Minutes
State Board of Education
April 20, 2012

The State Board of Education met at 9:50 a.m. on Friday, April 20, 2012, 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 board were present:

Presiding: Barbara Cargill, Chair; Lawrence A. Allen, Jr.; David Bradley; George Clayton; Bob Craig, Vice Chair; Marsha Farney; Charlie Garza; Pat Hardy; Mavis B. Knight; Terri Leo; Gail Lowe; Ken Mercer; Thomas Ratliff; Michael Soto

Absent: Mary Helen Berlanga

Student Performance

The student performance was provided by Grand Prairie High School Speech and Debate Team, Grand Prairie Independent School District.

Pledge of Allegiance

Approval of Minutes

State Board of Education, January 27, 2012

MOTION AND VOTE: *The State Board of Education unanimously approved the Minutes of the January 27, 2012, meeting of the State Board of Education, as printed.*

Public Testimony - Individual testimony will be taken to address items other than those on the board agenda. 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=2147497741** or in the information section (yellow pages) of the agenda.

There was one presentation of public testimony, as follows:

NAME:	Carolyn Morris
AFFILIATION:	Parent-to-Parent Connection Advocacy, Inc. (PPCA)
TOPIC:	Advocacy for children who receive special education in Admission, Review and Dismissal (ARD) meetings and Due Process Hearings (DPH)

1. Resolutions and Presentations

Kathlyn Christian Gilliam

Mrs. Knight read a resolution, which the State Board of Education adopted by unanimous consent, in memory of Kathlyn Christian Gilliam.

(ATTACHMENT 1, page 13)

2. Approval of Consent Agenda

Any agenda item may be placed on the consent agenda by any State Board of Education committee. The State Board of Education may elect to take separate action on any item on the consent agenda.

In addition to the items on the original consent agenda, the following item received unanimous approval in committee and was brought forward for board approval:

- Official Agenda Item #10—Action on Authorized Generation 16 Charter – The Pro-Vision Academy

By unanimous consent, the State Board of Education approved the following items on the consent agenda, including the item that was brought forward.

(1) 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
(First Reading and Filing Authorization)
(Board agenda page II-1)
(COMMITTEE ON INSTRUCTION)

The State Board of Education approved for first reading and filing authorization 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, as recommended by the Committee on Instruction.

(2) 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
(First Reading and Filing Authorization)
(Board agenda page II-13)
(COMMITTEE ON INSTRUCTION)

The State Board of Education approved for first reading and filing authorization the 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, as recommended by the Committee on Instruction.

(3) Recommendation Regarding Readoption of Instructional Materials
(Board agenda page II-17)
(COMMITTEE ON INSTRUCTION)

The State Board of Education readopted instructional materials currently under contract in the subject areas and for the periods and pricing indicated in the attachment, as recommended by the Committee of Instruction.

(ATTACHMENT 2, page 15)

(4) Adoption of Review of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting
(Adoption of Review)
(Board agenda page III-1)
(COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND)

The State Board of Education adopted the review of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting, as recommended by the Committee on School Finance/Permanent School Fund.

(5) Ratification of the Purchases and Sales of the Investment Portfolio of the Permanent School Fund for the Months of December 2011, January and February 2012
(Board agenda page III-19)
(COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND)

The State Board of Education ratified the purchases and sales for the months of December 2011, January and February 2012 in the amount of $1,117,381,271 and $991,332,469, respectively, as recommended by the Committee on School Finance/Permanent School Fund.

(6) Authorization to Issue a Request for Qualifications (RFQ) for Fiduciary Counsel, Alternative Assets Portfolio/Contracting and Tax Counsel for the Permanent School Fund
(Board agenda page III-21)
(COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND)

The State Board of Education approved the issuance of a Request for Qualifications (RFQ) for Fiduciary Counsel, Alternative Assets Portfolio/Contracting and Tax Counsel for the Permanent School Fund with changes incorporated, as recommended by the Committee on School Finance/Permanent School Fund.

(7) Decision on Real Estate Investments
(Board agenda page III-51)
(COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND)

The State Board of Education approved the execution of agreement(s) with Niam AB, necessary to make an investment commitment of up to €40 million in NIAM Nordic V, L.P., a euro denominated fund, subject to continued due diligence and negotiation of fund terms, and also, approved the relationship with Greenhill & Co., L.L.C., after determining it meets the standards of 19 TAC Chapter 33, Section 33.5(j)(5), which has been disclosed in writing, as recommended by the Committee on School Finance/Permanent School Fund.

(8) Recommendation for Appointment to the Lackland Independent School District Board of Trustees
(Board agenda page IV-1)
(COMMITTEE ON SCHOOL INITIATIVES)

The State Board of Education approved the appointment of Mr. Clifford Dietert, to serve a two-year term of office, from April 20, 2012 through April 19, 2014, on the Lackland Independent School District Board of Trustees, as recommended by the Committee on School Initiatives.

(ATTACHMENT 3, page 19)

(9) Recommendation for Appointments to the Fort Sam Houston Independent School District Board of Trustees
(Board agenda page IV-21)
(COMMITTEE ON SCHOOL INITIATIVES)

The State Board of Education approved the reappointment of Ms. Anita Jeanne Warren, and the appointment of Dr. Eustace Lewis to each serve a two-year term of office, from April 20, 2012 through April 19, 2014, on the Fort Sam Houston Independent School District Board of Trustees, as recommended by the Committee on School Initiatives.

(ATTACHMENT 4, page 23)

(10) Adoption of Review of 19 TAC Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools, and Subchapter B, Home-Rule School District Charters
(Adoption of Review)
(Board agenda page IV-65)
(COMMITTEE ON SCHOOL INITIATIVES)

The State Board of Education adopted the review of 19 TAC Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools, and Subchapter B, Home-Rule School District Charters, as recommended by the Committee on School Initiatives.

10. Action on Authorized Generation 16 Charter – The Pro-Vision Academy
(Board agenda page IV-63)
(COMMITTEE ON SCHOOL INITIATIVES)

The State Board of Education approved rescinding its contingent authorization for a charter to be operated by Pro Vision Educational Services, Inc., as recommended by the Committee on School Initiatives.

COMMITTEE OF THE FULL BOARD

3. Review of the Report on Permanent School Fund Percentage Distribution Rates Under Consideration for Fiscal Years 2014 and 2015
(Board agenda page I-1)

MOTION: *It was moved by Mr. Craig that the percentage distribution rate to the Available School Fund from the Permanent School Fund for fiscal years 2014 and 2015 shall be between 3.0% and 3.5%, as recommended by the Committee of the Full Board.*

MOTION AND VOTE: *It was moved by Mr. Craig and carried to amend the motion as follows: The percentage distribution rate to the Available School Fund from the Permanent School Fund for fiscal years 2014 and 2015 shall be between 3.0% and 3.5% subject to, and based upon, the assumption that the Permanent School Fund (PSF) receives $130 million per year, or $260 million for the biennium, from the General Land Office (GLO).*

VOTE: *A vote was taken on the motion, as amended. The motion carried.*

4. **Proposed Revisions to 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter A, Elementary, Subchapter B, Middle School, Subchapter C, High School, and Subchapter D, Other High School Mathematics Courses**
(Second Reading and Final Adoption)
(Board agenda page I-5)

MOTION AND VOTE: *The State Board of Education, by an affirmative vote of two-thirds of the members of the board, approved for second reading and final adoption the proposed revisions to 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter A, Elementary, Subchapter B, Middle School, Subchapter C, High School, and Subchapter D, Other High School Mathematics Courses, with an effective date of 20 days after filing as adopted with the Texas Register, as recommended by the Committee of the Full Board.*

(ATTACHMENT 5, page 31)

5. **Proposed Revisions to 19 TAC Chapter 66, State Adoption and Distribution of Instructional Materials**
(Second Reading and Final Adoption)
(Board agenda page I-71)

MOTION: *It was moved by Mr. Craig that the State Board of Education, by an affirmative vote of two-thirds of the members of the board, approve for second reading and final adoption the proposed revisions to 19 TAC Chapter 66, State Adoption and Distribution of Instructional Materials, Subchapter A, General Provisions; Subchapter B, State Adoption of Instructional Materials; Subchapter C, Local Operations; Subchapter D, Special Instructional Materials; and Subchapter E, Disposition of Instructional Materials, with an effective date of 20 days after filing as adopted with the Texas Register, as recommended by the Committee of the Full Board.*

MOTION: *It was moved by Mrs. Knight to amend §66.54(i), as follows:*

(i) A publisher shall provide a list of all corrections necessary to each student and teacher component of an instructional materials submission. The list must be in a format designated by the commissioner of education and filed [~~of all factual errors~~] on or before the deadline specified in the schedule of adoption procedures. If no corrections are necessary, the publisher shall file a letter stating this on or before the deadline in the schedule for submitting the list of corrections. On or before the deadline for submitting lists of corrections, publishers shall submit certification that all instructional materials have been edited for accuracy, content, and compliance with requirements of the proclamation.

MOTION: *It was moved by Mr. Ratliff and seconded by Dr. Farney to amend §66.54(i), as follows:*

(i) A publisher shall provide a list of all corrections necessary to each student and teacher component of an instructional materials submission. The list must be in a format approved [~~designated~~] by the commissioner of education and filed on or before the deadline specified in the schedule of adoption procedures. If no corrections are necessary, the publisher shall file a letter stating this on or before the deadline in the schedule for submitting the list of corrections. On or before the deadline for submitting lists of corrections, publishers shall submit certification that all instructional materials have been edited for accuracy, content, and compliance with requirements of the proclamation.

Mr. Ratliff withdrew his motion, with no objection.

MOTION AND VOTE: *It was moved by Mr. Craig and seconded by Mr. Clayton to amend §66.54 (i), as follows:*

(i) A publisher shall provide a list of [~~all~~] corrections of all factual errors necessary to each student and teacher component of an instructional materials submission. The list must be in a format designated [~~approved~~] by the commissioner of education and filed on or before the deadline specified in the schedule of adoption procedures. If no corrections are necessary, the publisher shall file a letter stating this on or before the deadline in the schedule for submitting the list of corrections. On or before the deadline for submitting lists of corrections, publishers shall submit certification that all instructional materials have been edited for accuracy, content, and compliance with requirements of the proclamation.

The motion failed.

VOTE: *A vote was taken on Mrs. Knight's original motion. The motion carried.*

MOTION AND VOTE: *It was moved by Dr. Soto and seconded by Mr. Craig to amend §66.27(c), §66.36(a)(1), §66.51(a)(9), as follows:*

The proclamation shall require the instructional materials submitted in response to the proclamation to cover at least 50% of the specific essential knowledge and skills for the subject area and grade level for which the materials are intended at least once in the student text narrative or its electronic equivalent and once in either the student text narrative or an end-of-section review exercise, an end-of-chapter activity or a unit test or their electronic equivalents.

The motion failed, with 1 member voting Aye and 13 members voting No, as follows:

Aye:	*Dr. Soto*	
No:	*Mr. Allen*	*Ms. Hardy*
	Mr. Bradley	*Mrs. Knight*
	Mrs. Cargill	*Ms. Leo*
	Mr. Clayton	*Mrs. Lowe*
	Mr. Craig	*Mr. Mercer*
	Dr. Farney	*Mr. Ratliff*
	Mr. Garza	

VOTE: *A vote was taken on the motion that the State Board of Education, by an affirmative vote of two-thirds of the members of the board, approve for second reading and final adoption the proposed revisions to 19 TAC Chapter 66, State Adoption and Distribution of Instructional Materials, Subchapter A, General Provisions; Subchapter B, State Adoption of Instructional Materials; Subchapter C, Local Operations; Subchapter D, Special Instructional Materials; and Subchapter E, Disposition of Instructional Materials, with an effective date of 20 days after filing as adopted with the Texas Register, as amended. The motion carried.*

(ATTACHMENT 6, page 93)

MOTION AND VOTE: *It was moved by Mr. Craig and carried unanimously that the State Board of Education approve for first reading and filing authorization the proposed amendment to 19 TAC §66.24, Review and Renewal of Contracts; proposed repeal of 19 TAC §66.69, Ancillary Materials, and proposed new 19 TAC §66.79, Adding Content During the Review and Adoption Process, as recommended by the Committee of the Full Board.*

~~§66.24. Review and Renewal of Contracts.~~

~~(c) Publishers awarded new contracts shall be prepared to make the adopted instructional materials available for at least one extended contract period of not more than four years at prices that are mutually agreeable to publishers and to the commissioner of education [approves]. The SBOE may consider refusing to award future contracts to a publisher who, after receiving written notice to do so, refuses to rebid instructional materials at least one time. Failure of a publisher to negotiate an acceptable price for an extended contract shall not be considered failure to rebid instructional materials.~~

~~§66.69. Ancillary Materials.~~

~~(a) "Ancillary materials" are defined by the Texas Education Agency (TEA) as materials that are not listed on the publisher's intent to bid statement but which the publisher plans to provide to districts and open-enrollment charter schools free with their order. A publisher of adopted instructional materials shall provide any ancillary item free of charge or at the same price discount to the same extent that the publisher provides the item free of charge or at a price discount to any state, public school, or school district in the United States. Free or discounted price ancillary items will be distributed equitably to all school districts and open-enrollment charter schools regardless of size. The title of each ancillary item that a publisher will make available to school districts and open-enrollment charter schools at no charge and the ratio at which each item shall be supplied shall be filed with the TEA according to the schedule contained in the proclamation. A publisher must notify TEA of any ancillaries provided to school districts and open-enrollment charter schools that are not listed with TEA. All packages of ancillary materials shipped to school districts and open-enrollment charter schools shall be labeled, "Ancillary Materials -- Not Reviewed by the State Board of Education."~~

~~(b) Three dimensional ancillary materials, designed for use as manipulatives in prekindergarten systems that cannot be produced in a digital or web-based format shall not be required to be provided electronically. This subsection shall be implemented beginning with Proclamation 2011.~~

~~(c) Designated ancillaries shall be made available to the State Board of Education (SBOE) upon request. Individual SBOE members are not authorized to act on behalf of the SBOE in requesting and making changes to supplemental or ancillary materials.~~

~~§66.79. Adding Content During the Review and Adoption Process.~~

~~A publisher may add content to an instructional material during the review and adoption process only to allow the material to meet the percentage of TEKS the publisher had specified the material covered.~~

6. Proclamation 2014 of the State Board of Education Advertising for Bids on Instructional Materials
(Board agenda page I-101)

MOTION: *It was moved by Mr. Craig to adopt Proclamation 2014 of the State Board of Education Advertising for Bids on Instructional Materials, as recommended by the Committee of the Full Board.*

MOTION AND VOTE: *It was moved by Mr. Allen, seconded by Mr. Bradley, and carried that the materials for the Spanish version of the mathematics TEKS be due to the Agency on May 17, 2013.*

VOTE: *A vote was taken on the motion to adopt Proclamation 2014 of the State Board of Education Advertising for Bids on Instructional Materials, as amended. The motion carried unanimously. (Ms. Leo was absent for the vote.)*

(ATTACHMENT 7, page 119)

COMMITTEE ON INSTRUCTION

The Committee on Instruction had no action items.

COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND

7. 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
(First Reading and Filing Authorization)
(Board agenda page III-9)

MOTION AND VOTE: *It was moved by Ms. Hardy and carried unanimously to approve for first reading and filing authorization the 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, as recommended by the Committee on School Finance/Permanent School Fund. (Ms. Leo was absent for the vote.)*

8. **Proposed Amendments to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund**
(Second Reading and Final Adoption)
(Board agenda page III-23)

MOTION AND VOTE: *It was moved by Ms. Hardy and carried unanimously that the State Board of Education, by an affirmative vote of two-thirds of the members of the board, approve for second reading and final adoption, the proposed amendments to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund, with an effective date of 20 days after filing as adopted with the Texas Register, as recommended by the Committee on School Finance/Permanent School Fund. (Ms. Leo was absent for the vote.)*

(ATTACHMENT 8, page 161)

9. **Approval of One or More Strategic Relationships from the Current Absolute Return Fund of Hedge Fund Investment Managers for the Permanent School Fund**
(Board agenda page III-53)

MOTION: *It was moved by Ms. Hardy and seconded by Mr. Ratliff that the State Board of Education enter into an absolute return strategic relationship with Grosvenor Capital Management, L.P. and Blackstone Alternative Asset Management, L.P., as recommended by the Committee on School Finance/Permanent School Fund.*

MOTION: *It was moved by Mr. Bradley and seconded by Mr. Garza that the State Board of Education postpone indefinitely this item.*

Mr. Bradley withdrew his motion, without objection.

MOTION: *It was moved by Mr. Bradley to amend the motion by striking Grosvenor Capital Management, L.P.*

The motion died for lack of a second.

MOTION AND VOTE: *It was moved by Mr. Bradley and seconded by Mr. Garza to amend the motion by adding at the end of the sentence, the following language, "Implementation of the strategic group relationship cannot be executed until the State Board of Education gets legal authority from the Attorney General." The motion failed.*

VOTE: *A vote was taken on the motion that the State Board of Education enter into an absolute return strategic relationship with Grosvenor Capital Management, L.P. and Blackstone Alternative Asset Management, L.P. The motion carried, with 9 members voting Aye and 5 members voting No, as follows:*

Aye:	*Mr. Allen*	*Mrs. Knight*
	Mr. Clayton	*Mrs. Lowe*
	Mr. Craig	*Mr. Ratliff*
	Dr. Farney	*Dr. Soto*
	Ms. Hardy	
No:	*Mr. Bradley*	*Ms. Leo*
	Mrs. Cargill	*Mr. Mercer*
	Mr. Garza	

COMMITTEE ON SCHOOL INITIATIVES

10. Action on Authorized Generation 16 Charter – The Pro-Vision Academy
(Board agenda page IV-63)

Action taken by the State Board of Education is addressed under agenda item #2—Approval of Consent Agenda.

REPORTS OF COMMITTEES REGARDING AGENDA ITEMS ON COMMITTEE AGENDAS

Committee on Instruction

Mr. Clayton did not report on Committee on Instruction discussion items.

Committee on School Finance/Permanent School Fund

Ms. Hardy did not report on Committee on School Finance/Permanent School Fund discussion items.

Committee on School Initiatives

Mr. Mercer reported on the action item of the Committee on School Initiatives, Review of Open-Enrollment Charter Schools Applications Removed from Consideration for Incompleteness.

REPORTS OF OTHER STATE BOARD OF EDUCATION MEMBERS REGARDING AGENDA ITEMS AND EDUCATIONAL ACTIVITIES AND CONCERNS IN INDIVIDUAL DISTRICTS

Mrs. Cargill gave board members an opportunity to provide information regarding agenda items or other relevant information about public education.

The meeting adjourned at 12:55 p.m.

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Mary Helen Berlanga, Secretary

R E S O L U T I O N

WHEREAS Kathlyn Joy Christian Gilliam is remembered as a trailblazer for civil rights and equality in the Dallas school district; and

WHEREAS this graduate of Dallas' Lincoln High School went on to serve her community and state as president of the Dallas Council of the Colored Parents and Teachers and as an officer of the Texas Congress of Colored Parents and Teachers; and

WHEREAS Kathlyn Gilliam advocated for the election of Dallas school trustees from single member districts and was herself elected as the first African-American member of the Dallas school board; and

WHEREAS she proved herself to be a steadfast supporter of education, serving on the Dallas school board for 23 years, including a term as president of the board; and

WHEREAS Kathlyn Gilliam was the first African-American to serve in this leadership role in Dallas; and

WHEREAS she was known as a strong supporter of the creation of magnet schools and learning centers in low-income areas; and

WHEREAS the Dallas Independent School District honored her by naming a school the Kathlyn Joy Gilliam Collegiate Academy; now, therefore, be it

RESOLVED, That the State Board of Education recognizes the long record of education advocacy of Kathlyn Gilliam and when it adjourns today, does so in memory of the late Mrs. Gilliam.

WITNESS our signature this twentieth day of April, two thousand and twelve, in Austin, Texas.

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Barbara Cargill, Chair

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Mary Helen Berlanga, Secretary