

**State Board of Education
Summary of Action Items
July 22, 2016**

1. Resolutions and Presentations

The board approved a resolution recognizing 15 students who were dubbed “Student Heroes” because of their outstanding volunteer work. The students are Josh Clark of the Socorro Independent School District (ISD), Jocelyn Sosa Ramirez of Les Fresnos Consolidated ISD, Brianna Anahi Zuniga of Edinburg CISD, Lizi Xiong of Houston ISD, Zack Reyna of Kerrville ISD, Lauren Forney of Katy ISD, Jeremy Crabtree of Katy ISD, Grant Miles Neal of Splendora ISD, Dryver Cowart of Lindale ISD, Vanessa Rodriguez of Elgin ISD, Katherine Nelon of Crowley ISD, Kendall Deitch of Highland Park ISD (Dallas), Cooper Philpot of Arlington ISD and Nickolai A. Galuppo of Bynam ISD.

The board also passed a resolution honoring the Bellaire High School team of Liana Wang, Amy Fan, Suneal Vemuri, and Antony Yun from the Houston Independent School District who won the Council for Economic Education’s 16th Annual National Economics Challenge.

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 of the Report on Permanent School Fund Percentage Distribution Rates Under Consideration for Fiscal Years 2018 and 2019
(Committee of the Full Board)**

The board approved the range of 2.50 – 3.72% which would reflect an annual distribution of about \$827 million to \$1.23 Billion.

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

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

The board reviewed, and adopted, the recommended 2016 Long-Term Strategic Asset Allocation Plan (Mix E) of the Permanent School Fund. Mix E consists of:

- 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%
- 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%

The new Asset Allocation Policy's Expected Return (5-7 years) is 6.75% with Standard Deviation of Asset Return of 12.49% and Sharpe Ratio (5-7 years) of 0.421.

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

**(3) Update on Texas Commission on Next Generation Assessments and Accountability and Community Conversations
(Committee of the Full Board)**

The board adopted the report *Texans Speak: Public Feedback on Assessment and Accountability Systems* detailing findings from the Community Conversations and the online survey and ask that the Texas Commission on Next Generation Assessments and Accountability add the report as an addendum to its report to the Texas Legislature.

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

**(4) Per Capita Apportionment Rate for the 2015-2016 School Year
(Committee on School Finance/Permanent School Fund)**

The board approved a recommended 2015-2016 per capita apportionment rate of \$180.320.

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

**(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
(Committee on School Finance/Permanent School Fund)**

The board approved the ratification of purchases and sales of investments executed in the portfolio of the Permanent School Fund (PSF) for the months of March, April and May 2016 in the amounts of \$1,280,534,397 and \$1,346,569,842, respectively.

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

**(6) Overview of the Permanent School Fund Real Estate Policy
(Committee on School Finance/Permanent School Fund)**

The board took no action on this item and requested it be placed on the September agenda.

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

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

The board approved an agreement 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 to approve the relationship between Cerberus Capital Management L.P., Hodes Weill Securities, LLC.

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 Investment Managers
(Committee on School Finance/Permanent School Fund)**

The board approved amending, and extending, the contracts with Blackstone Alternative Asset Management, L.P. and Grosvenor Capital Management, L.P. in their capacities as managers for the Ravens 4 and 7 and Ravens 1 and 6. The operating agreements for Ravens 1, 4, 6 and 7 will receive four-year extensions beginning Sept. 1, 2016 through Aug. 31, 2020.

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 re-appointment of Clifford Dietert to the board of trustees of the Lackland ISD for a two-year term from July 22, 2016 through July 21, 2018.

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. Study of Essential Knowledge and Skills and Assessment Instruments

After reviewing this study, the board adopted the following clarifications and recommendations to the Texas Legislature:

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.
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.

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

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)**

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. The amendments update the rules related to the administration of high school equivalency exams by multiple providers as well as offering both paper-based and computer-based testing formats; accommodations for applicants with documented disabilities; court ordered examinations; and fees and other provisions for the issuance of certificates.

Staff Contact: Questions about this item should be directed to the Federal and State Education Policy Division at (512) 936-6060.

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)

The board suspended its operating procedures to skip discussion and allow proposed changes to be considered for first reading and filing authorization at this meeting. The board then 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. The amendments add the newly adopted Personal Financial Literacy course to the list of courses a school district is required to offer at the high school level.

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

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)

The board suspended its operating procedures to skip discussion and allow this agenda item to be considered at first reading and filing authorization and then 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. The proposal would update course titles for Advanced Placement (AP) courses, modify the amount of credit that could be earned for these courses, and add new AP Physics courses to align with courses recently revised by the College Board.

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

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)**

The board approved for second reading and final adoption, an amendment to 19 TAC Chapter 129, Student Attendance, Subchapter B, Student Attendance Accounting, §129.21, Requirements for Student Attendance Accounting for State Funding Purposes. The amendment modifies the requirements for taking attendance for board-approved off-campus activities to allow paraprofessionals to take attendance. No changes were recommended since approved for first reading.

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

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)**

The board approved for second reading and final adoption 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, to better reflect the Permanent School Fund (PSF) asset allocation and to consolidate some provisions to avoid repetition.

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

COMMITTEE ON SCHOOL INITIATIVES

9. **Review of Proposed Amendments to 19 TAC Chapter 230, Professional Educator Preparation and Certification, Subchapter C, Assessment of Educators**

The board took no action on the State Board for Educator Certification (SBEC) rule actions that amend 19 TAC Chapter 230, Professional Educator Preparation and Certification, Subchapter C, Assessment of Educators. The amendment to 19 TAC §230.21 implements the requirement from the 84th

Texas Legislature, Regular Session, 2015, to enforce a limit of five attempts on any certification examination, unless the SBEC approves an additional attempt based on an individual's demonstration of good cause. The amendment to 19 TAC §230.21 also implements a clarification from the 84th Texas Legislature, Regular Session, 2015, that the commissioner of education approves the satisfactory level of performance required for certification examinations. The amendment to 19 TAC §230.25 aligns terminology with current SBEC rules.

The SBOE, under Texas law, may only reject proposed SBEC rules or take no action.

Staff Contact: Questions about this item should be directed to the Department of Educator Leadership and Quality at (512) 936-9831.

10. Review of Proposed Revisions to 19 TAC Chapter 232, General Certification Provisions

The board took no action on SBEC rule actions that revise 19 TAC Chapter 232, General Certification Provisions. The amendments to 19 TAC §§232.7, 232.9, 232.11, 232.13, 232.15, 232.17, 232.19, 232.21, and 232.23 and the repeal of 19 TAC §232.27 implements the requirement from the 84th Texas Legislature, Regular Session, 2015, to allow educators to receive credit for completion of an instructional course on the use of an automated external defibrillator (AED) and further clarifies certificate renewal and continuing professional education (CPE) requirements.

The SBOE, under Texas law, may only reject proposed SBEC rules or take no action.

Staff Contact: Questions about this item should be directed to the Department of Educator Leadership and Quality at (512) 936-9831.

11. Review of Proposed New 19 TAC Chapter 234, Military Service Members, Military Spouses, and Military Veterans

The board took no action on the SBEC rule actions that establish new 19 TAC Chapter 234, Military Service Members, Military Spouses, and Military Veterans. The new TAC chapter addresses recent legislation, consolidate rules specific to the military community into one chapter, and streamlines future military-related rule making opportunities.

The SBOE, under Texas law, may only reject proposed SBEC rules or take no action.

Staff Contact: Questions about this item should be directed to the Department of Educator Leadership and Quality at (512) 936-9831.

12. Review of Proposed Repeal of and New 19 TAC Chapter 241, Principal Certificate, §241.15, Standards Required for the Principal Certificate

The board took no action on SBEC rules that repeal and establish new 19 TAC Chapter 241, Principal Certificate, §241.15, Standards Required for the Principal Certificate. The SBEC rule actions update the standards required for principal certification, including those standards taught by principal preparation programs and tested on the state certification examination. The new 19 TAC §241.15 updates the principal standards to align with the commissioner of education's principal appraisal standards.

The SBOE, under Texas law, may only reject proposed SBEC rules or take no action.

Staff Contact: Questions about this item should be directed to the Department of Educator Leadership and Quality at (512) 936-9831.

13. Review of the Commissioner of Education's Generation 21 Charter Proposals

The board reviewed the commissioner's recommendation to approve three new charters and vetoed the recommendation to grant a charter to Athlos Academy in Denton. The board took no action on the remaining two recommendations, which is tantamount to approving the recommendation. State law allows a majority of the board members present and voting to veto the commissioner's recommendation or to take no action. The charters approved are Compass Rose Academy (Bexar County) and Goodwater Montessori School (Georgetown). The charters, which are scheduled to open for the 2017-18 school year, will have an initial five-year term with a July 31, 2022 contract end date.

Staff Contact: Questions about this item should be directed to the Division of Charter School Administration at (512) 463-9575.