% (increase of 3% from current policy)
- Real Return 6%
- Real Estate 10% (increase of 2% from current policy)
- Absolute Return 10%
- Risk Parity 7%

- (3) **Update on Texas Commission on Next Generation Assessments and Accountability and Community Conversations**
(Board agenda page I-11)
(COMMITTEE OF THE FULL BOARD)

The State Board of Education adopted the report *Texans Speak: Public Feedback on Assessment and Accountability Systems* detailing findings from the Community Conversations and the online survey, and asked that the Texas Commission on Next Generations Assessments and Accountability add the report as an addendum to its report to the Texas Legislature, as recommended by the Committee of the Full Board.

- (4) **Per Capita Apportionment Rate for the 2015-2016 School Year**
(Board agenda page III-1)
(COMMITTEE ON SCHOOLFINANCE/PERMANENT SCHOOL FUND)

The State Board of Education adopted the per capita apportionment rate of \$180.320 for the 2015-2016 school year, as recommended by the Committee on School Finance/Permanent School Fund.

(ATTACHMENT 3, page 15)

- (5) **Ratification of the Purchases and Sales of the Investment Portfolio of the Permanent School Fund for the Months of March, April and May 2016**
(Board agenda page III-9)
(COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND)

The State Board of Education ratified the purchases and sales for the months of March, April and May 2016, in the amount of \$1,280,534,397 and \$1,346,569,842, respectively, as recommended by the Committee on School Finance/Permanent School Fund.

- (6) **Overview of the Permanent School Fund Real Estate Policy**
(Board agenda page III-11)
(COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND)

This item was pulled from the consent agenda for further consideration by the board.

MOTION AND VOTE: It was recommended by the Committee on School Finance/Permanent School Fund and carried that the State Board of Education place this item on the September 2016 SBOE meeting agenda, as recommended by the Committee on School Finance/Permanent School Fund.

(7) Decision on Real Estate Investments

(Board agenda page III-13)

(COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND)

The State Board of Education approved the recommendation of the Committee on School Finance/Permanent School Fund to execute agreement(s) with Cerberus Real Estate GP IV, L.L.C., necessary to make an investment commitment of up to \$75 million in Cerberus Institutional Real Estate Partners IV, L.P., and approved the relationship between Cerberus Capital Management L.P., and Hodes Weill Securities, LLC, after determining it meets the standards of 19 TAC Chapter 33, Section (j)(5), which has been disclosed in writing, subject to continued due diligence and negotiation of fund terms, and authorization for contract execution by the Commissioner of Education.

(8) Decision on Absolute Return Investment Managers

(Board agenda page III-15)

(COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND)

The State Board of Education approved the recommendation of the Committee on School Finance/Permanent School Fund to amend and extend the contracts with Blackstone Alternative Asset Management, L.P. and Grosvenor Capital Management, L.P. in their capacities as managers for Ravens 4 and 7 and Ravens 1 and 6, respectively, by authorizing the two remaining optional two-year contract extensions allowed by the operating agreements. The operating agreements for Ravens 1, 4, 6 and 7 will receive four-year extensions beginning September 1, 2016 through August 31, 2020. All contract execution is hereby delegated to the Commissioner of Education.

(9) Recommendation for Appointment to the Lackland Independent School District Board of Trustees

(Board agenda page IV-1)

(COMMITTEE ON SCHOOL INITIATIVES)

The State Board of Education approved the reappointment of Mr. Clifford Dietert to serve a two-year term of office, from July 22, 2016 through July 21, 2018, on the Lackland Independent School District Board of Trustees, as recommended by the Committee on School Initiatives.

(ATTACHMENT 4, page 17)

COMMITTEE OF THE FULL BOARD

3. Study of Essential Knowledge and Skills and Assessment Instruments (Board agenda page I-7)

MOTION: *It was moved by Mr. Ratliff that the State Board of Education adopt recommendations to the Texas Legislature regarding the study of the essential knowledge and skills of the required curriculum and related state assessment instruments and to instruct staff to insert page references where appropriate.*

MOTION AND VOTE: *The State Board of Education approved the following recommendations to the Texas Legislature, as recommended by the Committee of the Full Board, as amended. (Mr. Bradley was absent for the vote.)*

1. The SBOE is already in the process of streamlining the Texas Essential Knowledge and Skills (TEKS) for the foundation curriculum and would like financial support and resources to continue the streamlining process, including providing professional development for teachers on the implementation of the TEKS.
2. The SBOE has revised the TEKS review process to instruct all review committees to carefully consider the amount of time necessary for students to develop mastery of the content and ensure that all student expectations reasonably can be taught within the amount of time typically allotted for the subject or course prior to the end of the school year or a state end-of-course assessment required by TEC, §39.023, as applicable.
3. The SBOE has adopted a schedule for streamlining the TEKS for the foundation curriculum.
4. The SBOE has determined that the number of student expectations in the TEKS does not reflect the amount of content that students must master and that multiple student expectations are often taught simultaneously rather than in isolation.
5. The SBOE has determined that not all standards need to be streamlined to the same extent.
6. The SBOE believes that a determination regarding the continued need for the readiness and supporting designation of standards for assessment of foundation subjects should be made after the streamlining process is complete. It is important to note the terms *readiness* and *supporting* are only used for grade levels and subjects that are assessed. (See Attachment A—*The State of Texas Assessments of Academics Readiness (STARR) A New Assessment Model.*)
7. The SBOE recognizes that federal regulations require states to assess all standards and that it would not be legal to assess only readiness standards on the state assessments.
8. The SBOE supports pilot projects and other research efforts to study the ability of the state to move away from standardized tests and toward portfolio assessment and other alternatives.
9. The SBOE is in the process of studying the mathematics TEKS to determine whether adjustments need to be made regarding expectations for instruction and assessment of the process standards.

VOTE: *A vote was taken on the motion the State Board of Education adopt recommendations to the Texas Legislature regarding the study of the essential knowledge and skills of the required curriculum and related state assessment instruments and to instruct staff to insert page references where appropriate. The motion carried. (Mr. Bradley was absent for the vote.)*

(ATTACHMENT 5, page 21)

COMMITTEE ON INSTRUCTION

- 4. Proposed Amendments to 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter C, Texas Certificate of High School Equivalency**
(Second Reading and Final Adoption)
(Board agenda page II-1)

MOTION AND VOTE: *The State Board of Education, by an affirmative vote of two-thirds of the members of the board, approved for second reading and final adoption proposed amendments to 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter C, Texas Certificate of High School Equivalency, with an effective date of 20 days after filing as adopted with the Texas Register, as recommended by the Committee on Instruction. (Mr. Bradley was absent for the vote.)*

(ATTACHMENT 6, page 23)

- 5. Proposed Amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.3, Description of a Required Secondary Curriculum**
(First Reading and Filing Authorization)
(Board agenda page II-9)

MOTION AND VOTE: *The State Board of Education approved suspending its operating procedures in accordance with §5.2(a) to allow consideration at first reading and filing authorization; and approved for first reading and filing authorization proposed amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.3, Description of a Required Secondary Curriculum, as recommended by the Committee on Instruction. (Mr. Bradley was absent for the vote.)*

- 6. Proposed Revisions to 19 TAC Chapter 112, Texas Essential Knowledge and Skills for Science, Subchapter D, Other Science Courses**
(First Reading and Filing Authorization)
(Board agenda page II-17)

MOTION AND VOTE: *The State Board of Education approved suspending its operating procedures in accordance with §5.2(a) to allow consideration at first reading and filing authorization; and approved for first reading and filing authorization proposed revisions to 19 TAC Chapter 112, Texas Essential Knowledge and Skills for Science, Subchapter D, Other Science Courses, as recommended by the Committee on Instruction. (Mr. Bradley was absent for the vote.)*

COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND

7. **Proposed Amendment to 19 TAC Chapter 129, Student Attendance, Subchapter B, Student Attendance Accounting, §129.21, Requirements for Student Attendance Accounting for State Funding Purposes**
(Second Reading and Final Adoption)
(Board agenda page III-3)

MOTION AND VOTE: *The State Board of Education, by an affirmative vote of two-thirds of the members of the board, approved for second reading and final adoption proposed amendment to 19 TAC Chapter 129, Student Attendance, Subchapter B, Student Attendance Accounting, §129.21, Requirements for Student Attendance Accounting for State Funding Purposes, with an effective date of 20 days after filing as adopted with the Texas Register, as recommended by the Committee on School Finance/Permanent School Fund. (Mr. Bradley was absent for the vote.)*

(ATTACHMENT 7, page 27)

8. **Proposed Amendments to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund, Subchapter A, State Board of Education Rules**
(Second Reading and Final Adoption)
(Board agenda page III-17)

MOTION AND VOTE: *The State Board of Education, by an affirmative vote of two-thirds of the members of the board, approved for second reading and final adoption proposed amendments to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund, Subchapter A, State Board of Education Rules, with an effective date of 20 days after filing as adopted with the Texas Register, as recommended by the Committee on School Finance/Permanent School Fund. (Mr. Bradley was absent for the vote.)*

(ATTACHMENT 8, page 29)

COMMITTEE ON SCHOOL INITIATIVES

9. **Review of Proposed Amendments to 19 TAC Chapter 230, Professional Educator Preparation and Certification, Subchapter C, Assessment of Educators**
(Board agenda page IV-13)

The State Board of Education took no action on the proposed amendments to 19 TAC Chapter 230, Professional Educator Preparation and Certification, Subchapter C, Assessment of Educators, as recommended by the Committee on School Initiatives.

10. Review of Proposed Revisions to 19 TAC Chapter 232, General Certification Provisions
(Board agenda page IV-33)

The State Board of Education took no action on the proposed revisions to 19 TAC Chapter 232, General Certification Provisions, as recommended by the Committee on School Initiatives.

11. Review of Proposed New 19 TAC Chapter 234, Military Service Members, Military Spouses, and Military Veterans
(Board agenda page IV-51)

The State Board of Education took no action on proposed new 19 TAC Chapter 234, Military Service Members, Military Spouses, and Military Veterans, as recommended by the Committee on School Initiatives.

12. Review of Proposed Repeal of and New 19 TAC Chapter 241, Principal Certificate, §241.15, Standards Required for the Principal Certificate
(Board agenda page IV-61)

The State Board of Education took no action on the proposed repeal of and new 19 TAC Chapter 241, Principal Certificate, §241.15, Standards Required for the Principal Certificate, as recommended by the Committee on School Initiatives.

13. Review of the Commissioner of Education's Generation 21 Charter Proposals
(Board agenda page IV-73)

This item provides the committee and board an opportunity to review the commissioner's list of proposed Subchapter D Open-Enrollment Charter Schools scheduled to open in school year 2017-2018. If awarded, each charter will have an initial five-year term with a July 31, 2022 contract end date. Statutory authority for this action is the Texas Education Code (TEC), §12.101.

Heather Mauzé, director of charter school administration, reported that the proposed open-enrollment charter schools had been invited to provide an overview of their charter proposal, their mission and vision, as well as answer any questions from board members. The presentations were provided in the following order: Athlos Academy of Texas (Dallas/Fort Worth), Compass Rose Academy (Bexar County), and Goodwater Montessori School (Georgetown).

MOTION AND VOTE: *It was moved by Mr. Rowley and carried that the State Board of Education reject the proposal for Athlos Academy of Texas (Dallas/Fort Worth), as recommended by the Committee on School Initiatives.*

MOTION AND VOTE: *The State Board of Education took no action on the remaining two proposed Generation 21 Open-Enrollment Charters submitted by the Commissioner of Education, as recommended by the Committee on School Initiatives.*

The following two charters were awarded: Compass Rose Academy (Bexar County) and Goodwater Montessori School (Georgetown).

REPORTS OF COMMITTEES REGARDING AGENDA ITEMS POSTED FOR DISCUSSION ON COMMITTEE AGENDAS

Committee on Instruction

Ms. Melton-Malone did not report on the discussion item of the Committee on Instruction.

Committee on School Finance/Permanent School Fund

Ms. Hardy did not report on Committee on School Finance/Permanent School Fund discussion items.

Committee on School Initiatives

There were no discussion items for the Committee on School Initiatives.

REPORTS OF OTHER STATE BOARD OF EDUCATION MEMBERS REGARDING AGENDA ITEMS AND EDUCATIONAL ACTIVITIES AND CONCERNS IN INDIVIDUAL DISTRICTS

Mrs. Bahorich gave board members an opportunity to provide information regarding agenda items or other relevant information about public education.

The meeting adjourned at 1:23 p.m.

Ruben Cortez, Jr., Secretary

RESOLUTION

WHEREAS the State Board of Education's Student Hero Award Program recognizes and applauds Texas public school students who engage in altruistic acts of kindness, charity or support towards their fellow students or community; and

WHEREAS the SBOE members did select and honor the following students with a 2016 Student Hero Award; and

WHEREAS Josh Clark, a student at Pebble Hills High School (Socorro ISD) established the Student 2 Student (military/nonmilitary) Club to help students of military families make the transition to a new school and town; and

WHEREAS Jocelyn Sosa Ramirez founded a mentoring club for incoming freshmen at Los Fresnos High School (Los Fresnos ISD) linking the school's most at-risk freshmen with older students to tutor them in algebra, biology and English I; and

WHEREAS a strong passion for helping others led Briana Anahi Zuniga, a fifth-grader at Stephen F. Austin Elementary School (Edinburg CISD) to work tirelessly as a mentor to both the younger students and peers on her campus; and

WHEREAS Lizi Xiong, a junior at Bellaire High School (Houston ISD), as the founder of Young Women United, strives to break down cultural barriers, protect human rights, provide empowerment tools for women and inform the public about world affairs; and

WHEREAS Zack Reyna, a ninth-grade student at Tivy High School (Kerrville ISD), pays it forward by raising funds for the Make-A-Wish Foundation after receiving his own "trip of a lifetime" from the group after being diagnosed with an inoperable aneurysm; and

WHEREAS McMeans Junior High School (Katy ISD) sixth-grader Lauren Forney has been helping her community and volunteering since kindergarten when she started the Teddy Bear Campaign, collecting and sharing teddy bears with newborn babies and sick children; and

WHEREAS Jeremy Crabtree, a fourth-grader at Alexander Elementary School (Katy ISD) goes throughout the day being kind to his fellow students by befriending the new student or sitting with the child without a friend at lunch; and

WHEREAS Grant Miles Neal, a senior at Splendora High School (Splendora ISD) began a mission to acknowledge what he termed "the invisible student" by greeting his peers with handshakes, offering greetings with compliments and making it a point to learn the names of all his peers; and

WHEREAS Dryver Cowart, a Lindale ISD second grader at Penny Elementary School (Lindale ISD), used his recent birthday party to have his guests decorate and fill duffle bags with a stuffed animal, blanket and toiletries to distribute to Smith County foster children; and

WHEREAS Elgin High School (Elgin ISD) senior Vanessa Rodriguez created and structured a twice-a-week tutoring program aimed at helping English language learners; and

WHEREAS Katherine Nelson, a student at the Johnson Career and Technology Center (Crowley ISD) uses her own experience of being bullied to provide a loving and accepting atmosphere for the children she works with; and

WHEREAS Kendall Deitch, a senior at Highland Park High School (Highland Park ISD), whose volunteer work and the creation of the Big Sister's Closet, has benefitted the students at Hotchkiss Elementary School in the Dallas ISD; and

WHEREAS Bailey Junior High (Arlington ISD) student Cooper Philpot has volunteered with the Birthday Party Project to provide birthday magic and fun for children at an Arlington women's shelter; and

WHEREAS Nickolai A. Galuppo, a ninth-grader at Bynum High School (Bynum ISD) recently began the program "InForTen" donating 10 percent of his earnings from the auction of his show animals to benefit other students and his school's ag department; and

WHEREAS despite her own health issues, Hannah Keaty, an active volunteer at Lubbock High School (Lubbock ISD) volunteers and commits numerous hours to help the Children's Miracle Network; and

WHEREAS each of these amazing students have exhibited strong character and integrity by helping other students; now, therefore, be it

RESOLVED, That the SBOE does hereby extend its congratulations to each of these students and commend them for their unselfishness, good character and altruism towards others; and be it further

RESOLVED, That this resolution be presented to each of them and that a copy be included in the permanent records of the State Board of Education.

WITNESS our signatures this twenty-second day of July, two thousand and sixteen, in Austin, Texas.

Donna Bahorich, Chair

Ruben Cortez, Jr., Secretary

RESOLUTION

WHEREAS Texas is one of only 20 states that requires students to take an economics class as part of its graduation requirements; and

WHEREAS this has provided Texans with a strong foundation in economics; and

WHEREAS this required study produced a bull market situation this spring when a team of students from Bellaire High School in the Houston Independent School District competed in the Council for Economic Education's 16th Annual National Economics Challenge; and

WHEREAS the Bellaire team of Liana Wang, Amy Fan, Suneal Vemuri, and Antony Yun won first place on the three written tests that dealt with the micro, macro, and international economics, as well as current events; and

WHEREAS with their stock on the rise, it was no surprise when the team earned the top score in the critical thinking competition and advanced to the fast-paced quiz bowl; and

WHEREAS by the closing bell of the competition, the Bellaire team bested 10,000 competitors and won the contest's top prize; and

WHEREAS the Bellaire team was fortunate to have the backing of their teacher Michael Clark who has now produced 10 teams that advanced to the national finals and has now had two teams win first place; now, therefore, be it

RESOLVED, That the State Board of Education does hereby congratulate Mr. Clark and his team of economics super stars in their victory in the 16th Annual National Economics Challenge.

WITNESS our signatures this twenty-second day of July, two thousand and sixteen, in Austin, Texas.

Donna Bahorich, Chair

Ruben Cortez, Jr., Secretary