State Board of Education
Summary of Action Items
November 18, 2011

Student Performance: The McNeil High School Musicale, a group of Madrigal singers from the Round Rock Independent School District, performed for the State Board of Education and its audience.

1. Resolutions and Presentations

The board approved a resolution honoring the Texas winners of the 2011 National History Day contest. Those winners are Annie Salinas from Spring; Matthew Broussard, Hanna Zerdo and Rachel Lahowetz of Goose Creek Consolidated ISD; Gabriel Nesler and Mikayla Miller of Copperas Cove ISD; and Steven Mathew, Christian Isenhour, Jonathan Holle, Cyrus Yasrebi and Luke Victor of Round Rock ISD.

The board approved a resolution honoring Tine Valencic of Colleyville Middle School in the Grapevine-Colleyville Independent School District who recently won the National Geographic Bee.

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) Approval of Costs of Administering the 2011-2012 State of Texas Assessments of Academic Readiness (STAAR™) and Texas Assessment of Knowledge and Skills (TAKS) to Private School Students
(Committee on School Finance/Permanent School Fund)

The board approved the cost of administering the voluntary assessment of Texas private school students with the State of Texas Assessments of Academic Readiness (STAAR) and Texas Assessment of Knowledge and Skills (TAKS) for the 2011-12 school year. By law, the per-student cost to private schools may not exceed the cost of administering the same assessment to a student enrolled in a public school district. During the 2011 spring administration of the TAKS test, about 1,600 students at 28 private schools participated in the testing program. The cost to administer the test ranges from a high of $64.98 per student for the STAAR fifth-grade Spanish reading, math and science tests to $1.54 per student for the sixth-grade reading and math tests in English.

Staff Contact: Questions about this item should be directed to the Student Assessment Division at (512) 463-9536.

(2) Ratification of the Purchases and Sales of the Investment Portfolio of the Permanent School Fund for the Months of August and September 2011
(Committee on School Finance/Permanent School Fund)

The board ratified the purchases and sales for the months of August and September 2011 in the amount of $1,636,209,909 and $931,494,660 respectively.

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

(3) **Authorization to Issue a Request for Proposals for Commodities in the Real Return Asset Class**
(Committee on School Finance/Permanent School Fund)

The board approved the issuance of a request for proposals for discretionary long and/or long/short commodities investment managers for the Permanent School Fund.
Staff Contact: Questions about this item should be directed to the office of the Permanent School Fund at (512) 463-9169.

(4) **Adoption of Review of 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund**
(Adoption of Review)
(Committee on School Finance/Permanent School Fund)

The board approved the review of the rules on the investment objectives, policies, and guidelines of the PSF. The rules establish definitions, requirements, and procedures for the investment of the fund.
Staff Contact: Questions about this item should be directed to the office of the Permanent School Fund at (512) 463-9169.

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

The board approved executing agreements with TA Associates Realty to invest $75 million in The Realty Associates Fund X, L.P. and with Oaktree Capital Management L.P. a sum of $50 million in the Oaktree Real Estate Opportunities Fund V, L.P., 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.

(6) **Proposed Amendment to 19 TAC Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship, §61.2, Nomination of Trustees for Military Reservation School Districts and Boys Ranch Independent School District**
(First Reading and Filing Authorization)
(Committee on School Initiatives)

The board approved an amendment to the rules specifying the term of office for board members appointed to all types of special-purpose school districts and clarifying the process for filling a vacancy on a special-purpose school district board resulting from the disqualification or resignation of a board member.
Staff Contact: Questions about this item should be directed to the Division of Governance and Waivers at (512) 475-3697.

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

The board approved the reappointment of Brian Miller to serve a two-year term of office from Nov. 18, 2011 to Nov. 17, 2013 on the Lackland ISD board of trustees.

Staff Contact: Questions about this item should be directed to the Division of Governance and Waivers at (512) 475-3697.

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

3. Proposed Amendments to 19 TAC Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.1, Essential Knowledge and Skills, and §74.3, Description of a Required Secondary Curriculum, and Proposed New Chapter 74, Subchapter G, Graduation Requirements, Beginning with School Year 2012-2013 (First Reading and Filing Authorization)

The board approved for first reading and filing authorization proposed amendments to 19 TAC Chapter 74, Curriculum Requirements, §74.1, Essential Knowledge and Skills, and §74.3, Description of a Required Secondary Curriculum, and proposed new Chapter 74, Subchapter G, Graduation Requirements, Beginning with School Year 2012-2013. The proposed amendments to Subchapter A would update requirements for school districts to align with recently passed legislation, including SB 6, and provide additional clarification regarding requirements. The proposed new Subchapter G, which applies to students entering ninth grade in the 2012-2013 school year, would update the graduation requirements to align with recently passed legislation including HB 692 and SB 1620, allow additional courses to satisfy certain graduation requirements, and provide additional clarification regarding requirements.
Staff Contact: Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

COMMITTEE ON INSTRUCTION

4. Proposed Revisions to 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter C, General Educational Development (Second Reading and Final Adoption)

The board approved revisions to 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter C, General Educational Development. The proposed revisions would update the current rules to reflect statutory changes and add clarifying language.
Staff Contact: Questions about this item should be directed to the Federal and State Education Policy Division at (512) 463-9291.

5. Proposed Amendment to 19 TAC Chapter 118, Texas Essential Knowledge and Skills for Economics with Emphasis on the Free Enterprise System and Its Benefits, Subchapter A, High School, §118.4, Economics with Emphasis on the Free Enterprise System and Its Benefits, High School (One-Half Credit), Beginning with School Year 2011-2012 (First Reading and Filing Authorization)

The board approved for first reading the proposed amendment to 19 TAC Chapter 118, Texas Essential Knowledge and Skills for Economics with Emphasis on the Free Enterprise System and Its Benefits,

Subchapter A, High School, §118.4, Economics with Emphasis on the Free Enterprise System and Its Benefits, High School (One-Half Credit), Beginning with School Year 2011-2012. The proposed amendment would add methods of paying for college and other postsecondary education and training to the standards for personal financial literacy to align with requirements of House Bill (HB) 34 passed in 2011.
Staff Contact: Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND

6. Proposed Amendment to 19 TAC Chapter 105, Foundation School Program, Subchapter B, Use of State Funds, §105.11, Maximum Allowable Indirect Cost
(Second Reading and Final Adoption)

After much discussion, the board approved the staff recommendation for the maximum allowable indirect cost as amended in September at first reading and included a provision that limits the amount a school district can increase their indirect cost to no more than the percentage decrease in state aid and local maintenance and operations revenue from the 2011-12 school year.
Staff Contact: Questions about this item should be directed to the office of the School Financial Audits at (512) 463-9095

7. Consideration of the Development of Strategic Relationships Within the Absolute Return Asset Class

While no formal actions was taken, the board directed staff to bring a proposed process forward at the January 2012 meeting for consideration and identifying the most efficient and prudent way to select a strategic partner.
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

8. Review of Proposed Amendments to 19 TAC Chapter 249, Disciplinary Proceedings, Sanctions, and Contested Cases, and 19 TAC Chapter 247, Educators' Code of Ethics, §247.1, Purpose and Scope; Definitions

The board reviewed and took no action on amendments to the rules for the State Board for Educator Certification (SBEC) governing disciplinary proceedings and sanctions that update statutory and administrative rule references, as well as clarify and streamline the SBEC disciplinary procedures and standards. This item also proposed an amendment to 19 TAC 247.1, Purpose and Scope; Definitions, to ensure that the definitions are consistent with 19 TAC §249.3, Definitions.
Staff Contact: Questions about this item should be directed to the Division of Educator Certification and Standards at (512) 936-8304.

9. Proposed Repeal of 19 TAC Chapter 97, Planning and Accountability, Subchapter A, Accountability
(Second Reading and Final Adoption)

The board approved at second reading and final adoption the repeal of their authority to adopt student achievement indicators for the state's accountability system and approved the transfer of their authority to the commissioner of education. The repeal is necessary to reflect statutory changes resulting from House Bill (HB) 3, 81st Texas Legislature, 2009.
Staff Contact: Questions about this item should be directed to the Division of Performance Reporting at (512) 463-9704.

10. Adoption of Review of and Proposed Amendments to 19 TAC Chapter 157, Hearings and Appeals, Subchapter A, General Provisions for Hearings Before the State Board of Education, and Subchapter D, Independent Hearing Examiners
(Adoption of Review)
(First Reading and Filing Authorization of Amendment)
(Moved to the Consent Agenda)

The board approved for first reading and filing authorization the review of rules and amendments pertaining to hearings and appeals brought before the SBOE regarding administrative penalties for violations of textbook requirements. Also, amendments pertaining to certification criteria for independent hearing examiners who conduct due process termination, nonrenewal, and suspension without pay hearings at the school district level.
This item also presents for first reading and filing authorization amendments that would prohibit parties to a contested case before the SBOE from communicating with board members during the pendency of the case, address technological advances, and standardize references to independent hearing examiners.
Staff Contact: Questions about this item should be directed to the Division of Legal Services at (512) 463-9720.

11. Proposed Selection of a Public College or University Charter

The board approved granting a Chapter 12, Subchapter E, charter to the University of Texas at Tyler for opening in the 2012-2013 school year. The school will start with grades 3-6 and expand each year by one grade until it serves students in grades 3-12.
Staff Contact: Questions about this item should be directed to the Division of Charter School Administration at (512) 463-9575.