

**Report of the State Board of Education
Committee of the Full Board
November 14, 2018**

The State Board of Education Committee of the Full Board met at 9:09 a.m. on Wednesday, November 14, 2018, in the State Board of Education Room, #1-104, of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. Attendance was noted as follows:

Present: Donna Bahorich, chair; Lawrence A. Allen, Jr.; Erika Beltran; David Bradley; Barbara Cargill; Ruben Cortez, Jr.; Keven Ellis; Pat Hardy; Tom Maynard; Sue Melton-Malone; Ken Mercer; Geraldine “Tincy” Miller; Georgina C. Pérez; Marisa B. Perez-Diaz; Marty Rowley, vice chair

Public Testimony

The Committee of the Full Board heard public testimony on agenda items #3 and #7. Information regarding the individuals who presented public testimony is included in the discussion of each item.

The Committee of the Full Board considered items in the following order: Item number 1, 2, 3, 4, 7, 5, 6, 8, and 9.

DISCUSSION ITEM

1. Commissioner's Comments
(Board agenda page I-157)

Commissioner of Education Mike Morath briefed the board on public school spending in Texas. He reported on student achievement and attainment and explained how each of the TEA strategic priorities and enablers connect to initiatives being implemented throughout the state. Commissioner Morath gave a high-level overview of the TEA Legislative Appropriations Request and explained the exceptional items for the Safe and Healthy Schools Initiative and the Special Education Services Grants and the funding breakdown for each.

ACTION ITEMS

2. Decision on the Percentage Distribution of the Permanent School Fund for Fiscal Years 2020 and 2021
(Board agenda page I-109)
[Official agenda item #4]

Holland Timmins, executive administrator and chief investment officer, presented an overview of the item and the most recent SBOE action to date, including the preliminary adoption of a 2.75% rate at the board’s September meeting. Mr. Timmins explained the spending impact and commented on the SBOE’s goal to maintain intergenerational equity when setting the distribution rate. He explained on a historical basis the higher-than-projected returns had created a cushion.

Carlos Veintemillas, deputy chief investment officer, presented the Permanent School Fund staff recommendation for a distribution rate of between 2.38% and 2.75%. He discussed the factors that were considered in determining an appropriate distribution rate for the fund as well as an analysis of the board's goal to maintain intergenerational equity. He explained that the board has achieved intergenerational equity and should continue to do so with approval of a payout between 2.38% and 2.75%. At those rates, distribution would be expected at around \$879 million and \$1.014 million annually, respectively.

Rhett Humphries, partner with NEPC, the board's general investment counsel, explained the process by which they arrived at their recommendation and stated that the outcomes across various spending rates and economic environments led them to recommend a rate of up to 2.75%.

MOTION AND VOTE: *It was moved by Mr. Maynard, seconded by Mr. Cortez, and carried unanimously to recommend that the State Board of Education approve the percentage distribution rate to the Available School Fund from the Permanent School Fund for the 2020-2021 fiscal biennium of 2.9%.*

3. Report from the Commissioner of Education Regarding Instructional Materials Offered for Adoption under Proclamation 2019

(Board agenda page I-113)

[Official agenda item #5]

Public testimony was provided by the following individuals:

NAME: Kelly Stuart
AFFILIATION: Collaborative Classroom

NAME: Ian Wright
AFFILIATION: TPS Publishing, Inc.

Kelly Callaway, senior director, instructional materials, presented information supplied by publishers on interoperability and ease of use of materials eligible for adoption and information regarding editorial changes and required corrections.

MOTION AND VOTE: *It was moved by Mrs. Cargill, seconded by Mrs. Melton-Malone, and carried unanimously to recommend that the State Board of Education:*

Require that all publishers make corrections listed in the Report of Required Corrections of Factual Errors and the Proclamation 2019 Editorial Changes;

Require that all instructional materials meet established manufacturing standards and specifications;

Approve changes and corrections submitted in response to written comments and public testimony; and

Place instructional materials submitted for adoption on the adopted list as indicated on the List of Instructional Materials Eligible for Adoption Under Proclamation 2019, excluding those products submitted by TPS Publishing, Inc. and Tanglewood Publishing, Inc.

(Mr. Bradley was absent for the vote.)

4. Proposed Amendments to Proclamation 2020 of the State Board of Education Advertising for Bids for Instructional Materials

(Board agenda page I-139)
[Official agenda item #6]

Ms. Callaway explained that TEA was requesting the board's approval of minor changes to deadlines in *Proclamation 2020*.

MOTION AND VOTE: *It was moved by Mr. Maynard, seconded by Mr. Cortez, and carried unanimously to recommend that the State Board of Education approve proposed amendments to Proclamation 2020 of the State Board of Education Advertising for Bids for Instructional Materials as presented by staff.*

(Ms. Beltran and Mr. Bradley were absent for the vote.)

5. Adoption of the Long-Range Plan for Public Education

(Board agenda page I-151)
[Official agenda item #7]

Barbara Cargill, chair for the Long-Range Plan for Education Steering Committee, discussed the final steps in the development of the Long-Range Plan for Education and addressed public comments and committee feedback received.

MOTION: *It was moved by Mrs. Cargill and seconded by Mr. Maynard to recommend that the State Board of Education approve Building a Stronger Texas, Long-Range Plan for Public Education and authorize staff to make grammatical and technical edits as necessary.*

MOTION AND VOTE: *It was moved by Mrs. Cargill and carried unanimously to recommend that the State Board of Education amend page 23 to read as follows:*

“All available ~~current and future~~ forms of communication will be utilized to engage, empower, and connect with all stakeholders.”

MOTION AND VOTE: *It was moved by Mrs. Cargill and carried unanimously to recommend that the State Board of Education amend page 29, #1, to read as follows:*

“Educator Preparation Programs (EPPs) collaborate and partner with school districts to align teaching methods and strategies and develop clinical training and practicum experiences to better prepare educators to meet student needs ~~to better align training and practicums to best meet student needs~~ and improve student outcomes.”

MOTION AND VOTE: *It was moved by Mrs. Cargill and carried unanimously to recommend that the State Board of Education amend page 29, #3, to read as follows:*

“State policymakers and TEA ~~educators~~ increase overall teacher quality by improving the standards and rigor associated with educator preparation and the state's Educator Preparation Programs (EPPs).”

MOTION AND VOTE: *It was moved by Mrs. Cargill and carried unanimously to recommend that the State Board of Education amend page 29, #4, to read as follows:*

“SBEC, SBOE, and TEA have meaningful performance-based accountability processes, standards, and measurable outcomes for educator preparation programs that ensure new/entry-level educators are classroom/school-ready.”

MOTION AND VOTE: *It was moved by Mrs. Cargill and carried unanimously to recommend that the State Board of Education amend page 29, #5, to read as follows:*

“Education service centers, EPPs, school districts ~~institutions of higher education~~, and community and professional organizations provide timely just-in-time ~~guidance, training, mentoring, and support for new, early career, and veteran educators~~ ~~teachers.~~”

MOTION AND VOTE: *It was moved by Mrs. Cargill and carried unanimously to recommend that the State Board of Education add a quick reference chart at the end of the report that shows which policymaker would carry out each recommendation contained in the Long-Range Plan for Public Education.*

VOTE: *A vote was taken on the original motion to recommend that the State Board of Education approve Building a Stronger Texas, Long-Range Plan for Public Education, as amended, and authorize staff to make grammatical and technical edits necessary. The vote carried unanimously.*

(Mr. Bradley, Mr. Cortez, and Mr. Mercer were absent for the vote.)

6. Legislative Recommendations for the 86th Texas Legislature

(Board agenda page I-155)

[Official agenda item #8]

Hunter Thompson, director of governmental relations, introduced the list of 2019 legislative priorities that were submitted by members of the board. Mr. Thompson also explained the results of the 2017 legislative recommendations that were made by the board. All proposed priorities were discussed and ranked in order of importance.

MOTION AND VOTE: *It was moved by Mrs. Bahorich and carried unanimously to recommend that the State Board of Education approve the board’s legislative recommendations to the 86th Texas Legislature, as amended (Attachment A).*

(Ms. Beltran, Mr. Bradley, and Mr. Cortez were absent for the vote.)

DISCUSSION ITEMS

7. Discussion of Proposed New Cybersecurity Texas Essential Knowledge and Skills

(Board agenda page I-159)

Public testimony was provided by the following individuals:

NAME: Julia Grizzard
AFFILIATION: Representative Diego Bernal’s Office

NAME: Carol Fletcher
AFFILIATION: The University of Texas at Austin STEM Center

NAME: John B. Owen
AFFILIATION: UT STEM Center

NAME: Alexis Harrigan
AFFILIATION: Code.org

NAME: Alexandra Dominguez
AFFILIATION: ExcelinEd in Action

Ms. Martinez explained that a committee was assembled to make recommendations for courses to be included in a cybersecurity pathway. The committee preliminarily recommended two existing Career and Technical Education (CTE) courses, one innovative course, four existing technology applications computer science courses, and one new capstone course to be included as pathway options. Ms. Martinez explained that the committee had developed draft Texas Essential Knowledge and Skills (TEKS) for the innovative course and the new capstone course that will be presented for first reading and filing authorization at the next meeting.

8. Year-end Review from State Board of Education Committees
(Board agenda page I-167)

Mr. Maynard explained that the year-end review discussion was intended to give board members a better understanding of the main issues from other committees and equip them with talking points.

Mrs. Melton-Malone explained that the Committee on Instruction added eight International Baccalaureate (IB) courses to the TEKS and increased the amount of credit available for 17 IB courses. In addition, the committee worked on the Texas Certificate of High School Equivalency, worked extensively on the TEKS, and approved several innovative courses. Most notably, the committee worked on updates to the *Dyslexia Handbook*. Special recognition was given to Mrs. Miller, and a suggestion was made to include a special dedication to her in the handbook.

Mr. Maynard explained that the Committee on School Finance/Permanent School Fund went through a process of setting benchmarks and are working to ensure transparency in this process. Part of the legislation that bifurcated the Permanent School Fund (PSF) allowed them to diversify their portfolio. They have a real estate portfolio and a private equity portfolio, as well as an internationally-managed commodities portfolio. The Bond Guarantee Program allows the PSF to guarantee bonds for school districts and charters, and they are currently guaranteeing about \$87 billion. Of that amount, \$85 billion is for districts and \$1.9 billion is for charters.

Mrs. Cargill explained that the Committee on School Initiatives is most pleased with the *Long-Range Plan for Public Education*, which sets educational goals through the year 2030. This year, 100 entities went through the charter school application process and four new charters were granted. The committee voted to establish the new Principal as Instructional Leader Certificate, which requires authentic and rigorous preparation for new principals and focuses on a performance-based assessment. The committee also established educator standards for the new Prekindergarten-Grade 3 Certificate; voted to allow educational aides to receive their clinical teaching experience while they are on the job; and implemented the legislative requirement for reporting of educator misconduct.

9. Discussion of Pending Litigation
(Board agenda page I-169)

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

Mrs. Bahorich adjourned the meeting at 7:33 p.m.

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ATTACHMENT A

State Board of Education – 2019 Legislative Priorities

Submitted Items for Consideration

1. **New Permanent School Fund Governance Structure:** Address Permanent School Fund governance structure that would:
 - Unify the asset allocation policy and Available School Fund distribution decision making.
 - Limit cash holdings to the amount needed for near term cash calls and other commitments that cannot be met by incoming revenue.
 - Add to the SLB either a public member appointed by the SBOE Chair or an SBOE member appointed by the SBOE chair
 - Require reporting and regular meetings between the SBOE and SLB (Dr. Ellis)

2. **Funding Support – SBOE TEKS and Textbook Adoption Activities:** Ensure sufficient legislative appropriations to increase staffing at the Texas Education Agency, particularly in the curriculum division, to provide adequate personnel to oversee and support the Texas Essential Knowledge and Skills review and implementation process and the textbook adoption process. (Mrs. Cargill)

3. **Instructional Materials:** The SBOE review process include a requirement that a submitted material must align with 100% of the TEKS for the designated standards as compared to the current level of 50%. (Mr. Rowley)

4. **New Initiatives - Family Supports:**
 - **Special Education:** TEA to create a family support call center and an online portal to assist families in navigating the public school systems for students with special needs. TEA consider expanding this to general education students as well.
 - **Safe and Healthy Schools Initiative:** TEA to create an advisory council on family engagement and empowerment to inform all state and local policymakers on best practices on family and school partnerships. (Chair Bahorich)

5. **Support for Texas Commission on Public School Finance:** Address the outdated and inefficient school funding formulas by working to implement the findings of the Texas Commission on Public School Finance. Specifically, the considerations for a new dyslexia allotment and a new dual-language allotment. (Dr. Ellis)

6. **Funding Support – TEA Reading and Mathematics Academies:** Continue financial support for Literacy and Mathematics Academies for first, second, and third grade. (Chair Bahorich)

7. **Funding Support - Regional Education Service Centers:** Legislature shall continue to support the appropriation that funds services through the regional education service centers. (Ms. Perez-Diaz)

8. **New Initiative – Teacher Retention and Salary Improvements:** The legislature and school districts establish and sustain competitive salaries and career paths for educators through innovative compensation plans, induction programs, professional development, mentoring, and administration. (Chair Bahorich)

9. **Funding Support for TEA’s two LAR Exceptional Items – Special Education Supports and Safe and Healthy Schools Initiative.** (Chair Bahorich)