State Board of Education
Summary of Action Items
July 20, 2012

1. Resolutions and Presentations

The board passed a resolution honoring Rahul Nagvekar, an eighth-grade student at Quail Middle School in the Fort Bend Independent School District, who won the 24th annual National Geographic Bee, the third time in the past four years that a Texan has taken the top honor.

The board passed a resolution honoring former Commissioner of Education Robert Scott.
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) Adoption of an Annual Report on the Status of the Bond Guarantee Program (Committee on School Finance/Permanent School Fund)

The board voted to adopt the annual report on the status of the Bond Guarantee Program as of Aug. 31, 2011.
Staff Contact: Questions about this item should be directed to the Office of the Permanent School Fund (512) 463-9169.

(2) Ratification of the Purchases and Sales of the Investment Portfolio of the Permanent School Fund for the Months of March, April and May 2012 (Committee on School Finance/Permanent School Fund)

The board ratified the purchases and sales of securities executed in the portfolio of the Permanent School Fund for the months of March, April and May 2012 in the amounts of $930,152,827 and $696,312,825 respectively.
Staff Contact: Questions about this item should be directed to the Office of the Permanent School Fund (512) 463-9169.

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

The board approved the execution of agreements with Mesa West Real Estate Income Fund III, L.P. and with Oaktree Capital Management, L.P. necessary to make investment commitments of up to $75 million, 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 (512) 463-9169.

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

3. Review and Adoption of the Long-Term Strategic Asset Allocation Plan of the Permanent School Fund

The board adopted slight modifications to its long-term strategic asset allocation plan. The members agreed to reduce investments in equity holdings by four percent, while increasing both fixed income investments and alternative investments by two percent.
Staff Contact: Questions about this item should be directed to the Office of the Permanent School Fund (512) 463-9169.

4. Decision on the Percentage Distribution of the Permanent School Fund

The board adopted a 3.3 percent payout for fiscal years 2014 and 2015. This rate is expected to generate about $830 million per year.
Staff Contact: Questions about this item should be directed to the Office of the Permanent School Fund (512) 463-9169.

5. Proposed Revisions to 19 TAC Chapter 66, State Adoption and Distribution of Instructional Materials, Subchapter B, State Adoption of Instructional Materials (Second Reading and Final Adoption)

The board gave final approval to revisions to the Chapter 66 rules, relating to the state adoption and distribution of instructional materials.
Staff Contact: Questions about this item should be directed to the Division of Instructional Materials and Educational Technology at (512) 463-9601.

6. Approval of Question and Answer Document for Proclamation 2014

The board approved a document that answers more than 100 questions submitted by publishers and other stakeholders. The subjects and grade levels proposed in Proclamation 2014 includes science, grades K-12; mathematics, grades K-8; and Technology Applications, grades K-12.
Staff Contact: Questions about this item should be directed to the Division of Instructional Materials and Educational Technology at (512) 463-9601.

7. Update on Texas Essential Knowledge and Skills (TEKS) Review

The board amended the process it uses in reviewing and revising curriculum standards. The revised process will be used beginning with the start of the next subject scheduled for review.
Staff Contact: Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

7a. Decision Regarding the Proposed Settlement in *CompSource Oklahoma v. BNY Mellon N.A.*

The board delegated to Texas Education Agency staff the authority to negotiate a settlement in the *CompSource Oklahoma v. BNY Mellon N.A.*, subject to the notification and approval of the SBOE chair and the chair of the Committee on School Finance/Permanent School Fund.
Staff Contact: Questions about this item should be directed to the Legal Division at (512) 463-9720.

COMMITTEE ON INSTRUCTION

8. Proposed Amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter C, Other Provisions, §74.36, Requirements for Elective Courses on the Bible's Hebrew Scriptures (Old Testament) and New Testament and Their Impact on the History and Literature of Western Civilization
(Second Reading and Final Adoption)

The board approved for second reading and final adoption the proposed amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter C, Other Provisions, §74.36, Requirements for Elective Courses on the Bible's Hebrew Scriptures (Old Testament) and New Testament and Their Impact on the History and Literature of Western Civilization. The proposed amendment removes the Texas Essential Knowledge and Skills (TEKS) that were effective in 2008 and that were superseded by the revised TEKS beginning with the 2011-2012 school year.
Staff Contact: Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

9. Proposed Repeal of 19 TAC Chapter 126, Texas Essential Knowledge and Skills for Technology Applications, Subchapter A, Elementary, §§126.1-126.3, Subchapter B, Middle School, §126.11 and §126.12, and Subchapter C, High School, §§126.21-126.29
(Second Reading and Final Adoption)

The board approved the repeal of 19 TAC Chapter 126, Texas Essential Knowledge and Skills for Technology Applications, Subchapter A, Elementary, §§126.1-126.3, Subchapter B, Middle School, §126.11 and §126.12, and Subchapter C, High School, §§126.21-126.29. This action repeals the Texas Essential Knowledge and Skills (TEKS) that became effective in 1998 and that will be superseded by the revised technology applications TEKS scheduled for implementation beginning with the 2012-2013 school year.
Staff Contact: Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

10. Approval of Updates to Academic Achievement Record Forms

The board approved revisions to the sample Academic Achievement Record (AAR) forms to reflect recent changes in legislation and to align with updates to the minimum graduation standards.
Staff Contact: Questions about this item should be directed to the Curriculum Division at (512) 463-9581.

COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND

11. 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 the proposed amendments to 19 TAC Chapter 129, Student Attendance, Subchapter B, Student Attendance Accounting, §129.21, Requirements for Student Attendance Accounting for State Funding Purposes. The revisions amend the rule to make it more logically organized, to delete obsolete provisions, and to update provisions describing conditions under which a student who is not on campus at attendance time may be considered in attendance. The amendments also remove language that duplicates statutory language and replace it with a reference to the applicable statute.
Staff Contact: Questions about this item should be directed to the Office of the School Finance (512) 463-9238.

12. Per Capita Apportionment Rate for the 2011-2012 School Year
Moved to Consent Agenda

The board adopted a revised per capita apportionment rate of $251.747 for the 2011-2012 school year based on the current estimate of the amount available for expenditures from the Available School Fund.
Staff Contact: Questions about this item should be directed to the Office of the School Finance (512) 463-9238.

13. Per Capita Apportionment Rate for the 2012-2013 School Year
Moved to Consent Agenda

The board adopted a preliminary per capita apportionment rate of $373.878 for the 2012-2013 school year based on the current estimate of the amount available for expenditures from the Available School Fund.
Staff Contact: Questions about this item should be directed to the Office of the School Finance (512) 463-9238.

14. Selection of Respondents to the Request for Proposals (RFP) for Commodities Discretionary Investment Managers for the Permanent School Fund

The board voted to implement a 50 percent allocation to PIMCO Commodities Real Return strategy and a 50 percent allocation to Credit Suisse Enhanced Total Commodity strategy, and authorized the commissioner of education to negotiate terms and execute contracts. The board directed staff and NEPC to select and establish the appropriate benchmark and report to the committee in November.
Staff Contact: Questions about this item should be directed to the Office of the Permanent School Fund (512) 463-9169.

15. Decision on Absolute Return Investments

The board voted to terminate K2 Advisors effective immediately and split the funds between the strategic relationship structures at Grosvenor Capital Management LP and Blackstone Alternative Asset Management at amounts deemed appropriate by internal staff, with neither firm receiving less than a one-third allocation and no more than two-thirds allocation of funds. The board directed staff to renegotiate the fee structure with all Fund of Funds managers and indicated that no contract shall be issued for longer than a two-year period. Existing contracts that expire Aug. 31, 2012 may have their contracts extended a sufficient amount of time to allow negotiations of fees, terms and responsibilities. All contract changes are to be ratified by the board at its next meeting.
Staff Contact: Questions about this item should be directed to the Office of the Permanent School Fund (512) 463-9169.

16. Selection of Qualified Respondents to the Request for Qualifications (RFQ) for Fiduciary Counsel, Alternative Assets Portfolio/Contracting and Tax Counsel for the Permanent School Fund

The board approved all three of the ranked and qualified respondents to the Request for Qualifications (RFQ) for Fiduciary Counsel and directed staff to retain all three firms—Jackson Walker, LLP; Graves, Dougherty, Hearon & Moody; and Strasburger and Price—designating Jackson Walker, LLP as the primary fiduciary counsel.

The board approved all eight ranked and qualified respondents to the Request for Qualifications (RFQ) for Alternative Assess Portfolio/Contracting Counsel and directed PSF staff to contract with the top three ranked firms, which are: Jackson Walker, LLP; Reinhart, Boerner, and Van Deuren, s.c; and Fulbright & Jaworski, LLP.

In addition, the board approved all three ranked and qualified respondents to the Request for Qualifications (RFQ) for Tax Counsel for the PSF and directed staff to contract with the top two firms, Reinhart, Boerner, and Van Deuren, s.c.; and Andrews Kurth, LLP.
Staff Contact: Questions about this item should be directed to the Office of the Permanent School Fund (512) 463-9169.

COMMITTEE ON SCHOOL INITIATIVES

17. Review of Proposed Amendments to 19 TAC Chapter 228, Requirements for Educator Preparation Programs, §228.2, Definitions, and §228.35, Preparation Program Coursework and/or Training

Because of statutory changes, rules are being updated to require dyslexia training for prospective teachers who are in a university-based certification program and clarify that 15 hours of field based training must be completed prior to becoming a teacher of record under a probationary certificate. The board took no action on this item. The State Board of Education by law may only reject a State Board for Educator Certification rule or take no action.
Staff Contact: Questions about this item should be directed to the Division of Educator Certification and Standards at (512) 936-8304.

18. Review of Proposed Repeal of and New 19 TAC Chapter 230, Professional Educator Preparation and Certification

The board took no action on this item. This State Board for Educator Certification rule reorganizes information related to educator preparation and certification. The board took no action on this item. The State Board of Education by law may only reject a State Board for Educator Certification rule or take no action.
Staff Contact: Questions about this item should be directed to the Division of Educator Certification and Standards at (512) 936-8304.

19. Review of Proposed Repeal of and New 19 TAC Chapter 232, General Certification Provisions

The board took no action on this State Board for Educator Certification rule, which reorganizes information related to general certification provisions. The SBOE can only reject an SBEC rule or take no action on it.
Staff Contact: Questions about this item should be directed to the Division of Educator Certification and Standards at (512) 936-8304.

20. Review of Proposed Revisions to 19 TAC Chapter 233, Categories of Classroom Teaching Certificates

The board took no action on this item which reorganizes rules governing teaching certificates. The SBOE can only reject an SBEC rule or take no action on it.
Staff Contact: Questions about this item should be directed to the Division of Educator Certification and Standards at (512) 936-8304.

21. Proposed Amendments to 19 TAC Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools
(First Reading and Filing Authorization)

The board approved on first reading charter rules that align the State Board of Education rules pertaining to the charter application process with proposed commissioner of education rules, clarify the signatories on the original contract for charter, codify practices adopted through the annual government report pertaining to which family members of board members and school officers must be disclosed, and expand the provisions that would apply to public senior college or university charters and public junior college charters.
Staff Contact: Questions about this item should be directed to the Division of Charter School Administration at (512) 463-9575.

22. Adoption of Governance Reporting Form for Open-Enrollment Charter Schools

The board approved revisions to the annual governance report form, which charter schools must complete. This form provides information about charter officers and board members.
Staff Contact: Questions about this item should be directed to the Division of Charter School Administration at (512) 463-9575.

23. Proposed Amendments to School Board Member Training – Framework for School Board Development

A framework for school board member training was updated. Many of the changes reflect the need for a board to act as a team.
Staff Contact: Questions about this item should be directed to the Department of Accreditation and School Improvement at (512) 475-3697.