

**State Board of Education  
Summary of Action Items  
July 18, 2014**

**1. Resolutions and Presentations**

The State Board of Education recognized a four-member team from Bellaire High School in the Houston Independent School District, which earned the 2014 National Economics Challenge Award.

The official portrait of former Commissioner of Education Robert Scott was unveiled. The portrait was painted by Michelle Jacobsen, a 2014 graduate of Westlake High School in Eanes ISD. The painting will hang in the State Board meeting room, along with the portraits of past commissioners and State Board of Education.

**Staff Contact:** Questions about this item should be directed to the Division of Communications and State Board of Education Support at (512) 463-9000.

**2. Approval of Consent Agenda**

*Any agenda item may be placed on the Consent Agenda by any State Board of Education committee.*

**(1). Review and Adoption of the Long-Term Strategic Asset Allocation Plan of the Permanent School Fund  
(Committee of the Full Board)**

The board approved the long term strategic asset allocation plan for the Permanent School Fund as recommended by NEPC.

**Staff Contact:** Questions about this item should be directed to the Office of the Permanent School Fund at (512) 463-9169.

**(2). Review of the Report on Permanent School Fund Percentage Distribution Rates Under Consideration for Fiscal Years 2016 and 2017  
(Committee of the Full Board)**

The board approved the percentage distribution rate from the PSF to the Available School Fund, for fiscal years 2016 and 2017, to be between

2.75 percent and 3.5 percent.

**Staff Contact:** Questions about this item should be directed to the Office of the Permanent School Fund at (512) 463-9169.

- (3) **Adoption of Review of 19 TAC Chapter 109, Budgeting, Accounting, and Auditing**  
(Adoption of Review)  
(Committee on School Finance/Permanent School Fund)

The board approved the review of SBOE rules, 19 TAC Chapter 109, Budgeting, Accounting, and Auditing, Subchapters A-D. The rules provide requirements for school districts relating to budgeting, accounting, financial reporting, and auditing; Texas Education Agency (TEA) financial review functions; adoption by reference of the Financial Accountability System Resource Guide (FASRG); and the bank bid and proposal forms and the depository contract and surety bond forms.

**Staff Contact:** Questions about this item should be directed to the Division of Financial Compliance at (512) 463-9095.

- (4) **Adoption of an Annual Report on the Status of the Bond Guarantee Program**  
(Committee on School Finance/Permanent School Fund)

The board adopted the annual report on the status of the Bond Guarantee Program as of Aug. 31, 2014.

**Staff Contact:** Questions about this item should be directed to the Office of the Permanent School Fund at (512) 463-9169.

- (5) **Ratification of the Purchases and Sales of the Investment Portfolio of the Permanent School Fund for the Months of March, April and May 2014**  
(Committee on School Finance/Permanent School Fund)

The board approved the purchases and sales of securities in the Permanent School Fund portfolio that are valued at \$1,579,937,179 and \$1,723,094,646, respectively, for the months of March, April and May 2014.

**Staff Contact:** Questions about this item should be directed

to the Office of the Permanent School Fund at (512) 463-9169.

**(6) Decision on Real Estate Investments  
(Committee on School Finance/Permanent School Fund)**

The board approved executing agreements with Ares Management to make an investment commitment of up to \$75 million in Ares U.S. Real Estate Fund VIII L.P.; with The Carlyle Group to make an investment commitment of up to \$75 million in Carlyle Realty Partners VII, L.P.; and, with Invesco Advisers, Inc. to make an investment commitment of up to \$75 million in Invesco Mortgage Recovery Fund IL L.P., each subject to continued due diligence and negotiation of fund terms.

**Staff Contact:** Questions about this item should be directed to the Office of the Permanent School Fund at (512) 463-9169.

**(7) Decision on Private Markets Benchmarks  
(Committee on School Finance/Permanent School Fund)**

The board reviewed and approved the recommendations made by NEPC and Courtland Partners to amend the Permanent School Fund Investment Procedures Manual for the private equity and real estate benchmarking policies.

**Staff Contact:** Questions about this item should be directed to the Office of the Permanent School Fund at (512) 463-9169.

**(8) Decision on Absolute Return Investments  
(Committee on School Finance/Permanent School Fund)**

The board approved maintaining the PSF investments with Mesirov Advanced Strategies (Raven 2) and the strategic relationships with Grosvenor Capital Management (Ravens 1, 3, and 6) and Blackstone Alternatives Asset Management (BAAM) (Ravens 4, 5 and 7) and to extend the contract with Mesirov for 18 months and to extend the contracts with Grosvenor and Blackstone for a period of two years.

**Staff Contact:** Questions about this item should be directed to the Office of the Permanent School Fund at (512) 463-9169.

**(9) Recommendation for Appointment to the Lackland Independent School District Board of Trustees  
(Committee on School Initiatives)**

The board approved the reappointment of Clifford Dietert to serve a two-year term on the board of trustees of the Lackland ISD from July 18, 2014 to July 17, 2016.

**Staff Contact:** Questions about this item should be directed to the Division of School Governance at (512) 463-9623.

**(10) Adoption of Review of 19 TAC Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship  
(Adoption of Review)  
(Committee on School Initiatives)**

The board approved the review of 19 TAC Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship. The rules specify requirements for continuing education for school board trustees and nominating trustees for military reservation school districts and Boys Ranch Independent School District.

**Staff Contact:** Questions about this item should be directed to the Division of School Governance at (512) 463-9623.

**ITEMS FOR ACTION BY THE FULL SBOE  
(COMMITTEE OF THE FULL BOARD)**

**3. Proposed Revisions to 19 TAC Chapter 114, Texas Essential Knowledge and Skills for Languages Other Than English  
(First Reading and Filing Authorization)**

The board approved for first reading and filing authorization new Texas Essential Knowledge and Skills for classical languages, such as Greek and Latin.

**Staff Contact:** Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

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

Due to financial concerns, the board voted to postpone the issuance of Proclamation 2016 for one year. New instructional materials for Languages Other Than English and Special Topics in Social Studies including Ethnic Studies will be called for as part of Proclamation 2017. That proclamation will also include new material for Career and Technical Education as originally planned.

**Staff Contact:** Questions about this item should be directed to the Division of Instructional Materials and Educational Technology at (512) 463-9601.

**5. Approval of Question and Answer Document for Proclamation 2016**

As the result of the decision to postpone Proclamation 2016, no action was taken on this item.

**COMMITTEE ON INSTRUCTION**

**6. Proposed Repeal of 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter B, Adult Basic and Secondary Education (Second Reading and Final Adoption)**

The board approved for second reading and final adoption the proposed repeal of rules concerning Adult Basic and Secondary Education in 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter B. The proposed repeal would eliminate rules that are no longer necessary as a result of statutory changes passed by the 83rd Texas Legislature, Regular Session, 2013. Authority to administer this program has been transferred to the Texas Workforce Commission, and the proposed repeal updates the Texas Administrative Code to reflect the transfer of authority to administer the program.

**Staff Contact:** Questions about this item should be directed to the Federal and State Education Policy Division at (512) 463-9414.

**7. Proposed Revisions to 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter C, Texas Certificate of High School Equivalency (Second Reading and Final Adoption)**

The board approved for second reading and final adoption proposed revisions to rules providing for the administration of high school equivalency testing and certification in 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter C. The proposed revisions include an amendment to the retesting section and a new accommodations section to update rules for alignment with current practices for retesting and accommodations. The proposed revisions also include the repeal of the examinees with disabilities section, since provisions relating to accommodations for applicants with documented disabilities would be addressed in the new accommodations section.

**Staff Contact:** Questions about this item should be directed to the Federal and State Education Policy Division at (512) 463-9414.

**8. Proposed Approval of Innovative Courses**

The board approved the renewal of innovative courses that do not fall within any of the subject areas of the foundation or enrichment curriculum. The board approved one new course, General Employability Skills, for a two-year period. The members also renewed Aviation Honors Ground School, Peer Assistance and Leadership I and II, and Peer Assistance for Students with Disabilities I and II, for a five-year period.

**Staff Contact:** Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

**9. Approval of Updates to Dyslexia Handbook**

The board approved the recommended updates and revisions to *The Dyslexia Handbook –Revised 2014: Procedures Concerning Dyslexia and Related Disorders* (the Dyslexia Handbook). The changes to the handbook include updated references to state and federal statute and the inclusion of technology resources to help accommodate dyslexic students.

**Staff Contact:** Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

## COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND

### 10. Per Capita Apportionment Rate for the 2013-2014 School Year

The board adopted the final per capita apportionment rate of \$261.372 for the 2013-14 school year. The per capita apportionment rate is based on an estimate of the amount available for expenditures from the Available School Fund. The board adopted a preliminary 2013-2014 per capita apportionment rate of \$256.125 in September 2013.

**Staff Contact:** Questions about this item should be directed to the State Funding Division at (512) 463-9238.

## COMMITTEE ON SCHOOL INITIATIVES

### 11. Review of Proposed New 19 TAC Chapter 229, Accountability System for Educator Preparation Programs, §229.21, Transitional Provisions

The board took no action on the review of the State Board for Educator Certification (SBEC) rule action that would establish a new 19 TAC Chapter 229, Accountability System for Educator Preparation Programs, §229.21, Transitional Provisions. The proposed new rule clarifies the academic years for which the current passing standard on certification examinations applies and defines when individual certification fields are subject to revocation. The new rule would also provide a backstop for ongoing discussion of a rewrite of 19 TAC Chapter 229, Accountability System for Educator Preparation Programs, being conducted in conjunction with the review of 19 TAC Chapter 227 and Chapter 228 required by House Bill 2012, 83rd Texas Legislature, Regular Session, 2013.

**Staff Contact:** Questions about this item should be directed to the Department of Educator Leadership and Quality at (512) 936-8400.

### 12. Proposed Amendment to 19 TAC Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship, §61.1, Continuing Education for School Board Members (Second Reading and Final Adoption)

The board adopted for second reading and final adoption an amendment to 19 TAC Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship, §61.1, Continuing Education for School Board Members. The

amendment, presented at the request of a board member, requires coverage of specific topics during local school district orientation and continuing education and clarifies the requirements of certain trainings. There were no additional changes recommended since approved for first reading in April.

**Staff Contact:** Questions about this item should be directed to the Division of School Governance at (512) 463-9623.

**13. Proposed Revisions to 19 TAC Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools (First Reading and Filing Authorization)**

The board approved for first reading and filing authorization proposed revisions to 19 TAC Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools. The proposed revisions would add new 19 TAC §100.1, Selection Process, and repeal 19 TAC §100.1, Application and Selection Procedures and Criteria; 19 TAC §100.101, Annual Report on Open-Enrollment Charter Governance; 19 TAC §100.103, Optional Open-Enrollment Charter Provisions for Contracting and Purchasing; and 19 TAC §100.105, Application to Public Senior College or University Charters and Public Junior College Charters. The proposed revisions would align SBOE rules with the Texas Education Code (TEC), Chapter 12, Subchapters D and E, as amended by Senate Bill (SB) 2, 83rd Texas Legislature, Regular Session, 2013.

**Staff Contact:** Questions about this item should be directed to the Charter School Administration Unit at (512) 463-9623.

**14. Consideration of Gifts and/or Grants Given for the Purpose of Charter Exploration Trips**

The board approved a new board policy regarding the acceptance of gifts and/or grants for the purpose of evaluating potential new charters that are currently operating out-of-state.

**Staff Contact:** Questions about this item should be directed to the Charter School Administration Unit at (512) 463-9623.