State Board of Education
Summary of Action Items
April 15, 2011

Student Performance – Pre-kindergarten students from Mainland Preparatory Academy of LaMarque entertained the board and audience by reading two children's books.

Staff Contact: Questions about this item should be directed to the office of the State Board of Education at (512) 463-9007.

1. Resolutions and Presentations

There were no resolutions or presentations at this meeting.

Staff Contact: Questions about this item should be directed to the office of the State Board of Education at (512) 463-9007.

2. Approval of Consent Agenda

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

(1). Ratification of the Purchases and Sales of the Investment Portfolio of the Permanent School Fund for the Months of December 2010, January and February 2011 (Committee on School Finance/PSF)

The board ratified the purchases and sales for the months of December 2010 through February 2011 in the amount of $1,100,040,498 and $1,111,553,560, respectively.

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

(2). Recommended Appointment(s) to the Committee of Investment Advisors to the Permanent School Fund (Committee on School Finance/PSF)

The board appointed T. Hardie Bowman to the Committee of Investment Advisors to the Permanent School Fund.

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

(3). Selection of a Member of the State Board of Education to Serve on the Board of Trustees of the Texas Growth Fund (Committee on School Finance/PSF) (Removed from Consent Agenda)

The board appointed Lawrence Allen to the Board of Trustees of the Texas Growth Fund.

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

(4). Approval of an Extension of the Global Custody and Securities Lending Services Agreement with BNY Mellon and Authorization for Contract Execution by the Commissioner of Education or Authorization to Issue a Request for Proposals (Committee on School Finance/PSF)

The board approved an extension of the global custody and securities lending services contract with BNY Mellon for the Permanent School Fund authorizing a three-year extension as allowed by the contract beginning Sept. 1, 2011, and ending Aug. 31, 2014, and authorized contract execution by the commissioner of education.

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

(5). Approval of an Extension of the Investment Management Services for International Index Fund Agreement with BlackRock Investment Management, LLC and Authorization for Contract Execution by the Commissioner of Education or Authorization to Issue a Request for Proposals (Committee on School Finance/PSF)

The board approved an extension of the investment management services for international index fund contract with BlackRock Investment Management, LLC for the Permanent School Fund authorizing two consecutive two-year extensions as allowed by the contract and authorized contract execution by the commissioner of education. The first extension period shall be from Sept. 1, 2011, through Aug. 31, 2013, and the second extension period shall be from Sept. 1, 2013 through Aug. 31, 2015.

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

(6). Approval of an Extension of the Real Estate Consultant Services Agreement with Courtland Partners and Authorization for Contract Execution by the Commissioner of Education or Authorization to Issue a Request for Proposals (Committee on School Finance/PSF)

The board approved an extension of the real estate consultant services agreement with Courtland Partners for the Permanent School Fund authorizing two consecutive one-year extensions as allowed by the contract and authorizing contract execution by the commissioner of education. The first extension period shall be from Sept. 1, 2011, through Aug. 31, 2012, and the second extension period shall be from Sept. 1, 2012, through Aug. 31, 2013.

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

(7). Approval of an Extension of the Investment Counsel Services Agreement with NEPC and Authorization for Contract Execution by the Commissioner of Education or Authorization to Issue a Request for Proposals (Committee on School Finance/PSF) (Removed from Consent Agenda)

The board voted 8-6 with one abstention to extend for four years the investment counsel

services with NEPC and authorized contract execution by the commissioner of education. The contract will end Aug. 31, 2015.

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

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

The SBOE approved the reappointment of MSgt Elizabeth Morales to a two-year term on the Lackland ISD Board of Trustees. Morales will serve from April 15, 2011, through April 14, 2013.

Staff Contact: Questions about this item should be directed to the Division of Governance and General Inquiries at (512) 463-9290.

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

3. Proposed Revisions to 19 TAC Chapter 126, Texas Essential Knowledge and Skills for Technology Applications
(Second Reading and Final Adoption)

The State Board of Education gave final approval to a substantial revision and expansion of the Texas Essential Knowledge and Skills for Technology Applications for kindergarten through eighth grade, as well as to 13 high school courses. The new curriculum standards will be implemented in 2012-2013. These replace standards in use in Texas classrooms since 1998.

Some of the new courses for which curriculum standards were approved are Robotics Programming and Development, Game Programming and Design, Mobile Application Development, and Digital Design and Media Production. The board delayed adopting standards for six high school courses until July so the board members could continue to review and consider input they received during the public comment period. Those courses are Fundamentals of Computer Science; Computer Science I, II, III; Discrete Mathematics; and Web Game Development.

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

4. Recommended Assessment of Penalties for Unauthorized Updates to Adopted Instructional Materials

The board voted to penalize publisher Houghton Mifflin Harcourt $12,000 for making unauthorized updates to instructional materials adopted under Proclamation 2010. The publisher updated adopted materials for English Language Arts, grade 1; reading, grades 2-8; and Literature I-IV without SBOE approval.

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

5. Report and Recommendations from the Commissioner of Education Regarding Instructional Materials Offered for Adoption under Midcycle 2011 Proclamation

The board adopted six products recommended for adoption by the commissioner of education.

The board also required publishers to make corrections listed in the Report of the Commissioner of Education Concerning Required Corrections of Factual Errors for materials adopted under the Midcycle 2011 Proclamation. The materials must also meet all established manufacturing standards and specifications.

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

6. Request for Special Consideration Regarding an Update to Adopted Instructional Materials

The board granted all publishers permission to update their assessment preparation workbooks adopted under Proclamation 2011. All updates must be submitted to the Texas Education Agency. This will allow publishers to remove material specific to the Texas Assessment of Knowledge and Skills and replace it with material related to the new State of Texas Assessments of Academic Readiness.

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

COMMITTEE ON INSTRUCTION

7. Proposed Repeal of 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter A, Gifted/Talented Education, §89.4, Fiscal Responsibility (Second Reading and Final Adoption)

The board approved the repeal of 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter A, Gifted/Talented Education, §89.4, Fiscal Responsibility. Districts receive a special allotment for gifted/talented education. The percent of the allotment that may be spent on indirect costs was changed by law and the new percent is referenced in a different section of the administrative code. In order to avoid confusion, the board voted to repeal the reference to the allotment in Chapter 89.

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

COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND

8. Authorization to Reopen the Request for Qualifications for Real Estate Investment Managers for the Permanent School Fund, RFQ #701-09-027 and Approval of Investments in Real Estate Funds.

The board voted to execute an agreement with Prudential Real Estate Investors necessary to make an investment commitment of up to $125 million in PRISA subject to continued due diligence and negotiation of fund terms.

The board also voted to reopen the Request for Qualifications for Real Estate Investment

Managers for the Texas Permanent School Fund RFQ #701-09-027(A).

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

9. Approval of the Selection of a Firm(s) to Provide for Risk Parity Discretionary Manager for the Permanent School Fund and Authorization for Contract Execution by the Commissioner of Education

The board voted to split the 7 percent mandate for risk parity discretionary manager for the Permanent School Fund between AQR Capital Management LLC and Bridgewater Associates, LP and authorized contract execution by the commissioner of education. To the extent investments by the selected risk parity managers, in accordance with the RFP and the implementing documentation, constitute investments that are listed in Rule §33.25(b) of Title 19, Chapter 33 of the Texas Administrative Code, the board approved the transactions in accordance with Rule §33.25(b).

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

COMMITTEE ON SCHOOL INITIATIVES

1. Review of Open-Enrollment Charter School Applications Removed from Consideration for Incompleteness (Committee Action Only)

Committee members reviewed 15 Generation 16 charter applications that had been deemed incomplete by agency staff. The committee directed staff to send the applications for El Paso Country Day Charter School and Excellence in Leadership Academy forward for external review and evaluation.

This brings to 19 the number of Generation 16 applications which will be forwarded for external review and evaluation. Applications which receive an average of at least 75 percent of the total possible points will be scheduled for interviews with the committee members on Aug. 30 and 31.

The Generation 16 charters are scheduled to be considered for award at the board's September meeting. By July 1, there will be at least nine open slots for new charter applicants.

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