

**Report of the State Board of Education  
Committee of the Full Board  
July 19, 2012**

The State Board of Education Committee of the Full Board met at 9:30 a.m. on Thursday, July 19, 2012, in the State Board of Education Room, #1-104, of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. All members of the committee were present, as follows:

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

**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=2147497741> or in the information section (yellow pages) of the agenda.

The Committee of the Full Board heard invited testimony on agenda items #7 and #8. Information regarding the individuals who presented invited testimony is included in the discussion of that item.

The Committee of the Full Board considered items in the following order: Numbers 1 through 4, #8, #10, #11, part of #7, #5, #6, and the rest of #7. Item #9 will be considered during the general board meeting.

**DISCUSSION ITEMS**

**1. Commissioner's Comments Regarding the SBOE Agenda and Agency Activities**  
(Board agenda page I-21)

Chief Deputy Commissioner Todd Webster told the board members that he is now overseeing the agency since Commissioner of Education Robert Scott has vacated the office. Because neither a new commissioner nor an interim commissioner have yet been appointed, the Government Code delegates the commissioner's duties to the chief deputy commissioner. During this transition period, he assured the members that they would receive the same level of cooperation from the agency as they have enjoyed in the past.

In responding to questions from board members, Mr. Webster informed them about the changing nature of the GED program. Pearson, a for-profit company, is now developing the GED tests and is moving towards online-testing. Testing fees are also rising under this new structure. Texas has issued a Request for Information (RFI) to explore the option of creating its own high school equivalency test, Mr. Webster said. About two dozen states have begun looking at alternatives to the GED, he said.

**2. Permanent School Fund Update**  
(Board agenda page I-23)

Lizzette Reynolds, deputy commissioner for policy and programs, provided an update on the PSF compensation plan and proposed RFQ to assist the agency in management and oversight of the PSF office.

**ACTION ITEMS**

**3. Review and Adoption of the Long-Term Strategic Asset Allocation Plan of the Permanent School Fund**  
(Board agenda page I-1)  
[Official agenda item #3]

Holland Timmins, executive administrator and chief investment officer, made a brief introduction and stated that staff and NEPC worked closely and both agreed with the recommendation. He introduced Rhett Humphries, partner with NEPC, who then made a presentation on the Long-Term Strategic Asset Allocation Plan of the Permanent School Fund. Mr. Humphries described three plans (A, B and C) and stated that he thought all three plans had merit. His recommendation was to proceed with Plan B which reduces allocations to large cap equities, small/mid cap international equities and fixed income and redeploy those funds to emerging market debt, emerging market equity and real estate.

Mr. Ratcliff asked for Mr. Timmins' opinion on Plan B. Mr. Timmins was in agreement with NEPC that all three plans were an improvement over the current asset allocation and that Plan B was the best of the three options because it increased the expected return while reducing the projected risk.

**MOTION AND VOTE:** *It was moved by Mr. Bradley, seconded by Mrs. Lowe, and carried unanimously to adopt Mix B of the Permanent School Fund Long-Term Strategic Asset Allocation Plan as presented on page 11 of the NEPC Asset Allocation Review presentation.*

**4. Decision on the Percentage Distribution of the Permanent School Fund**  
(Board agenda page I-3)  
[Official agenda item #4]

Mr. Timmins provided background by advising that at the last board meeting a percentage distribution rate of between 3% and 3.5% had been approved by the board. He also informed the board that on July 17, 2012, the School Land Board had announced a distribution to the investment assets of the Permanent School Fund of \$130 million fiscal year 2014 and \$150 million fiscal year 2015.

Keith Stronkowsky, consultant with NEPC, gave a presentation which outlined, based on their assumptions, a 3.3% distribution rate would be appropriate which was within the range recommended. He added that the rate would be an effective distribution rate based on the expansion of the base and equivalent to a 3.5% rate if only PSF (SBOE) assets are taken into account.

Discussion focused on how the percentage distribution rate being recommended was based on assets of both the Permanent School Fund and the General Land Office while the actual distribution would come solely from assets managed by the Permanent School Fund.

**MOTION AND VOTE:** *It was moved by Mr. Bradley, seconded by Mrs. Lowe, and carried unanimously that the percentage distribution rate to the Available School Fund from the Permanent School Fund for the 2014-2015 biennium shall be 3.3% which will create an effective distribution rate closer to 3.5%.*

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)  
(Board agenda page I-7)  
[Official agenda item #5]

John Lopez, managing director, instructional materials and educational technology division, reviewed the rules approved for first reading at the April meeting.

**MOTION AND VOTE:** *It was moved by Mr. Craig, seconded by Mrs. Lowe, and carried to recommend 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 B, State Adoption of Instructional Materials, with an effective date of 20 days after filing as adopted with the Texas Register. (Mrs. Berlanga, Mrs. Knight, Ms. Leo, and Mr. Ratliff were absent for the vote.)*

6. **Approval of Question and Answer Document for Proclamation 2014**  
(Board agenda page I-13)  
[Official agenda item #6]

Mr. Lopez described the purpose and organization of the Question and Answer Document. He also explained some of the information it contained. The committee requested that clarifying language be added to the document.

**MOTION AND VOTE:** *It was moved by Ms. Hardy, seconded by Mr. Clayton, and carried unanimously to recommend that the State Board of Education approve the Question and Answer Document for Proclamation 2014 with requested changes. (Mrs. Berlanga was absent for the vote.)*

7. **Update on Texas Essential Knowledge and Skills (TEKS) Review**  
(Board agenda page I-15)  
[Official agenda item #7]

Invited testimony was provided by the following individual:

NAME: Ron Wetherington  
AFFILIATION: Southern Methodist University

Monica Martinez, managing director, curriculum division, provided an explanation of the SBOE's current TEKS review process and explained the timeline of the current fine arts TEKS review.

**MOTION AND VOTE:** *It was moved by Mrs. Knight, seconded by Mr. Garza, and carried unanimously to recommend that the State Board of Education amend step 3 to read as follows:*

“TEA notifies SBOE members of ~~their nominations~~ the placement of nominees on a TEKS review committee and notifies TEKS review committee members of their appointment. There will be representation from all board members.”

*(Mrs. Berlanga was absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Knight, seconded by Mr. Craig, and carried unanimously to recommend that the State Board of Education amend step 4 to read as follows:*

“SBOE may designate up to seven expert reviewers. A board member may not nominate more than one expert. To be designated, the expert must be qualified to be on the panel. To be qualified, the expert must have (1) a minimum of a bachelor's degree from an accredited college or university, (2) demonstrated his or her expertise in the subject area in which he or she is being appointed, and (3) either taught or worked in such field. If qualified, and such expert is nominated by two or more board members, the expert shall be placed on the expert review panel. ~~A board member may not nominate more than one expert.~~”

*(Mrs. Berlanga was absent for the vote.)*

**MOTION:** *It was moved by Mrs. Knight and seconded by Mr. Craig to recommend that the State Board of Education amend step 4 to read as follows:*

“To be nominated ~~designated~~, the expert must be qualified to be on the panel. To be qualified, the expert must have (1) a minimum of a bachelor's degree from an accredited college or university, (2) demonstrated his or her expertise in the subject area in which he or she is being appointed, and (3) either taught or worked in such field.”

**MOTION AND VOTE:** *It was moved by Mrs. Knight and seconded by Mr. Craig to recommend that the State Board of Education amend step 4 to read as follows:*

“To be qualified, the expert must have (1) a minimum of a bachelor's degree from an accredited college or university in a related field of study in which he/she is being appointed as an expert, (2) demonstrated his or her expertise in the subject area in which he or she is being appointed, and (3) either taught or worked in such field.”

*The motion failed with 7 members voting Aye and 7 members voting No. (Mrs. Berlanga was absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Knight and seconded by Mr. Craig to recommend that the State Board of Education amend step 4 to read as follows:*

“Two or more board members must nominate an expert and the expert must be approved by a majority vote of the entire board to be placed on the expert review panel. If qualified, and such expert is nominated by two or more board members, the expert shall be placed on the expert review panel. A board member may not nominate more than one expert.”

*The motion failed with 6 members voting Aye, 6 members voting No, and 1 member abstaining. (Mrs. Berlanga was absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mr. Clayton and seconded by Mr. Craig to recommend that the State Board of Education amend step 4 to read as follows:*

“A ~~To be~~ qualified, the expert must have (1) a minimum of a bachelor’s degree from an accredited college or university in the field of study in which he/she is being appointed, (2) demonstrated his or her expertise in the subject area in which he or she is being appointed, and (3) either taught or worked in such field.”

*The motion failed with 7 members voting Aye and 7 members voting No. (Mrs. Berlanga was absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Knight and seconded by Dr. Soto to recommend that the State Board of Education amend step 4 to add the following sentence:*

“An expert who resides outside of the state of Texas must receive a 2/3 vote of the entire board to be placed on the expert review panel.”

*The motion failed with 6 members voting Aye and 6 members voting No. (Mrs. Berlanga was absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Knight, seconded by Mr. Mercer, and carried unanimously to recommend that the State Board of Education amend step 4 to add the following sentence:*

“The board office shall transmit the nominations and any supporting materials to all board members as soon as possible.”

*(Mrs. Berlanga was absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Knight and carried to recommend that the State Board of Education add a bullet point to step 6 to read as follows:*

“ - ensure that the student expectations are content driven and can be taught within the school year.”

*(Mrs. Berlanga, Mr. Craig, and Mr. Garza were absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Knight, seconded by Ms. Hardy, and carried unanimously to recommend that the State Board of Education amend the third bullet point of step 6 to read as follows:*

“- consider College and Career Readiness Standards (CCRS) when revising the TEKS”

*(Mrs. Berlanga, Mr. Craig, and Mr. Garza were absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Knight, seconded by Ms. Hardy, and carried to recommend that the State Board of Education amend step 7 to read as follows:*

“TEKS review committee members work face-to-face (which is the preferred method of meeting) or by videoconference if face-to-face is not possible. TEA staff, ~~in consultation~~ with direction from the SBOE, determines the number of work days needed for 1) review and revision of the TEKS, 2) ensuring vertical alignment the TEKS across all K-12 grade levels, and 3) horizontal alignment of the TEKS under review with related TEKS previously adopted or under review. Work completed at the conclusion of each meeting will automatically be sent to SBOE members.”

*(Mrs. Berlanga was absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mr. Ratliff, seconded by Dr. Farney, and carried to recommend that the State Board of Education amend step 10 to read as follows:*

“Experts and one representative from each TEKS review committee provide invited testimony regarding first draft recommendations at the an SBOE meeting prior to the meeting at which SBOE discussion of the TEKS occurs. SBOE members provide additional guidance and direction to committees before they prepare final recommendations at the final TEKS review committee meeting.”

*(Mrs. Berlanga and Ms. Leo were absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mrs. Lowe, seconded by Ms. Hardy, and carried to recommend that the State Board of Education add a new step between step 13 and step 14 to read as follows:*

“Final recommendations for revisions to the TEKS are sent to experts for review, posted on the TEA website, and provided to the SBOE. Experts review final draft recommendations and provide specific recommendations for additional changes to specific student expectations.”

*(Mrs. Berlanga was absent for the vote.)*

**MOTION:** *It was moved by Mr. Ratliff and seconded by Dr. Soto to recommend that the State Board of Education amend step 15 to read as follows:*

“SBOE holds a public hearing and completes first reading and filing authorization. (for 30 day official public comment period – Texas Register). SBOE members electronically submit proposed amendments to the board office and TEA curriculum staff prior to first reading. The board office shall coordinate transmission of the submissions to all board members and expert reviewers as soon as possible. Amendments must be submitted at least 24 hours prior to being considered by the board.”

**MOTION AND VOTE:** *It was moved by Dr. Soto, seconded by Mr. Craig, and carried to amend Mr. Ratliff’s amendment to add, “Nothing in this rule shall apply to strictly technical edits.”*

*(Mrs. Berlanga was absent for the vote.)*

**VOTE:** *A vote was taken on the original motion by Mr. Ratliff, as amended. The motion failed with 4 members voting Aye and 9 members voting No. (Mrs. Berlanga was absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Mr. Ratliff and seconded by Mr. Craig to recommend that the State Board of Education amend step 20 to read as follows:*

“SBOE discusses and completes second reading and adoption of the TEKS with a specified implementation date. The implementation date may not occur prior to a legislative appropriation for an instructional materials allotment sufficient to provide instructional materials covering the newly revised TEKS.

Expert reviewers will be given the opportunity to participate in a panel discussion during the public meeting, after all first reading amendments have been adopted, and all public testimony has concluded.

If any SBOE member proposes an amendment and any member requests comment from an expert, the chair shall allow the expert to comment before the full board.”

*The motion carried with 8 members voting Aye and 5 members voting No. (Mrs. Berlanga was absent for the vote.)*

The SBOE chair confirmed that the amendments to the process would apply beginning with the start of the next subject scheduled for review and revision.

## **DISCUSSION ITEMS**

### **8. Update on Fine Arts Texas Essential Knowledge and Skills (TEKS) Review** (Board agenda page I-25)

Ms. Martinez gave an update on the current status of the fine arts TEKS review. She noted that the next TEKS review meeting would be held in September and that at that meeting the review committee members would have the opportunity to examine expert reviewer comments and to visit with the experts.

The Committee of the Full Board heard invited testimony from the board-appointed expert reviewers and representatives from the fine arts TEKS review committees. The following individuals provided testimony:

NAME: Dr. Debra Flournoy-Buford  
AFFILIATION: Wayland Baptist University

NAME: Mark A. Chandler  
AFFILIATION: Hurst-Euless-Bedford Independent School District

NAME: Dr. Carole Hornsby Haynes  
AFFILIATION: Haynes Financial Services Corporation

NAME: Dr. Janice D. LaPointe-Crump  
AFFILIATION: Texas Woman's University

NAME: James C. Van Zandt  
AFFILIATION: Round Rock Independent School District

NAME: Sherry Snowden  
AFFILIATION: Kindergarten – Grade 2 Art TEKS Review Committee

NAME: Vickie Hester  
AFFILIATION: Grades 3-5 Art TEKS Review Committee

NAME: Monica Lapierre-Hayslip  
AFFILIATION: Grades 6-8 Art TEKS Review Committee

NAME: Linda Fleetwood  
AFFILIATION: High School Art TEKS Review Committee

NAME: Denise Cochran  
AFFILIATION: Dance TEKS Review Committee

NAME: Michele Hobizal  
AFFILIATION: Kindergarten – Grade 2 Music TEKS Review Committee

NAME: Matthew Milner  
AFFILIATION: Grades 3-5 Music TEKS Review Committee

NAME: Peter Warshaw  
AFFILIATION: Grades 6-8 Music TEKS Review Committee

NAME: Karen Elrod Thomas  
AFFILIATION: High School Music TEKS Review Committee

NAME: Don Belknap  
AFFILIATION: Kindergarten-Grade 5 Theatre TEKS Review Committee

NAME: David Stevens  
AFFILIATION: Grades 6-8 Theatre TEKS Review Committee

NAME: David Feranchak  
AFFILIATION: High School Theatre TEKS Review Committee

**9. Ethics Training**  
(Board agenda page I-29)

This item will be considered during the general board meeting on July 20, 2012.

**10. Discussion of Pending Litigation**  
(Board agenda page I-31)

At 3:03 p.m., Mrs. Cargill announced that the Committee of the Full Board would go into executive session in Room 1-103 to discuss pending litigation. This discussion was held in accordance with the Texas Government Code, §551.071(1)(A).

The Committee of the Full Board reconvened in Open Session at 3:25 p.m.

**ACTION ITEM**

**11. Decision Regarding the Proposed Settlement in *CompSource Oklahoma v. BNY Mellon N.A.***  
(Board agenda page I-20a)

Mrs. Cargill directed Mr. Craig to state the motion.

**MOTION AND VOTE:** *It was recommended by Mr. Craig and carried unanimously by the Committee of the Full Board to delegate to the staff of TEA the authority to negotiate a settlement in *CompSource Oklahoma v. BNY Mellon, N.A.*, subject to notification and approval by the Chair of the Board and the Chair of the School Finance/Permanent School Fund Committee. (Mrs. Berlanga was absent for the vote.)*

Mrs. Cargill adjourned the meeting at 7:27 p.m.