

**Report of the State Board of Education
Committee of the Full Board
September 23, 2010**

The State Board of Education Committee of the Full Board met at 9:07 a.m. on Thursday, September 23, 2010, 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: Gail Lowe, chair; Rick Agosto, Lawrence A. Allen, Jr., David Bradley, Barbara Cargill, Bob Craig, Cynthia Dunbar, Pat Hardy, Mavis B. Knight, Terri Leo, Don McLeroy, Ken Mercer, Geraldine Miller, Rene Nuñez

Absent: Mary Helen Berlanga

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/index4.aspx?id=3958> or in the information section (yellow pages) of the agenda.

The Committee of the Full Board heard public testimony on agenda items #4 and #6. Information regarding the individuals who presented public testimony is included in the discussion of that item.

DISCUSSION ITEMS

1. Discussion of Parliamentary Procedures

(Board agenda page I-17)

Parliamentarian Kirk Overbey discussed a variety of parliamentary procedures, including the correct method for excusing a member's absence, withdrawing a motion and making a point of order.

2. Commissioner's Comments Regarding the SBOE Agenda

(Board agenda page I-19)

Commissioner of Education Robert Scott recapped the state's efforts to obtain \$830 million in funding from the recently approved federal education jobs bill. Later in the meeting, Commissioner Scott informed the committee that the state had sued the U.S. Department of Education over the funding issue.

3. Public Hearing Regarding Instructional Materials Submitted for Adoption by the State Board of Education Under Proclamation 2011

(Board agenda page I-21)

John Lopez, managing director of instructional materials and educational technology, introduced the item. No oral testimony was given.

The following publisher responded to questions from the committee:

NAME: Manda Lopez Klein
AFFILIATION: Publisher-Teaching Strategies

ACTION ITEM

4. Proposal Options for Supplemental Science Instructional Materials

(Board agenda page I-1)
[Official agenda item #3]

Anita Givens, associate commissioner for standards and programs, introduced the item and explained that the timeline for the Request for Supplemental Science Materials and the accompanying Question and Answer Document needed to be revised to accommodate the SBOE meeting schedule for 2011. She also presented the option of using an RFP to call for Supplemental Science Materials.

Public testimony was provided by the following individual:

NAME: Abel Villarreal
AFFILIATION: President, Textbook Coordinators' Association of Texas

MOTION AND VOTE: *It was moved by Dr. McLeroy, seconded by Ms. Hardy, and carried unanimously to recommend that the State Board of Education amend the Request for Supplemental Science Materials to include only high school courses: Biology, Chemistry, Integrated Physics and Chemistry, and Physics.*

MOTION AND VOTE: *It was moved by Mr. Craig, seconded by Dr. McLeroy, and carried unanimously to recommend that the State Board of Education adopt the proposed timeline that includes the following milestone dates: Notices of Intent to Bid due on October 29, 2010; samples due on February 25, 2011; deadline to withdraw on March 4, 2011; state review panel meeting in March 2011; public hearing in April 2011; adoption in April 2011; and materials available for order/delivery in May 2011, and amend the answer to question 35 in the Question and Answer Document, changing the due date of the Notice of Intent to Bid from December 10, 2010 to October 29, 2010.*

MOTION AND VOTE: *It was moved by Mrs. Miller and seconded by Mrs. Cargill to recommend that the State Board of Education amend the current Request for Supplemental Science Materials to have all information contained in the Notices of Intent to Bid open to the public. The motion failed. (Mr. Agosto and Mr. Bradley were absent for the vote.)*

DISCUSSION ITEMS

5. Discussion of Proposed Cycle for the Adoption of Instructional Materials (Board agenda page I-23)

Ms. Givens introduced the item and discussed several different options for the board to contemplate when revising the adoption cycle. Ms. Givens asked for guidance from the committee on what information they would like to consider. The committee members requested that staff survey school districts and publishers for additional information and bring the item back for discussion in November.

6. Update on Technology Applications Texas Essential Knowledge and Skills (TEKS) Review (Board agenda page I-27)

Ms. Givens gave an overview of where we are in the TEKS review process.

The board appointed expert content reviewers provided feedback on the first draft recommendations from the TEKS review committees. The experts made the following recommendations. The TEKS should include consistent strands, uniformity in order of strands, and programming language neutrality throughout K-12. Courses should be vertically and horizontally aligned. The TEKS should be general and flexible in order to remain relevant for the future and to allow for advancing technological development. There are too many high school courses and consideration may have to be given for adjusting the level at which some courses are offered.

Representatives of each TEKS review committee presented the rationale for their recommendations and answered questions from committee members.

Committee members requested that staff gather information regarding the level of students' current technology skills.

Invited testimony was provided by the following Technology Applications expert reviewers:

NAME: Lisa Ham
AFFILIATION: Director of Instructional Technology, Keller ISD

NAME: Leonard Brown
AFFILIATION: Professor, The University of Texas at Tyler

NAME: Connie Swiderski
AFFILIATION: Educational Technology Specialist, Region XI Education Service Center

Invited testimony was provided by the following review committee members:

NAME: Cindy Cummings
AFFILIATION: Grades K – 2

NAME: Kari Murphy
AFFILIATION: Grades 3 – 5

NAME: Mark Evans
AFFILIATION: Grades 6 – 8

NAME: Joy Royal
AFFILIATION: Desktop Publishing

NAME: Jennifer Hester
AFFILIATION: Web Mastering

NAME: Tom Halbert
AFFILIATION: Coputer Science I and II

NAME: Becky Cook
AFFILIATION: Multimedia TEKS

NAME: Carolyn Arnold
AFFILIATION: Video Technology

NAME: Sandra Melendez
AFFILIATION: Digital Graphics and Animation

ACTION ITEMS

7. **Consideration of Texas Attorney General Opinion GA-0707 Regarding Transfers from the Permanent School Fund to the Available School Fund and Determination as to Whether Transfers May be Made from the Permanent School Fund to the Available School Fund**
(Board agenda page I-3)
[Official agenda item #4]

MOTION AND VOTE: *It was moved by Mr. Craig, seconded by Ms. Hardy, and carried unanimously that the State Board of Education make a distribution in fiscal year 2011 which includes: (1) the amounts not distributed in fiscal year 2010 due to the constitutional limitation and (2) the annual fiscal year 2011 distribution of 2.5% as determined in 2008. (Mr. Agosto was absent for the vote.)*

8. **Decision on the Percentage Distribution of the Permanent School Fund**
(Board agenda page I-13)
[Official agenda item #5]

Mrs. Lowe asked Mr. Timmins, executive administrator and chief investment officer, to address the item. Mr. Timmins introduced Keith Stronkoswsky, senior analyst, and Edward O'Donnell, senior consultant with NEPC.

Mr. O'Donnell stated that at the July board meeting, NEPC presented spending scenarios ranging from 1.5% to 4.5%. He stated that since that meeting, NEPC tightened the range further to 3.0% to 3.5%. He further stated that going higher than 3.5% could lead to the erosion of the corpus of the Fund. He added that in a base case scenario, increasing the rate to 4.5% could decrease the corpus by \$1.1 billion over five years. Mr. O'Donnell stated that in making the recommendation, NEPC considered the asset allocation policy; the impact of the possible spending rates; and economic scenario testing, including a base case, upside, and downside.

Mr. Craig asked if NEPC had made any projections for the next two years since the board only sets the rate for two years. Mr. O'Donnell stated that they would not be as confident in the accuracy of the projections if the timeframe was reduced.

MOTION AND VOTE: *It was moved by Mr. Bradley, seconded by Dr. McLeroy, and carried unanimously that the distributions from the Permanent School Fund to the Available School Fund shall be an amount equal to 3.5% of the trailing 16 fiscal quarters preceding the regular session of the state legislature for the 2012-13 biennium. The distribution is intended to satisfy our constitutional duty to set aside a sufficient amount of funds to provide free textbooks. The State Board of Education shall consider the spending rate at the November meeting and consider any additional cash inflows and other financial information in finalizing its decision. (Mr. Agosto was absent for the vote.)*

Mr. Craig stated that in September 2008, the range the Board considered for the 2010-11 biennium was between 3.1% and 4%, but the actual rate adopted in November 2008 was 2.5%. He also stated that the distribution per average daily attendance (ADA) over the past ten years has decreased considerably. Due to this decrease, he stated that the board could provide additional funds with a higher rate, possibly 3.8%, to make more resource material available for students and to catch up for the underpayment in the current biennium. Mr. Craig further stated that the distribution was below the amount that would have been appropriate for intergenerational equity.

Dr. McLeroy stated that when the total return amendment was passed in 2003, the legislature included legislation to set a 4.5% spending rate in the immediately following fiscal years. He stated that when the board set the rate in 2006, it had additional funds from the General Land Office to consider in making its decision. He further stated that relying on the logic of the past spending rates was not reasonable.

Mr. Bradley stated that one of the main differences in the changes in distribution per ADA distribution rate has been student population growth. Mr. Bradley also stated that over the past ten years, the distributions from the Fund have totaled over \$7 billion and the market value of the Fund has held relatively constant without accounting for inflation or student growth.

DISCUSSION ITEMS

9. Education on the Real Return Asset Class (Board agenda page I-31)

This item was postponed.

10. Discussion of Pending Litigation
(Board agenda page I-33)

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

Mrs. Lowe adjourned the meeting at 4:55 p.m.