



# AGENDA

State Board of Education

February 3, 2023

**STATE BOARD OF EDUCATION**  
*(State Board for Career and Technology Education)*

**KEVEN ELLIS, Lufkin**  
Chair of the State Board of Education  
District 9

**PAM LITTLE, Fairview**  
Vice Chair of the State Board of Education  
District 12

**Board Members**

**MELISSA N. ORTEGA, El Paso**  
District 1

**AUDREY YOUNG, Trinity**  
District 8

**LJ FRANCIS, Corpus Christi**  
District 2

**TOM MAYNARD, Florence**  
District 10

**MARISA PEREZ-DIAZ, Converse**  
District 3

**PATRICIA HARDY, Fort Worth**  
District 11

**STACI CHILDS, Houston**  
District 4

**AICHA DAVIS, Dallas**  
District 13

**REBECCA BELL-METEREAU**  
San Marcos, District 5

**EVELYN BROOKS, Frisco**  
District 14

**WILL HICKMAN, Houston**  
District 6

**AARON KINSEY, Midland**  
District 15

**JULIE PICKREN, Pearland**  
District 7

**Committees of the State Board of Education**  
(Temporary Committee Members)

**INSTRUCTION**

Audrey Young  
Rebecca Bell-Metereau  
Pam Little  
Melissa N. Ortega  
Evelyn Brooks

**SCHOOL FINANCE/PERMANENT SCHOOL FUND**

Tom Maynard  
Keven Ellis  
Pat Hardy  
Marisa Perez-Diaz  
Staci Childs

**SCHOOL INITIATIVES**

Will Hickman  
Aicha Davis  
LJ Francis  
Aaron Kinsey  
Julie Pickren

January 31, 2023

State Board of Education  
Austin, Texas

I certify that this is the official agenda of the State Board of Education for its meeting on January 31-February 3, 2023. Agenda items have been prepared and reviewed by Texas Education Agency staff and are presented for the board's discussion and consideration. Where appropriate, I have proposed an action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mike Morath', with a long horizontal flourish extending to the right.

Mike Morath  
Commissioner of Education

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**William B. Travis Building  
1701 N. Congress Avenue, Austin, Texas**

**SCHEDULE AND AGENDAS**

**Committees and Board  
State Board of Education, Austin, Texas**

<b>Meeting Times</b>	
<b>January 31-February 3, 2023</b>	
<b><u>Tuesday, January 31, 2023</u></b>	
<b>9:30 a.m.</b>	<b>General Meeting (Room 1-104)</b>
<b>Committee of the Full Board (Room 1-104)</b>	
<b>Meeting will start at 11:00 am or upon adjournment of the General Meeting.</b>	
<b><u>Wednesday, February 1, 2023</u></b>	
<b>1:00 p.m.</b>	<b>Committee of the Full Board (Room 1-104)</b>
<b><u>Thursday, February 2, 2023</u></b>	
<b>9:00 a.m.</b>	<b>Committee on Instruction (Room 1-100)</b>
<b>Committee on School Finance/Permanent School Fund (Room 1-104)</b>	
<b>Meeting will start at 10:00 a.m. or upon adjournment of the PSF Corporation Meeting.</b>	
<b>9:00 a.m.</b>	<b>Committee on School Initiatives (Room 1-111)</b>
<b><u>Friday, February 3, 2023</u></b>	
<b>9:00 a.m.</b>	<b>General Meeting (Room 1-104)</b>

If the General Meeting does not finish on Tuesday, it will resume its meeting on Wednesday, Thursday, or Friday. If the Committee of the Full Board does not complete its agenda Tuesday, it will resume its meeting on Wednesday, Thursday, or Friday. If the Committee of the Full Board does not complete its agenda Wednesday, it will resume its meeting on Thursday or Friday. If the Committee on Instruction does not complete its agenda Thursday, it will resume its meeting on Friday. If the Committee on School Finance/Permanent School Fund does not complete its agenda Thursday, it will resume its meeting on Friday. If the Committee on School Initiatives does not complete its agenda Thursday, it will resume its meeting on Friday.

Current State Board of Education (SBOE) Operating Rules, §1.2, Committees of the Board, establish the standing committees of the SBOE as the Committee on Instruction, the Committee on School Finance/Permanent School Fund, and the Committee on School Initiatives.

Pursuant to the provisions of the Texas Education Code, §7.107, at the board’s first regular meeting after the election and qualification of new members, the board shall organize and adopt rules of procedure. Adoption of SBOE Operating Rules may change the existing standing committees. However, due to deadlines for posting notices of open meetings with the *Texas Register*, it is necessary for the existing standing committees of the SBOE to meet during the January 31-February 3, 2023 board meeting.

If the SBOE elects to retain the existing committee structure, newly-selected members of the Committee on Instruction, the Committee on School Finance/Permanent School Fund, and the Committee on School Initiatives will meet and will have the opportunity to elect new committee chairs.	If the SBOE elects to revise the committee structure, the prior standing committees of the SBOE must meet during this first meeting because of <i>Texas Register</i> requirements. New members of the SBOE would serve on the prior committees of former members who represented the districts to which the new members were elected. Election of new committee chairs would take place at the scheduled 2023 SBOE meeting as the first item of business on each standing committee schedule.
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NOTE: The chair may permit the board to take up and discuss any of the discussion items on a committee agenda, including hearing any invited presentations to a committee, based upon a recommendation from the committee or inability of the committee to complete its agenda on a preceding day.

The SBOE or a committee of the SBOE may conduct a closed meeting on any agenda item in accordance with Texas Open Meetings Act, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

The agenda is online at <https://tea.texas.gov/sboe/agenda/> on the Texas Education Agency website. The posted information contains links to board action items including rule items and rule text, and selected discussion items. Public comments on proposed rules may be submitted electronically. All agenda items and rule text are subject to change at any time prior to each board meeting. To the extent possible, copies of changes made after the agenda and the schedule are published will be available at the board meeting.

**OFFICIAL AGENDA**

**STATE BOARD OF EDUCATION  
AUSTIN, TEXAS**

**TUESDAY  
January 31, 2023  
9:30 a.m.**

**William B. Travis Building, Room 1-104  
1701 N. Congress Avenue**

- 1. Swearing-in Ceremony for Members of the State Board of Education**  
**(Board agenda page SBOE-1)**

**SBOE – ACTION**

Oaths of office will be administered to the newly elected State Board of Education (SBOE) members during a ceremony. After the swearing-in ceremony, the SBOE may hold a reception in the lobby of the William B. Travis building. No official SBOE business will be discussed if there is a reception. Statutory authority is the Texas Education Code (TEC), §7.107(b).

**Pledge of Allegiance**

**Roll Call**

- 2. Drawing for Terms of Office**  
**(Board agenda page SBOE-2)**

**SBOE – ACTION**

Pursuant to the provisions of the Texas Education Code (TEC), §7.104, State Board of Education (SBOE) members elected in the general election of 2022 are to serve staggered terms, with seven members serving two-year terms and eight members serving four-year terms. SBOE members will draw lots to determine those members who will serve two-year terms and those members who will serve four-year terms.

**GENERAL MEETING (continued)**

**3. Review and Adoption of State Board of Education  
Operating Rules**  
**(Board agenda page SBOE-3)**

**SBOE – ACTION**

Pursuant to the provisions of the Texas Education Code (TEC), §7.107(b), at the first regular meeting after the election and qualification of new members, the board shall adopt rules of procedure. This item provides an opportunity for the board to review existing operating rules to determine if changes and revisions are needed.

**4. Election of State Board of Education Officers**  
**(Board agenda page SBOE-6)**

**SBOE – ACTION**

Pursuant to the provisions of the Texas Education Code (TEC), §7.107(b), at the first regular meeting after the election and qualification of new State Board of Education (SBOE) members, the board shall elect by separate votes, a vice chair and a secretary. The current operating rules establish the terms of office for the vice chair and secretary of the board as two years and until their successors are elected.

**5. Announcement of Membership of Committees**  
**(Board agenda page SBOE-7)**

**SBOE – ACTION**

Pursuant to the provisions of the Texas Education Code (TEC), §7.107, at the board's first regular meeting after the election and qualification of new members, the board shall organize. This item provides the opportunity for the chair to announce appointments to the committees of the State Board of Education (SBOE).



**TUESDAY**  
**January 31, 2023**  
**11:00 a.m. or upon adjournment of the General Meeting**

**COMMITTEE OF THE FULL BOARD – Room 1-104**

*Public testimony – Individual testimony will be taken 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 <https://tea.texas.gov/about-tea/leadership/state-board-of-education/sboe-meetings/sboe-operating-rules> or in the information section of the agenda.*

**1. Ethics Training**  
**(Board agenda page I-1)**

**COMMITTEE – DISCUSSION**  
**SBOE – NO ACTION**

This item provides an opportunity for the State Board of Education (SBOE) to discuss ethics statutes and rules that apply to SBOE members. Statutory authority is the Texas Education Code (TEC), §43.0031 and 19 Texas Administrative Code (TAC), §33.5(s).

**2. Consideration of Texas Certificate of High School Equivalency Test Fee Changes**  
**(Board agenda page I-22)**

**COMMITTEE - ACTION**  
**SBOE - ACTION**

This item provides the opportunity for the State Board of Education to consider fee increases to some Texas Certificate of High School Equivalency tests and policy changes requested by the vendor. Statutory authority is the Texas Education Code (TEC), §7.111.

**3. Legislative Recommendations for the 88<sup>th</sup> Texas Legislature**  
**(Board agenda page I-26)**

**COMMITTEE - ACTION**  
**SBOE - ACTION**

This item provides an opportunity for the board to discuss legislative recommendations to the 88th Texas Legislature. Statutory authority is the Texas Education Code (TEC), §7.102.

**WEDNESDAY  
February 1, 2023**

**1:00 p.m.**

**COMMITTEE OF THE FULL BOARD – Room 1-104**

*Public testimony – Individual testimony will be taken 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 <https://tea.texas.gov/about-tea/leadership/state-board-of-education/sboe-meetings/sboe-operating-rules> or in the information section of the agenda.*

**1. Commissioner’s Comments  
(Board agenda page I-27)**

**COMMITTEE – DISCUSSION  
SBOE – NO ACTION**

This item provides an opportunity for the board to be briefed on current agenda items, agency operations, policy implementation, and public education-related legislation.

**2. Discussion of Proposed New Occupational Safety and Health Administration (OSHA) Course  
(Board agenda page I-28)**

**COMMITTEE – DISCUSSION  
SBOE – NO ACTION**

This item provides the opportunity for the board to discuss a proposed new high school career and technical education course related to Occupational Safety and Health Administration (OSHA) standards. The proposed new course would support student learning in workplace safety as part of select programs of study. Statutory authority is the Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c), and 28.025(a).

**3. Update on Texas Essential Knowledge and Skills (TEKS) Review  
(Board agenda page I-29)**

**COMMITTEE - ACTION  
SBOE - ACTION**

This item provides the opportunity for staff to present an update on the review of the Texas Essential Knowledge and Skills (TEKS) and the English Language Proficiency Standards (ELPS). Statutory authority is the Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c); and 28.025(a).

**COMMITTEE OF THE FULL BOARD (continued)**

4. **Consideration of Petition for Amendment of Rule Concerning 19 TAC Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools, §100.1, Selection Process**  
**(Board agenda page I-31)**

**COMMITTEE - ACTION  
SBOE - ACTION**

A petition to amend 19 Texas Administrative Code (TAC) Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools, §100.1, Selection Process, has been received from the Texas Public Charter Schools Association. The petition requests that the rule be amended to remove subsection (d), which establishes a period of no contact between open-enrollment charter applicants and any person or entity acting on their behalf with the commissioner, the commissioner's designee, a member of the State Board of Education, or a member of an external application review panel. This item provides an opportunity for the State Board of Education (SBOE) to consider the petition. Statutory authority is the Texas Government Code (TGC), §2001.021 and §2001.004; Texas Education Code (TEC), §12.101; and 19 TAC §30.1.

5. **Discussion of Proposed Amendment to 19 TAC Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship, §61.1, Continuing Education for School Board Members**  
**(Board agenda page I-37)**

**COMMITTEE - DISCUSSION  
SBOE – NO ACTION**

This item provides an opportunity for the committee to discuss a proposed amendment to 19 Texas Administrative Code (TAC) Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship, §61.1, Continuing Education for School Board Members. The proposed amendment would update the requirements to be a registered provider of school board member training. Statutory authority is the Texas Education Code (TEC), §11.159.

6. **Discussion of Pending Litigation**  
**(Board agenda page I-44)**

**COMMITTEE - DISCUSSION  
SBOE – NO ACTION**

The State Board of Education (SBOE) may enter into executive session in accordance with the Texas Government Code, §551.071(1)(A), to discuss pending and contemplated litigation with the general counsel, legal staff, and, if necessary, attorney(s) from the Attorney General's Office. The Committee of the Full Board will meet in Room 1-103 to discuss any litigation arising after the date of posting or reasonably contemplated as of the date of the board meeting.

**THURSDAY  
February 2, 2023**

**9:00 a.m.**

**COMMITTEE ON INSTRUCTION – Room 1-100**

**Members: Pam Little; Rebecca Bell-Metereau; Audrey Young; Evelyn Brooks; Melissa Ortega. A quorum of the State Board of Education may attend the committee meeting and discuss items on the committee agenda.**

*Public testimony – Individual testimony will be taken 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 <https://tea.texas.gov/about-tea/leadership/state-board-of-education/sboe-meetings/sboe-operating-rules> or in the information section of the agenda.*

**1. Election of Chair  
(Board agenda page II-I)**

**COMMITTEE - ACTION  
SBOE - NO ACTION**

State Board of Education (SBOE) operating rules call for each committee to elect a chair from among its members. This item provides an opportunity for the Committee on Instruction to elect a chair at this meeting if the SBOE retains the existing committee structure. The chair may then appoint a vice chair. If the board changes the committee structure, the committee may elect a member to preside over this first meeting only. Statutory authority is the Texas Education Code (TEC), §7.107(b).

**2. Proposed New 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit) (Second Reading and Final Adoption)  
(Board agenda page II-2)**

**COMMITTEE - ACTION  
SBOE - CONSENT**

This item presents for second reading and final adoption proposed new 19 Texas Administrative Code (TAC) Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56 Advanced Placement (AP) Precalculus. The proposal would add a new Advanced Placement (AP) mathematics course to align with current offerings from the College Board. No changes are recommended since approved for first reading. Statutory authority is the Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c); and 28.025(a).

**COMMITTEE ON INSTRUCTION (continued)**

3. **Proposed Revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School (Second Reading and Final Adoption) (Board agenda page II-6)**

**COMMITTEE - ACTION  
SBOE - ACTION**

This item presents for second reading and final adoption proposed revisions to 19 Texas Administrative Code (TAC) Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School. The proposed revisions would repeal two existing middle school courses, add a new middle school course, and repeal implementation language that will no longer be relevant. No changes are recommended since approved for first reading. Statutory authority is the Texas Education Code (TEC), §§7.102(c)(4), 28.002(a) and (c), and 28.016.

4. **Proposed Amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.5, Academic Achievement Record (Transcript) (First Reading and Filing Authorization) (Board agenda page II-16)**

**COMMITTEE - ACTION  
SBOE - ACTION**

This item presents for first reading and filing authorization a proposed amendment to 19 Texas Administrative Code (TAC) Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.5, Academic Achievement Record (Transcript). The proposed amendment would add a new requirement that a student who earns a diploma by satisfying the requirements of the Texas First Early High School Completion Program must have successful completion of the program indicated on the academic achievement record, or transcript. Statutory authority is the Texas Education Code (TEC), §7.102(c)(13).

**COMMITTEE ON INSTRUCTION (continued)**

- 5. Approval of Updates and Substitutions to Adopted Instructional Materials**  
**(Board agenda page II-21)**

**COMMITTEE - ACTION**  
**SBOE - CONSENT**

This item provides the opportunity for the committee and board to approve update and/or substitution requests received since the last board meeting. The updated content has been reviewed by subject-area specialists and determined to address the pertinent student expectations in a manner equal to the content initially reviewed and approved by the state review panel. Statutory authority is the Texas Education Code (TEC), §31.003 and §31.022.

- 6. Recommendations Regarding Renewal of Instructional Materials Contracts**  
**(Board agenda page II-23)**

**COMMITTEE - ACTION**  
**SBOE - CONSENT**

This item recommends renewal of instructional materials contracts that expire on August 31, 2023. This action is recommended to ensure that these materials remain available for distribution to school districts until replacements become available. Statutory authority is the Texas Education Code (TEC), §31.026.

**THURSDAY  
February 2, 2023**

**10:00 a.m. or upon adjournment of the PSF Corporation Meeting**

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND – Room 1-104**

**Members: Keven Ellis; Patricia Hardy; Tom Maynard; Marisa Perez-Diaz; Staci Childs. A quorum of the State Board of Education may attend the committee meeting and discuss items on the committee agenda. A quorum of the Committee of Investment Advisors to the Permanent School Fund may attend the committee meeting and discuss items on the committee agenda.**

*Public testimony – Individual testimony will be taken 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 <https://tea.texas.gov/about-tea/leadership/state-board-of-education/sboe-meetings/sboe-operating-rules> or in the information section of the agenda.*

**1. Election of Chair  
(Board agenda page III-1)**

**COMMITTEE - ACTION  
SBOE - NO ACTION**

State Board of Education (SBOE) operating rules call for each committee to elect a chair from among its members. This item provides an opportunity the Committee on School Finance/Permanent School Fund to elect a chair at this meeting if the SBOE retains the existing committee structure. The chair may then appoint a vice chair. If the board changes the committee structure, the committee may elect a member to preside over this first meeting only. Statutory authority is the Texas Education Code (TEC), §7.107(b).

**2. Proposed Repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting (Second Reading and Final Adoption)  
(Board agenda page III-2)**

**COMMITTEE - ACTION  
SBOE - ACTION**

This item presents for second reading and final adoption the proposed repeal of 19 Texas Administrative Code (TAC) Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting. The proposed repeal would implement House Bill (HB) 3, 86th Texas Legislature, 2019, which removed the State Board of Education's (SBOE's) rulemaking authority related to student attendance. No changes are recommended since approved for first reading. Statutory authority is the Texas Education Code (TEC), §48.004, as transferred, redesignated, and amended by HB 3, 86th Texas Legislature, 2019.

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND (continued)**

- 3. Report on Permanent School Fund Securities Transactions and the Investment Portfolio and Ratification of Purchases and Sales for the Months of September and October 2022**  
**(Board agenda page III-7)**

**COMMITTEE - ACTION  
SBOE - CONSENT**

This item provides an opportunity for the committee and board to receive a report on Permanent School Fund (PSF) Securities Transactions and the Investment Portfolio and consider ratification of purchases and sales of investments executed in the portfolio of the PSF for the months of September and October 2022. Statutory authority is the Texas Constitution, Article VII, §2 and §5 and 19 Texas Administrative Code (TAC) Chapter 33.

- 4. Report on Permanent School Fund Liquid Account and Ratification of Purchases and Sales for the Months of September and October 2022**  
**(Board agenda page III-8)**

**COMMITTEE - ACTION  
SBOE - CONSENT**

This item provides an opportunity for the committee and board to receive a status update report on the liquid account and consider approval of the purchases and sales of investments executed in the liquid account for the months of September and October 2022. Statutory authority is the Texas Constitution, Article VII, §2 and §5; Texas Natural Resources Code (NRC), §51.414, as repealed by SB 1232, 87th Legislature, Regular Session, 2021; and 19 Texas Administrative Code (TAC) Chapter 33.

- 5. Annual Reporting of the Internally-Managed Permanent School Fund Investment Portfolio**  
**(Board agenda page III-9)**

**COMMITTEE - DISCUSSION  
SBOE - NO ACTION**

This item provides an opportunity for the executive administrator and chief investment officer of the Permanent School Fund to report on various items required by 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund. Statutory authority is the Texas Constitution, Article VII, §2 and §5, and 19 Texas Administrative Code (TAC) Chapter 33.



**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND (continued)**

- 6. Proposed Revisions 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-11)**

**COMMITTEE - ACTION  
SBOE - CONSENT**

This item presents for second reading and final adoption proposed revisions to 19 Texas Administrative Code (TAC) Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund. The proposed revisions would implement Senate Bill (SB) 1232, 87th Texas Legislature, Regular Session, 2021, which authorized the creation of the Texas Permanent School Fund (PSF) Corporation. The proposed revisions would repeal 19 TAC §§33.1, 33.5, 33.10, 33.15, 33.20, 33.25, 33.30, 33.35, 33.40, 33.45, 33.50, 33.55, 33.60, 33.65, and 33.67 and propose new §§33.3, 33.4, 33.6, 33.7, and 33.8. The proposed new rules would include changes to the existing rules relating to the Bond Guarantee Program, including changes to the reserve. The proposed revisions would also organize the rules in Chapter 33 by creating new Subchapter B, Texas Permanent School Fund Corporation Rules, which would contain §33.21. Changes are recommended since approved for first reading. Statutory authority is the Texas Constitution, Article VII, §5(a) and (f); Texas Education Code (TEC), §43.001 and §43.0031; and SB 1232, 87th Texas Legislature, Regular Session, 2021.

- 7. Review of the Bond Guarantee Program Reserve (Board agenda page III-43)**

**COMMITTEE - ACTION  
SBOE - CONSENT**

This item provides an opportunity for the committee and board to review and consider an increase to the Bond Guarantee Program reserve. Statutory authority is the Texas Constitution, Article VII, §2 and §5, and Texas Education Code (TEC), §45.053(c).

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND (continued)**

**8. Report of the Permanent School Fund Executive Administrator and Chief Investment Officer  
(Board agenda page III-44)**

**COMMITTEE - DISCUSSION  
SBOE - NO ACTION**

The Permanent School Fund (PSF) executive administrator will report to the committee on matters relating to the management of the PSF and the Charter District Reserve Fund. The report may present information on historical and current status of Fund holdings, current and proposed investment policies and procedures, and historical and current Fund performance and compliance. The administrator may update the board on the bond guarantee program, the status of requests for proposal or for qualifications and current contracts for services and other administrative activities undertaken on behalf of the board. The administrator may provide an update on the PSF distribution or on the effect of legislation impacting the PSF. The administrator may provide an analysis of current and future investment market conditions, focusing upon the impact on the holdings of the PSF. Statutory authority is the Texas Constitution, Article VII, §5 and §2, and 19 Texas Administrative Code (TAC) Chapter 33.

**THURSDAY  
February 2, 2023**

**9:00 a.m.**

**COMMITTEE ON SCHOOL INITIATIVES – Room 1-111**

**Members: Will Hickman; Aicha Davis; LJ Francis; Aaron Kinsey; Julie Pickren. A quorum of the State Board of Education may attend the committee meeting and discuss items on the committee agenda.**

*Public testimony – Individual testimony will be taken 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 <https://tea.texas.gov/about-tea/leadership/state-board-of-education/sboe-meetings/sboe-operating-rules> or in the information section of the agenda.*

**1. Election of Chair  
(Board agenda page IV-1)**

**COMMITTEE – ACTION  
SBOE – NO ACTION**

State Board of Education (SBOE) operating rules call for each committee to elect a chair from among its members. This item provides an opportunity for the Committee on School Initiatives to elect a chair at this meeting if the SBOE retains the existing committee structure. The chair may then appoint a vice chair. If the board changes the committee structure, the committee may elect a member to preside over this first meeting only. Statutory authority is the Texas Education Code (TEC), §7.107(b).

**2. Recommendation for One Appointment to the Boys Ranch Independent School District Board of Trustees  
(Board agenda page IV-2)**

**COMMITTEE - ACTION  
SBOE - CONSENT**

This item provides an opportunity for the board to consider one appointment to the board of trustees of Boys Ranch Independent School District (ISD). The appointment is necessary due to the resignation of one board member. Statutory authority is the Texas Education Code (TEC), 11.352.

**COMMITTEE ON SCHOOL INITIATIVES (continued)**

3. **Rule Review of 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**  
**(Board agenda page IV-8)**

**COMMITTEE - DISCUSSION  
SBOE - NO ACTION**

Texas Government Code, §2001.039, establishes a four-year rule review cycle for all state agency rules, including State Board of Education (SBOE) rules. This item presents the review of 19 Texas Administrative Code (TAC) Chapter 157, Hearings and Appeals, Subchapter A, General Provisions for Hearings Before the State Board of Education, and Subchapter D, Independent Hearing Examiners. Subchapter A establishes the procedures for appeals heard by the SBOE regarding administrative penalties for violations of textbook requirements. Subchapter D sets forth the certification criteria for independent hearing examiners who conduct due process termination, nonrenewal, and suspension without pay hearings at the school district level. Statutory authority for the rule review is TGC, §2001.039. The statutory authority for the rule review is Texas Government Code (TGC), §2001.039. The statutory authority for 19 TAC Chapter 157, Subchapter A, is Texas Education Code (TEC), §31.151 and TGC, §2001.004. The statutory authority for 19 TAC Chapter 157, Subchapter D, is TEC, §21.252.

4. **Discussion of Ongoing State Board for Educator Certification Activities**  
**(Board agenda page IV-14)**

**COMMITTEE - DISCUSSION  
SBOE - NO ACTION**

This item provides an opportunity for the committee to receive updates on current and upcoming State Board for Educator Certification (SBEC) activities and proposed SBEC rules and amendments. Statutory authority is the Texas Education Code (TEC), §§21.031, 21.035, 21.041, and 21.042.

5. **Open-Enrollment Charter School Generation 28 Application Updates**  
**(Board agenda page IV-16)**

**COMMITTEE - DISCUSSION  
SBOE - NO ACTION**

This item provides an opportunity for the committee to receive updates regarding the Generation 28 Open-Enrollment Charter Application cycle. Statutory authority is the Texas Education Code (TEC), §12.101.

## **Information Materials**

1. **State Board of Education Operating Rules (amended January 26, 2021)**  
*Public testimony information begins on page V-8.*  
**(Board agenda page V-1)**
  
2. **Current Status of the Permanent School Fund**  
**(Board agenda page V-26)**
  
3. **2021-2025 Rule Review Plan for State Board of Education Rules**  
**(Board agenda page V-27)**

This item outlines the rule review plan for State Board of Education (SBOE) rules during the period of September 2021 through August 2025. Texas Government Code (TGC), §2001.039, requires an ongoing four-year rule review of existing state agency rules, including SBOE rules. The rule review requirement in TGC, §2001.039, is designed to ensure that the reason for initially adopting or readopting a rule continues to exist.

4. **Annual Report of the Division of Financial Compliance**  
**(Board agenda page V-35)**

This item provides the board with an annual review of the work accomplished by the division responsible for state financial reviews. The report describes the division's organization and legal responsibilities, deviations from the 2022-2023 audit plan, and the status of reports on the division's reviews.

**CONSENT AGENDA  
STATE BOARD OF EDUCATION  
February 3, 2023**

- (1) Proposed New 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit) (Second Reading and Final Adoption)**

This item presents for second reading and final adoption proposed new 19 Texas Administrative Code (TAC) Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56 Advanced Placement (AP) Precalculus. The proposal would add a new Advanced Placement (AP) mathematics course to align with current offerings from the College Board. No changes are recommended since approved for first reading. Statutory authority is the Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c); and 28.025(a).

(Agenda Exhibit) ..... II-2

- (2) Approval of Updates and Substitutions to Adopted Instructional Materials**

This item provides the opportunity for the committee and board to approve update and/or substitution requests received since the last board meeting. The updated content has been reviewed by subject-area specialists and determined to address the pertinent student expectations in a manner equal to the content initially reviewed and approved by the state review panel. Statutory authority is the Texas Education Code (TEC), §31.003 and §31.022.

(Agenda Exhibit) ..... II-21

- (3) Recommendations Regarding Renewal of Instructional Materials Contracts**

This item recommends renewal of instructional materials contracts that expire on August 31, 2023. This action is recommended to ensure that these materials remain available for distribution to school districts until replacements become available. Statutory authority is the Texas Education Code (TEC), §31.026.

(Agenda Exhibit) ..... II-23

- (4) Report on Permanent School Fund Securities Transactions and the Investment Portfolio and Ratification of Purchases and Sales for the Months of September and October 2022**

This item provides an opportunity for the committee and board to receive a report on Permanent School Fund (PSF) Securities Transactions and the Investment Portfolio and consider ratification of purchases and sales of investments executed in the portfolio of the PSF for the months of September and October 2022. Statutory authority is the Texas Constitution, Article VII, §2 and §5 and 19 Texas Administrative Code (TAC) Chapter 33.

(Agenda Exhibit) ..... III-7

**(5) Report on Permanent School Fund Liquid Account and Ratification of Purchases and Sales for the Months of September and October 2022**

This item provides an opportunity for the committee and board to receive a status update report on the liquid account and consider approval of the purchases and sales of investments executed in the liquid account for the months of September and October 2022. Statutory authority is the Texas Constitution, Article VII, §2 and §5; Texas Natural Resources Code (NRC), §51.414, as repealed by SB 1232, 87th Legislature, Regular Session, 2021; and 19 Texas Administrative Code (TAC) Chapter 33.

[\(Agenda Exhibit\)](#) ..... III-8

**(6) Proposed Revisions to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund (Second Reading and Final Adoption)**

This item presents for second reading and final adoption proposed revisions to 19 Texas Administrative Code (TAC) Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund. The proposed revisions would implement Senate Bill (SB) 1232, 87th Texas Legislature, Regular Session, 2021, which authorized the creation of the Texas Permanent School Fund (PSF) Corporation. The proposed revisions would repeal 19 TAC §§33.1, 33.5, 33.10, 33.15, 33.20, 33.25, 33.30, 33.35, 33.40, 33.45, 33.50, 33.55, 33.60, 33.65, and 33.67 and propose new §§33.3, 33.4, 33.6, 33.7, and 33.8. The proposed new rules would include changes to the existing rules relating to the Bond Guarantee Program, including changes to the reserve. The proposed revisions would also organize the rules in Chapter 33 by creating new Subchapter B, Texas Permanent School Fund Corporation Rules, which would contain §33.21. Changes are recommended since approved for first reading. Statutory authority is the Texas Constitution, Article VII, §5(a) and (f); Texas Education Code (TEC), §43.001 and §43.0031; and SB 1232, 87th Texas Legislature, Regular Session, 2021.

[\(Agenda Exhibit\)](#) ..... III-11

**(7) Review of the Bond Guarantee Program Reserve**

This item provides an opportunity for the committee and board to review and consider an increase to the Bond Guarantee Program reserve. Statutory authority is the Texas Constitution, Article VII, §2 and §5, and Texas Education Code (TEC), §45.053(c).

[\(Agenda Exhibit\)](#) ..... III-43

**(8) Recommendation for One Appointment to the Boys Ranch Independent School District Board of Trustees**

This item provides an opportunity for the board to consider one appointment to the board of trustees of Boys Ranch Independent School District (ISD). The appointment is necessary due to the resignation of one board member. Statutory authority is the Texas Education Code (TEC), 11.352.

[\(Agenda Exhibit\)](#) ..... IV-2

**OFFICIAL AGENDA**

**STATE BOARD OF EDUCATION  
AUSTIN, TEXAS**

**January 31, 2023  
9:30 a.m.**

**William B. Travis Building, Room 1-104  
1701 N. Congress Avenue**

**1. Swearing-in Ceremony for Members of the State Board of Education**

Oaths of office will be administered to the newly elected State Board of Education (SBOE) members during a ceremony. After the swearing-in ceremony, the SBOE may hold a reception in the lobby of the William B. Travis building. No official SBOE business will be discussed if there is a reception. Statutory authority is the Texas Education Code (TEC), §7.107(b).

[\(Agenda Exhibit\)](#) ..... SBOE-1

**Pledge of Allegiance**

**Roll Call**

**2. Drawing for Terms of Office**

Pursuant to the provisions of the Texas Education Code (TEC), §7.104, State Board of Education (SBOE) members elected in the general election of 2022 are to serve staggered terms, with seven members serving two-year terms and eight members serving four-year terms. SBOE members will draw lots to determine those members who will serve two-year terms and those members who will serve four-year terms.

[\(Agenda Exhibit\)](#) ..... SBOE-2

**3. Review and Adoption of State Board of Education Operating Rules**

Pursuant to the provisions of the Texas Education Code (TEC), §7.107(b), at the first regular meeting after the election and qualification of new members, the board shall adopt rules of procedure. This item provides an opportunity for the board to review existing operating rules to determine if changes and revisions are needed.

[\(Agenda Exhibit\)](#) ..... SBOE-3



**4. Election of State Board of Education Officers**

Pursuant to the provisions of the Texas Education Code (TEC), §7.107(b), at the first regular meeting after the election and qualification of new State Board of Education (SBOE) members, the board shall elect by separate votes, a vice chair and a secretary. The current operating rules establish the terms of office for the vice chair and secretary of the board as two years and until their successors are elected.

(Agenda Exhibit) ..... SBOE-6

**5. Announcement of Membership of Committees**

Pursuant to the provisions of the Texas Education Code (TEC), §7.107, at the board's first regular meeting after the election and qualification of new members, the board shall organize. This item provides the opportunity for the chair to announce appointments to the committees of the State Board of Education (SBOE).

(Agenda Exhibit) ..... SBOE-7

**OFFICIAL AGENDA**

**STATE BOARD OF EDUCATION  
AUSTIN, TEXAS**

**February 3, 2023  
9:00 a.m.**

**William B. Travis Building, Room 1-104  
1701 N. Congress Avenue**

**Student Performance**

**Invocation**

**Pledge of Allegiance**

**Roll Call**

**Approval of Minutes**

**State Board of Education, November 18, 2022**

**1. Resolutions**

Resolution regarding Career and Technical Education Month

Resolution honoring the 2022 National Blue Ribbon Schools

*Public testimony – Individual testimony will be taken 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 <https://tea.texas.gov/about-tea/leadership/state-board-of-education/sboe-meetings/sboe-operating-rules> or in the information section of the agenda.*

**2. Approval of Consent Agenda**

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

**(Agenda Exhibit) .....** 17

**COMMITTEE OF THE FULL BOARD**

**3. Consideration of Texas Certificate of High School Equivalency Test Fee Changes**

This item provides the opportunity for the State Board of Education to consider fee increases to some Texas Certificate of High School Equivalency tests and policy changes requested by the vendor. Statutory authority is the Texas Education Code (TEC), §7.111.

(Agenda Exhibit) ..... I-22

**4. Legislative Recommendations for the 88<sup>th</sup> Texas Legislature**

This item provides an opportunity for the board to discuss legislative recommendations to the 88th Texas Legislature. Statutory authority is the Texas Education Code (TEC), §7.102.

(Agenda Exhibit) ..... I-26

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

This item provides the opportunity for staff to present an update on the review of the Texas Essential Knowledge and Skills (TEKS) and the English Language Proficiency Standards (ELPS). Statutory authority is the Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c); and 28.025(a).

(Agenda Exhibit) ..... I-29

**6. Consideration of Petition for Amendment of Rule Concerning 19 TAC Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools, §100.1, Selection Process**

A petition to amend 19 Texas Administrative Code (TAC) Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools, §100.1, Selection Process, has been received from the Texas Public Charter Schools Association. The petition requests that the rule be amended to remove subsection (d), which establishes a period of no contact between open-enrollment charter applicants and any person or entity acting on their behalf with the commissioner, the commissioner's designee, a member of the State Board of Education, or a member of an external application review panel. This item provides an opportunity for the State Board of Education (SBOE) to consider the petition. Statutory authority is the Texas Government Code (TGC), §2001.021 and §2001.004; Texas Education Code (TEC), §12.101; and 19 TAC §30.1.

(Agenda Exhibit) ..... I-31

**COMMITTEE ON INSTRUCTION**

**7. Proposed Revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School (Second Reading and Final Adoption)**

This item presents for second reading and final adoption proposed revisions to 19 Texas Administrative Code (TAC) Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School. The proposed revisions would repeal two existing middle school courses, add a new middle school course, and repeal implementation language that will no longer be relevant. No changes are recommended since approved for first reading. Statutory authority is the Texas Education Code (TEC), §§7.102(c)(4), 28.002(a) and (c), and 28.016.

(Agenda Exhibit) ..... II-6

**8. Proposed Amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.5, Academic Achievement Record (Transcript) (First Reading and Filing Authorization)**

This item presents for first reading and filing authorization a proposed amendment to 19 Texas Administrative Code (TAC) Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.5, Academic Achievement Record (Transcript). The proposed amendment would add a new requirement that a student who earns a diploma by satisfying the requirements of the Texas First Early High School Completion Program must have successful completion of the program indicated on the academic achievement record, or transcript. Statutory authority is the Texas Education Code (TEC), §7.102(c)(13).

(Agenda Exhibit) ..... II-16

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND**

**9. Proposed Repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting (Second Reading and Final Adoption)**

This item presents for second reading and final adoption the proposed repeal of 19 Texas Administrative Code (TAC) Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting. The proposed repeal would implement House Bill (HB) 3, 86th Texas Legislature, 2019, which removed the State Board of Education's (SBOE's) rulemaking authority related to student attendance. No changes are recommended since approved for first reading. Statutory authority is the Texas Education Code (TEC), §48.004, as transferred, redesignated, and amended by HB 3, 86th Texas Legislature, 2019.

(Agenda Exhibit) ..... III-2

## **REPORTS OF COMMITTEES REGARDING AGENDA ITEMS POSTED FOR DISCUSSION ON COMMITTEE AGENDAS**

Committee chairs may provide an update about discussion items considered during the current meeting by any standing committee or ad hoc committee.

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

Members of the State Board of Education may present information regarding agenda items or other relevant information about public education.

### **Information Materials**

- 1. State Board of Education Operating Rules (amended January 26, 2021)**  
*Public testimony information begins on page V-8.*  
**(Board agenda page V-1)**

- 2. Current Status of the Permanent School Fund**  
**(Board agenda page V-26)**

- 3. 2021-2025 Rule Review Plan for State Board of Education Rules**  
**(Board agenda page V-27)**

This item outlines the rule review plan for State Board of Education (SBOE) rules during the period of September 2021 through August 2025. Texas Government Code (TGC), §2001.039, requires an ongoing four-year rule review of existing state agency rules, including SBOE rules. The rule review requirement in TGC, §2001.039, is designed to ensure that the reason for initially adopting or readopting a rule continues to exist.

- 4. Annual Report of the Division of Financial Compliance**  
**(Board agenda page V-35)**

This item provides the board with an annual review of the work accomplished by the division responsible for state financial reviews. The report describes the division's organization and legal responsibilities, deviations from the 2022-2023 audit plan, and the status of reports on the division's reviews.

# **STATE BOARD OF EDUCATION**

## Swearing-in Ceremony for Members of the State Board of Education

January 31, 2023

### STATE BOARD OF EDUCATION: ACTION

**SUMMARY:** Oaths of office will be administered to the newly elected State Board of Education (SBOE) members during a ceremony. After the swearing-in ceremony, the SBOE may hold a reception in the lobby of the William B. Travis building. No official SBOE business will be discussed if there is a reception.

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§7.107\(b\)](#).

TEC, §7.107(b) requires the SBOE to organize, adopt operating rules, and elect a vice chair and secretary at the first meeting after an election and qualification of new members.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** A swearing-in ceremony for SBOE members was last held on January 26, 2021.

**BACKGROUND INFORMATION AND JUSTIFICATION:** SBOE members are elected from single-member districts and serve two-year or four-year terms of office. Board members for districts 1 through 15 were elected on November 8, 2022.

**Staff Member Responsible:**

Yolanda M. Walker, Executive Director, State Board of Education Support

## **Drawing for Terms of Office**

**January 31, 2023**

### **STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** Pursuant to the provisions of the Texas Education Code (TEC), §7.104, State Board of Education (SBOE) members elected in the general election of 2022 are to serve staggered terms, with seven members serving two-year terms and eight members serving four-year terms. SBOE members will draw lots to determine those members who will serve two-year terms and those members who will serve four-year terms.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §7.104.

TEC, §7.104 requires seven members of the board elected in the general election following a decennial reapportionment of districts shall serve two-year terms and eight members shall serve four-year terms. Members shall draw lots to determine who serves which terms.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** SBOE members last drew for terms of office in January 2013.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Board districts are redrawn after a national census to ensure that each district is roughly equal in population. Pursuant to the provisions of the TEC, §7.104, SBOE members elected in the first election after redistricting are to serve staggered terms, with seven members serving two-year terms and eight members serving four-year terms.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Draw for terms of office as required by the TEC, §7.104.

**Staff Member Responsible:**

Yolanda M. Walker, Executive Director, State Board of Education Support



## **Review and Adoption of State Board of Education Operating Rules**

**January 31, 2023**

### **STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** Pursuant to the provisions of the Texas Education Code (TEC), §7.107(b), at the first regular meeting after the election and qualification of new members, the board shall adopt rules of procedure. This item provides an opportunity for the board to review existing operating rules to determine if changes and revisions are needed.

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§7.107\(b\)](#).

TEC, §7.107(b) requires the State Board of Education (SBOE) to organize, adopt operating rules, and elect a vice chair and secretary at the first regular meeting after an election and qualification of new members.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** The SBOE operating rules were last reviewed and adopted on January 26, 2021.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The board is required by state law to adopt rules of procedures at its first regular meeting after the election and qualification of new members. Current board operating rules and the areas of jurisdiction are shown in the information materials section of the SBOE agenda. The board's current operating rules contain a resolution which defines committees of the SBOE and their assignments.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Review and adopt operating rules as amended.

**Staff Member Responsible:**

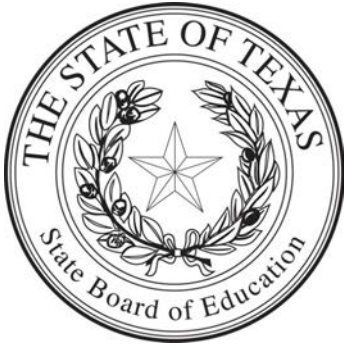
Monica Martinez, Associate Commissioner, Standards and Programs

**Separate Exhibit:**

State Board of Education Operating Rules  
(Proposed for Amendment January 31, 2023)

**[Attachment:](#)**

Registration Form for Public Testimony



# Texas State Board of Education

## Registration Form for Public Testimony

**Name \***

First Name

Last Name

**Address \***

Street Address

City

State

Zip Code

**Phone Number \***

**Email \***

example@example.com

**I wish to speak**

- as a private individual
- on behalf of an organization

**Name of Organization**

Are you a registered lobbyist?

- Yes
- No

Name of Client

For complete agenda information: <https://tea.texas.gov/sboe/agenda/>

If you wish to testify on multiple agenda items, complete a registration form for each item.

I want to testify before this body. Please select from these options:

- Committee of the Full Board
- Committee on Instruction
- Committee on School Finance/Permanent School Fund
- Committee on School Initiatives
- General Meeting

Agenda Item Number to be presented

- |                              |                               |                               |                               |
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| <input type="radio"/> Item 5 | <input type="radio"/> Item 10 | <input type="radio"/> Item 15 | <input type="radio"/> Item 20 |

Agenda Item Title to be presented

Please verify that agenda title is correct.

Date Agenda Item is to be presented

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General Meeting (Only topics not covered on the agenda items may be addressed.)

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Your Position:  For  Against  Comment On

Date of Submission

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Month	Day	Year

Signature \_\_\_\_\_

## Election of State Board of Education Officers

**January 31, 2023**

### **STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** Pursuant to the provisions of the Texas Education Code (TEC), §7.107(b), at the first regular meeting after the election and qualification of new State Board of Education (SBOE) members, the board shall elect by separate votes, a vice chair and a secretary. The current operating rules establish the terms of office for the vice chair and secretary of the board as two years and until their successors are elected.

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§7.107\(b\)](#).

TEC, §7.107(b) requires the SBOE to organize, adopt operating rules, and elect a vice chair and secretary at the first meeting after an election and qualification of new members.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** At the January 2021 meeting, Pam Little was elected as vice chair and retired member, Georgina C. Pérez, was re-elected as secretary.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The chair of the board is appointed by the governor, with the advice and consent of the Texas Senate, for a two-year term of office. The chair holds over in the position until a new chair is appointed and confirmed by the Texas Senate.

The other officers of the board – the vice chair and secretary – are elected by the board in separate votes. The duties of these two officers are listed in Section 1.1(b) of the board’s operating rules. The vice chair and secretary serve two-year terms and continue to serve until their successors are elected.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Elect a vice chair and a secretary as required by the TEC, §7.107(b).

**Staff Member Responsible:**

Yolanda M. Walker, Executive Director, State Board of Education Support

## **Announcement of Membership of Committees**

**January 31, 2023**

### **STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** Pursuant to the provisions of the Texas Education Code (TEC), §7.107, at the board's first regular meeting after the election and qualification of new members, the board shall organize. This item provides the opportunity for the chair to announce appointments to the committees of the State Board of Education (SBOE).

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§7.107\(b\)](#).

TEC, §7.107(b) requires the SBOE to organize, adopt operating rules, and elect a vice chair and secretary at the first meeting after an election and qualification of new members.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Current SBOE operating rules, §1.2(e), specifies that the officers of the board shall request in writing the committee choices of the members ranked in order of preference and shall make committee assignments in the public view for terms of two years at the organizational meeting after the qualification of new members as the next order of business following adoption of rules and election of officers. Vacancies shall be filled in a similar fashion. In addition to preference, the officers of the board shall also consider seniority (total years of service), ethnicity, gender balance, and relevant qualifications specific to a committee assignment in making committee assignments.

**Staff Member Responsible:**

Yolanda M. Walker, Executive Director, State Board of Education Support

# **COMMITTEE OF THE FULL BOARD**

## Ethics Training

January 31, 2023

### **COMMITTEE OF THE FULL BOARD: DISCUSSION STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** This item provides an opportunity for the State Board of Education (SBOE) to discuss ethics statutes and rules that apply to SBOE members.

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§43.0031](#) and 19 Texas Administrative Code (TAC), §33.5(s).

TEC, §43.0031 requires the SBOE to adopt an ethics policy.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Under the Permanent School Fund (PSF) Code of Ethics, the SBOE is required to participate in yearly ethics training.

#### **Staff Members Responsible:**

Von Byer, General Counsel, Legal Services

Christopher Maska, TEA Ethics Advisor, Legal Services

#### **[Attachment I:](#)**

A Guide to Ethics Laws for State Officers and Employees

#### **[Attachment II:](#)**

Can I Take It?

#### **[Attachment III:](#)**

Can I Take This Trip?

#### **[Attachment IV:](#)**

Revolving Door

# TEXAS ETHICS COMMISSION

## A GUIDE TO ETHICS LAWS FOR STATE OFFICERS AND EMPLOYEES



Revised January 1, 2022

Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711

[www.ethics.state.tx.us](http://www.ethics.state.tx.us)

(512) 463-5800 • TDD (800) 735-2989

*Promoting Public Confidence in Government*



**A GUIDE TO ETHICS LAWS  
FOR STATE OFFICERS AND EMPLOYEES**

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## **INTRODUCTION**

As a public servant, you owe a responsibility to the people of Texas in the performance of your official duties. This guide sets out laws that govern your conduct as a public servant. As you read this guide, you should bear in mind that ethical conduct involves more than merely following these laws. As a public servant, you should act fairly and honestly and should avoid creating even the appearance of impropriety.

### **Laws Interpreted by the Texas Ethics Commission**

The Texas Ethics Commission interprets various laws governing the conduct of state officers and employees: the provisions in chapter 572 of the Government Code; the restrictions on benefits, gifts, and honoraria in chapter 36 of the Penal Code and in the lobby law, chapter 305 of the Government Code; and the restrictions on the use of government resources in chapter 39 of the Penal Code.

Some laws governing public servants, such as the nepotism law, are not under the jurisdiction of the Ethics Commission. Also, officers and employees of particular state agencies may be subject to statutes, rules, or personnel guidelines specifically applicable to that agency. Your general counsel or the Office of the Attorney General are the appropriate sources for advice about such laws.

### **Advisory Opinions**

If you are concerned about how any of the laws subject to interpretation by the Ethics Commission apply to you, you may request an advisory opinion. The request must be about the application of one or more of those laws to a specific factual situation, either existing or hypothetical. Gov't Code § 571.091. Unless you waive confidentiality in writing, the Ethics Commission must keep your name confidential.

The legal effect of an Ethics Commission advisory opinion is described in section 571.097 of the Government Code as follows:

It is a defense to prosecution or to imposition of a civil penalty that the person reasonably relied on a written advisory opinion of the commission relating to the provision of the law the person is alleged to have violated or relating to a fact situation that is substantially similar to the fact situation in which the person is involved.

Copies of Ethics Advisory Opinions are available from the Ethics Commission at (512) 463-5800 or at <http://www.ethics.state.tx.us> on the Internet.

## PART I. STANDARDS OF CONDUCT AND CONFLICT OF INTEREST

### The “Should Not’s”

The legislature has adopted the following standards of conduct for state employees:

A state officer or employee should not:

- (1) accept or solicit any gift, favor, or service that might reasonably tend to influence the officer or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the officer’s or employee’s official conduct;
- (2) accept other employment or engage in a business or professional activity that the officer or employee might reasonably expect would require or induce the officer or employee to disclose confidential information acquired by reason of the official position;
- (3) accept other employment or compensation that could reasonably be expected to impair the officer’s or employee’s independence of judgment in the performance of the officer’s or employee’s official duties;
- (4) make personal investments that could reasonably be expected to create a substantial conflict between the officer’s or employee’s private interest and the public interest; or
- (5) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the officer’s or employee’s official powers or performed the officer’s or employee’s official duties in favor of another.

Gov’t Code § 572.051. A state agency may not use appropriated funds to compensate a state employee who violates those standards. Gov’t Code § 2113.014. Also, in some cases failure to follow the standards of conduct will violate one of the criminal statutes discussed in this guide.

### Private Interest in Measure or Decision

If a board member has a private or personal interest in a measure, proposal, or decision pending before the board, the board member must disclose that fact to the rest of the board in an open meeting and must refrain from voting or otherwise participating in the matter. Gov’t Code § 572.058. The law specifies that a person does not have a “private or personal interest” in a matter if the person is engaged in a profession, trade, or occupation, and the person’s interest in the matter is the same as others similarly engaged.

**Note:** This guide addresses only the laws that the Ethics Commission interprets. Other laws may contain additional “conflict of interest” provisions. In particular, state agency counsels should be aware of the common-law rule restricting a contract between agencies and agency board members. *See* Attorney General Opinion JM-671 (1987).

## PART II. ACCEPTANCE OF BENEFITS

Chapter 36 of the Penal Code prohibits public servants from accepting certain gifts or benefits. Violations of the laws in this chapter carry criminal penalties, and complaints alleging such violations are handled by local prosecutors, not by the Texas Ethics Commission.

### **Bribery**

As a public servant, you commit the offense of bribery if you solicit, offer, or accept a “benefit” in exchange for your decision, opinion, recommendation, vote, or other exercise of official discretion. Penal Code § 36.02. Common sense should tell you if something is a bribe. If it is, don’t take it.

### **Honoraria**

You may not solicit, agree to accept, or accept an honorarium in consideration for services you would not have been asked to provide but for your official position. Penal Code § 36.07. Thus, for example, you may not take a speaker’s fee for speaking if your position with the state is one of the reasons you were asked to speak. The honorarium law does not, however, prohibit acceptance of food, transportation, and lodging in connection with a speech that is more than merely perfunctory. If a state officer or the executive head of an agency accepts food, transportation, or lodging under these circumstances, the officer must report it on Part XIII of the annual personal financial statement. (A travel regulation provides that a state employee may not accept money for a travel expense reimbursement from a person that the employee’s employing state agency intends to audit, examine, or investigate or is auditing, examining, or investigating. Gov’t Code § 660.016.)

### **Prohibitions on Gifts**

Most public servants are subject to one or more prohibitions on the acceptance of “benefits” from persons subject to their jurisdiction. Penal Code § 36.08. For example, a public servant in an agency performing regulatory functions or conducting inspections or investigations may not accept a benefit from a person the public servant “knows to be subject to regulation, inspection, or investigation by the public servant or his agency.” *Id.* § 36.08(a). Similarly, a public servant who “exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions” of the agency may not accept a benefit from a person the public servant knows is interested in or likely to become interested in such a transaction. *Id.* § 36.08(d). (The Appendix contains the full text of section 36.08.) *These prohibitions apply regardless of whether the donor is asking for something in return.*

The statutory definition of “benefit” is “anything reasonably regarded as pecuniary gain or pecuniary advantage.” Penal Code § 36.01(3). In advisory opinions, the Ethics Commission has stated that the following gifts are benefits: a \$50 clock, a hotel room, a hunting trip, football tickets, a \$160 rifle, and a \$60 restaurant meal. Texas Ethics Comm’n Op. Nos. 97, 94, 90, 69, 60 (1992).

## Exceptions to Gift Prohibitions

There are exceptions to the prohibitions set out in Penal Code section 36.08. These exceptions are exceptions to criminal liability under that section. You should also make sure that the laws and rules specifically applicable to your agency permit you to accept a benefit permitted under the Penal Code. Even if the acceptance of a gift is legally permissible, you should consider whether the gift raises the appearance of impropriety.

The following exceptions are most likely to be relevant to state officers or employees. (The Appendix contains the full text of section 36.10, which sets out the exceptions to section 36.08.)

- You may accept non-cash items of less than \$50 in value. Penal Code § 36.10(a)(6). If a *lobbyist* provides you with food, beverages, entertainment, lodging, or transportation, however, the lobbyist must be present at the event.
- You may accept benefits in the form of food, lodging, transportation, or entertainment in any amount if you accept them as a “guest” and report them if there is an applicable reporting requirement. Penal Code § 36.10(b). In order for you to accept something as a “guest,” the donor must be present.

*Lobbyists may provide you with transportation and lodging only in connection with a fact-finding trip related to your official duties or in connection with an event, such as a conference, at which you will be providing “more than perfunctory” services in your official capacity.*

State officers and agency heads: You will be required to report on your personal financial statement the acceptance of gifts worth more than \$470, except for gifts from a member of your immediate family or from a lobbyist required to report the gift. You must also report on your personal financial statement your acceptance of meals, transportation, or lodging provided in connection with a speech or other services you provided in your official capacity. (*See above discussion on “Honoraria.”*)

- You may accept a benefit from a person such as a friend, relative, or business associate with whom you have a relationship independent of your official status *if the benefit is given on account of that relationship rather than your official status*. Penal Code § 36.10(a)(2).
- You may accept a payment for which you give legitimate consideration *in a capacity other than as a public servant*. Penal Code § 36.10(a)(1). The use of the term “legitimate consideration” means that the payment you receive must reflect the actual value of the services or goods you provide in exchange for the payment. Texas Ethics Comm’n Op. No. 41 n.1 (1992).
- You may accept certain gifts, awards, and mementos from persons required to register as lobbyists. “Gift” in this context does not include food, entertainment, transportation, or lodging, which are discussed above. Penal Code § 36.10(a)(5). (*See discussion of “Gifts Prohibited by the Lobby Statute” below.*)

## Gifts Prohibited by the Lobby Statute

The lobby law, chapter 305 of the Government Code, contains restrictions on gifts from a person required to register under that chapter. For the most part, the lobby statute is stricter than the Penal Code. For instance, you may not accept transportation and lodging in connection with a pleasure trip from a lobbyist. There is, however, one exception to the general rule that the lobby law is stricter than the Penal Code: Under section 36.10(a)(5) of the Penal Code, there is an exception from the Penal Code prohibition on the acceptance of benefits for a gift, award, or memento that is required to be reported by a lobbyist. Because of this exception, there are circumstances in which it is permissible for you to accept a gift from a lobbyist that you could not accept from a non-lobbyist. If you are thinking about relying on this exception, you should ask the Ethics Commission for advice before you do so.

## Gifts to State Agencies

The Ethics Commission has issued several opinions in response to questions about the acceptance of gifts by a state agency. Texas Ethics Comm'n Op. Nos. 118 (1993), 63, 62, 51, 31 (1992). Chapter 305 of the Government Code, which regulates lobbying, and chapter 36 of the Penal Code, which regulates gifts to public officers and employees, do not apply to gifts given to a state agency. Texas Ethics Comm'n Op. Nos. 62, 31 (1992). The statutes applicable to a specific state agency determine whether the agency has authority to accept gifts. *Id.* Also, even if an agency has authority to accept gifts, it may do so only in accordance with the provisions of Government Code chapter 575.

Although questions about the specific authority of a state agency to accept gifts are outside the Ethics Commission's advisory opinion authority, previous ethics advisory opinions have set out some general guidelines about the acceptance of gifts by a state agency. First, the commission has noted that even if a state agency has authority to accept gifts generally, the agency may accept gifts on behalf of the agency only if the gifts can be used in carrying out the agency's powers and duties. A gift to a state agency becomes state property, and an officer or employee of the agency cannot be permitted to use it for private purposes. Consequently, acceptance of gifts by a state agency is not a permissible way of acquiring gifts for the personal enjoyment of individual state officers and employees.

Gifts to state agencies, even if legally permissible, may raise questions about impropriety. If the donor is subject to agency regulation or oversight, or engages in a business that can be affected by agency action, then it may be that the donor hopes or expects to gain favor with the agency. Even if that is not the case, it may appear to be so, especially to someone whose interests are different from those of the donor and who may feel at a disadvantage because of the donor's generosity.

## Donation of Gifts to Charity

What should you do if someone sends you an unsolicited gift that you may not accept? Often public servants would prefer to donate such gifts to charity or to a governmental body, rather than returning them to the donor. A provision of the Penal Code allows such donations in specified circumstances:

A public servant who receives an unsolicited benefit that the public servant is prohibited from accepting under [section 36.08] may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax-exempt charitable organization formed for educational, religious, or scientific purposes.

Penal Code § 36.08(i).

### **PART III. ABUSE OF OFFICE**

Chapter 39 of the Penal Code contains several provisions prohibiting a public servant from using his or her official position in various ways for non-governmental purposes.

#### **Misuse of Government Property**

As a public servant, you commit an offense if, with intent to obtain a benefit or harm another, you *misapply any thing of value belonging to the government* that has come into your custody or possession by virtue of your public office or employment. Penal Code § 39.02(a)(2). Simply stated, this means that you are to use government property for governmental purposes, not for personal or private purposes.

***Frequent Flyer Miles:*** Penal Code section 39.02(d) specifically provides that travel discount awards such as “frequent flyer” miles, hotel or rental car discounts, or food coupons are not things of value belonging to the government for purposes of the criminal law prohibiting misapplication of a thing of value belonging to the government. This means that personal or private use of travel awards accrued on state business is not a crime. The law does not, however, prevent a particular agency from adopting a policy requiring that such travel awards be used for agency purposes.

***Political Campaigns:*** Do not use state time or state equipment to work on an individual’s political campaign. See Texas Ethics Comm’n Op. No. 172 (1993). Also, chapter 556 of the Government Code prohibits a state agency from using appropriated funds in connection with a political campaign. Further, it prohibits a state officer or employee from using official authority to interfere with or attempt to influence the result of an election. Gov’t Code § 556.004. The Ethics Commission does not have authority to interpret chapter 556 of the Government Code.

#### **Misuse of Official Information**

As a public servant, you may have access to information that has not been made public. Chapter 39 of the Penal Code restricts your use of such information in the following ways:

- You may not use the information to acquire or help another person to acquire a pecuniary interest in any property, transaction, or enterprise affected by the information. Penal Code § 39.06(a)(1).
- You may not speculate or aid another to speculate on the basis of the information. Penal Code § 39.06(a)(2).
- You may not disclose or use the information with the intent to obtain a benefit or to harm another. Penal Code § 39.06(b).

## PART IV. OTHER EMPLOYMENT

### Concurrent Employment

Some of the laws under the jurisdiction of the Ethics Commission are relevant to questions about other employment by a state officer or employee. For example, under the bribery law, you may not solicit or accept a “benefit” in exchange for your decision, opinion, recommendation, vote, or other exercise of discretion as a public servant. Penal Code § 36.02. A salary is a benefit. *See generally* Texas Ethics Comm’n Op. No. 155 (1993). Therefore, the crime of bribery occurs if a state officer accepts other employment in exchange for official action or inaction. In addition, under the honorarium law a state officer may not accept an honorarium for performing services that he or she would not have been asked to provide but for his or her official status. Other laws outside the Ethics Commission’s jurisdiction may also restrict your employment. For information about such laws, consult your general counsel or the Office of the Attorney General.

### Future Employment

If you are about to leave your position with the state, you should be aware of laws that might restrict your future employment. Chapter 572 of the Government Code contains three “revolving door” provisions. Each provision applies to different groups of former officers and employees of state agencies.

**Note:** If other law restricts you from representing a person before an agency after you leave your position, that law prevails over the second and third Government Code provisions (in section 572.054) discussed below.

#### Revolving Door #1

The first revolving door provision will apply to you if you are a former state officer or employee of a state agency. For two years after you cease to be a state officer or employee of an agency, you may not accept employment from a person if you participated on behalf of the state agency in a procurement or contract negotiation involving that person.

**Note:** The first revolving door provision only applies to a state officer or employee whose service or employment with a state agency ceases on or after September 1, 2015.

#### Revolving Door #2

The second revolving door provision will apply to you if you are a former board member or executive director of a regulatory agency. For two years after you cease to be a member of the board, you may not make any communication to or appearance before an officer or employee of the board on behalf of any person with the intent to influence agency action in connection with any matter on which that person seeks official action. The restriction applies even if the agency initiates the contact and even if you are communicating on your own behalf (subject to your due process rights). It does not, however, prevent you from merely providing information to the agency, as long as you are not doing so with the intent to influence agency action on behalf of a person.



### Revolving Door #3

The third revolving door provision applies to all former board members and executive directors of regulatory agencies. It also applies to former employees who, at the time of leaving the agency, were compensated at or above a certain salary level. The law applies to a former employee whose compensation at the time of leaving state employment was at or above the level prescribed by the general appropriations act for step 1, salary group A17, of the position classification salary schedule. (The 2022-2023 General Appropriations Act prescribed the minimum annual salary for that salary group (A17) as \$36,976 for fiscal years 2022 and 2023.)

A former board member or employee covered by the third provision may *never* represent a person or receive compensation for services rendered on behalf of any person regarding a “particular matter” in which he or she “participated” while serving with the agency. A “particular matter” is a *specific* matter before the agency, such as an investigation, application, contract, rulemaking proceeding, administrative proceeding, request for a ruling, etc. This revolving door provision prohibits you from representing a person, or getting paid to help a person, regarding a *specific* matter in which you were either personally involved or that was a matter within your official responsibility while a state officer or employee. It does not prohibit you from working on the *type of matters* you worked on at the agency. *This restriction lasts forever.*

**Note:** For purposes of the Government Code revolving door statutes, a “person” is an individual or business entity. Gov’t Code § 572.002(7). The statutes do not restrict former state officers or employees from representing or providing services on behalf of nonprofit or governmental entities. Texas Ethics Comm’n Op. No. 232 (1994).

Violation of either of the second or third revolving door provisions is a Class A misdemeanor. The Texas Ethics Commission may assess a civil penalty for a violation of any of the three revolving door laws.

## PART V. PERSONAL FINANCIAL STATEMENTS

Board members and executive directors of most state agencies are required to file a personal financial statement with the commission on or before April 30 each year if they served at any time beginning on January 1 and continuing through April 30 of that year. Gov’t Code § 572.026(a). If your term as a board member is ending or if you plan to resign from a board, you should be aware of the “holdover” provision of the Texas Constitution. Under this provision, a state officer “holds over” in office until replaced. A person who no longer attends meetings may nonetheless “holdover” as a board member. Thus, if you resign or your term expires before January 1 of a given year, you will still be required to file a financial statement for that year if your successor was not appointed before January 1.

However, if you are an appointed officer, as defined by section 572.002 of the Government Code, you are not required to file a personal financial statement if the following criteria are met before January 1 of the year the statement is due: (1) your term expired, you resigned, your agency was abolished, or your agency functions were transferred to another agency; and (2) you ceased to participate in the state agency’s functions. If your term expired or if you resigned, you

are required to provide written notice of your intent to not participate in the agency's functions to the Office of the Governor and to the Texas Ethics Commission.

Anyone who asks for extra time to file by April 30 is entitled to a one-time, 60-day extension. Call the Ethics Commission legal staff at (512) 463-5800 if you have questions when completing the form.

**Note:** New state law requires a personal financial statement filed with the Ethics Commission to be filed electronically. Please visit the Ethics Commission website at [www.ethics.state.tx.us](http://www.ethics.state.tx.us) for information regarding the filing application and instructions.

**Note:** The commission imposes a civil penalty of \$500 for late filings. The commission has the authority to raise this penalty. There are criminal penalties for failing to file at all.

## **PART VI. LOBBYING BY STATE OFFICERS AND EMPLOYEES**

The provisions of Government Code chapter 556 prohibit the use of appropriated funds to influence legislation. Those provisions are not under the Ethics Commission's jurisdiction. The lobby law, chapter 305 of the Government Code, is not applicable in this context. Note, however, that a *gift* from a state agency to a legislator may be prohibited under the Penal Code.

### **SUMMARY**

This guide is intended to make you familiar with the laws interpreted by the Texas Ethics Commission that govern your conduct as a state officer. For further guidance, you should consult your agency's ethics advisor or general counsel. Also, feel free to call the Ethics Commission at (512) 463-5800 for advice or visit our Internet site at <http://www.ethics.state.tx.us>.

## APPENDIX

### *Penal Code Provisions Regarding Gifts to a Public Servant*

#### **§ 36.08. Gift to Public Servant by Person Subject to His Jurisdiction**

- (a) A public servant in an agency performing regulatory functions or conducting inspections or investigations commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows to be subject to regulation, inspection, or investigation by the public servant or his agency.
- (b) A public servant in an agency having custody of prisoners commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows to be in his custody or the custody of his agency.
- (c) A public servant in an agency carrying on civil or criminal litigation on behalf of government commits an offense if he solicits, accepts, or agrees to accept any benefit from a person against whom the public servant knows litigation is pending or contemplated by the public servant or his agency.
- (d) A public servant who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions of government commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of his discretion.
- (e) A public servant who has judicial or administrative authority, who is employed by or in a tribunal having judicial or administrative authority, or who participates in the enforcement of the tribunal's decision, commits an offense if he solicits, accepts, or agrees to accept any benefit from a person the public servant knows is interested in or likely to become interested in any matter before the public servant or tribunal.
- (f) A member of the legislature, the governor, the lieutenant governor, or a person employed by a member of the legislature, the governor, the lieutenant governor, or an agency of the legislature commits an offense if he solicits, accepts, or agrees to accept any benefit from any person.
- (g) A public servant who is a hearing examiner employed by an agency performing regulatory functions and who conducts hearings in contested cases commits an offense if the public servant solicits, accepts, or agrees to accept any benefit from any person who is appearing before the agency in a contested case, who is doing business with the agency, or who the public servant knows is interested in any matter before the public servant. The exception provided by Section 36.10(b) does not apply to a benefit under this subsection.
- (h) An offense under this section is a Class A misdemeanor.
- (i) A public servant who receives an unsolicited benefit that the public servant is prohibited from accepting under this section may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the

benefit to a recognized tax-exempt charitable organization formed for educational, religious, or scientific purposes.

**§ 36.09. Offering Gift to Public Servant**

- (a) A person commits an offense if he offers, confers, or agrees to confer any benefit on a public servant that he knows the public servant is prohibited by law from accepting.
- (b) An offense under this section is a Class A misdemeanor.

**§ 36.10. Non-Applicable**

- (a) Sections 36.08 (Gift to Public Servant) and 36.09 (Offering Gift to Public Servant) do not apply to:
  - (1) a fee prescribed by law to be received by a public servant or any other benefit to which the public servant is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a public servant;
  - (2) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient;
  - (3) a benefit to a public servant required to file a statement under Chapter 572, Government Code, or a report under Title 15, Election Code, that is derived from a function in honor or appreciation of the recipient if:
    - (A) the benefit and the source of any benefit in excess of \$50 is reported in the statement; and
    - (B) the benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with the office which are nonreimbursable by the state or political subdivision;
  - (4) a political contribution as defined by Title 15, Election Code;
  - (5) a gift, award, or memento to a member of the legislative or executive branch that is required to be reported under Chapter 305, Government Code;
  - (6) an item with a value less than \$50, excluding cash or a negotiable instrument as described by Section 3.104, Business & Commerce Code;
  - (7) an item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity;
  - (8) transportation, lodging, and meals described by Section 36.07(b); or
  - (9) complimentary legal advice or legal services relating to a will, power of attorney, advance directive, or other estate planning document rendered:

- (A) to a public servant who is a first responder; and
- (B) through a program or clinic that is:
  - (i) operated by a local bar association or the State Bar of Texas; and
  - (ii) approved by the head of the agency employing the public servant, if the public servant is employed by an agency.
- (b) Section 36.08 (Gift to Public Servant) does not apply to food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.
- (c) Section 36.09 (Offering Gift to Public Servant) does not apply to food, lodging, transportation, or entertainment accepted as a guest and, if the donor is required by law to report those items, reported by the donor in accordance with that law.
- (d) Section 36.08 (Gift to Public Servant) does not apply to a gratuity accepted and reported in accordance with Section 11.0262, Parks and Wildlife Code. Section 36.09 (Offering Gift to Public Servant) does not apply to a gratuity that is offered in accordance with Section 11.0262, Parks and Wildlife Code.
- (e) In this section, “first responder” means:
  - (1) a peace officer whose duties include responding rapidly to an emergency;
  - (2) fire protection personnel, as that term is defined by Section 419.021, Government Code;
  - (3) a volunteer firefighter who performs firefighting duties on behalf of a political subdivision and who is not serving as a member of the Texas Legislature or holding a statewide elected office;
  - (4) an ambulance driver; or
  - (5) an individual certified as emergency medical services personnel by the Department of State Health Services.

- ✓ **FEES FOR SERVICES:** You may accept a payment to which you are lawfully entitled in a capacity other than your official status. In this case you may accept the offer without restriction. Remember, you may not take an honorarium for a service that you would not have been asked to provide but for your official status.
- ✓ **POLITICAL CONTRIBUTIONS:** You may accept a political contribution as a candidate or officeholder.
- ✓ **GOVERNMENT PROPERTY:** You may accept an item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the entity.
- ✓ **FOOD, ENTERTAINMENT, TRANSPORTATION, & LODGING:** Benefits in the form of food, lodging, transportation, or entertainment are permissible if accepted as a "guest" and reported in accordance with any applicable reporting requirement. To accept something as a guest, the donor must be present. As to reporting requirements, certain elected officeholders, state agency board members, and state agency heads are required to file annual personal financial statements on which they must report certain gifts worth more than \$470. For most state *employees*, there is no applicable reporting requirement. Board members and agency heads may be required to report certain gifts on their annual personal financial statement.

#### **DONATIONS TO CHARITY**

**If you receive an unsolicited benefit that you are prohibited from accepting, you may donate the benefit to a recognized tax exempt charitable organization formed for educational, religious, or scientific purposes.**

### **Texas Ethics Commission**

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# *Can I Take It?*



*A Guide for Officers and Employees in the Executive Branch of State Government.*

*Note: Employees of the Governor or Lieutenant Governor should refer to the "Can I Take It?" brochure specifically applicable to those offices.*

*Revised March 16, 2021*

# Can I Take It?

## RULE NO. 1

### YOU MAY NEVER TAKE ANYTHING AS CONSIDERATION FOR AN OFFICIAL ACT

The bribery law prohibits payments or gifts made in exchange for an official act. An official act includes a vote, a recommendation, and any other exercise of official discretion.

## RULE NO. 2

### YOU MAY NOT ACCEPT AN HONORARIUM FOR SERVICES YOU WOULD NOT HAVE BEEN ASKED TO PROVIDE BUT FOR YOUR OFFICIAL STATUS

This means, for example, that you may not accept a gift or payment for giving a speech if your official position was a reason for your being asked to give the speech. You may, however, accept meals, transportation, and lodging in connection with a speech as long as your speech is more than merely perfunctory. Also, you may accept a gift that is not a "benefit" such as a plaque or something of minimal value like a coffee cup, key chain, or "gimme" cap.

**THE OTHER RULES:** If acceptance of a gift or payment is permissible under Rule Nos. 1 and 2, the next step is to determine whether or not the person making the offer is a registered lobbyist.

## A. IF THE PERSON MAKING THE OFFER IS A REGISTERED LOBBYIST:

### 1. You may not accept:

- ✗ Loans, cash, or negotiable instruments other than political contributions.
- ✗ Travel or lodging for a pleasure trip. (Incidental transportation such as a short ride in a car or taxi is permissible.)

### 2. You may accept:

- ✓ Food and beverages if the lobbyist is with you. There is no annual limit on the value of food and beverages you may accept from a lobbyist.
- ✓ Entertainment worth up to \$500 in a calendar year. (Entertainment includes, for example, sports events and concerts.) The lobbyist providing the entertainment must be present for the event.
- ✓ Gifts, other than awards and mementos, that together do not exceed \$500 in value during a calendar year.
- ✓ Awards and mementos worth not more than \$500. This is not an annual cap, but a cap on the value of each individual award or memento.
- ✓ Travel and lodging in connection with a fact-finding trip or to a seminar or conference at which you are providing services, such as speaking, and the services are more than perfunctory. Any lobbyist who is providing travel or lodging must be present at the event.
- ✓ Tickets or other expenditures for attendance at a political fundraiser or charitable event if the lobbyist is present at the event.

Note: You can find out if someone is a registered lobbyist by calling the disclosure filings section of the Texas Ethics Commission at 512-463-5800 or by going to [www.ethics.state.tx.us/search/lobby.html](http://www.ethics.state.tx.us/search/lobby.html).

## PLEASE NOTE

Your name will appear on a lobbyist's activities report:

- if expenditures for your food, lodging, transportation, or entertainment in a day exceed \$132.60,\* which is 60 percent of the amount of the legislative per diem;
- if expenditures for a gift, award, or memento exceed \$90; or
- each time an expenditure is made for you to attend political fundraisers or charity events, regardless of the amount spent.

\* effective January 6, 2019

## B. IF THE PERSON MAKING THE OFFER IS NOT A REGISTERED LOBBYIST:

A state officer or employee may not take any benefit from a person subject to the regulation, inspection, or investigation by that person or that person's agency. (A "benefit" is anything reasonably regarded as pecuniary gain or advantage.) There are, however, many exceptions to this general rule. **You may accept a gift, payment, or contribution as long as the gift, payment, or contribution fits into *any one* of the following categories.**

- ✓ ITEMS WORTH LESS THAN \$50: You may accept an item with a value of less than \$50. This exception does not apply to cash, checks, or negotiable instruments.
- ✓ INDEPENDENT RELATIONSHIP: There is an exception from the general prohibition on the acceptance of benefits for a gift based on
  - kinship
  - a personal relationship independent of your official status
  - a professional relationship independent of your official status
  - a business relationship independent of your official status.

(over)

## HONORARIUM LAW

As a public servant, you may not accept an honorarium in consideration for services that you would not have been requested to provide but for your official position or duties. You may, however, accept food, transportation, and lodging in connection with services rendered at a conference or seminar.

## CAMPAIGN AND OFFICEHOLDER CONTRIBUTIONS

A candidate or elected officeholder must report all campaign or officeholder contributions, this includes contributions in the form of transportation or lodging.

**No corporate contributions.** A candidate may not accept a campaign contribution, nor may an officeholder accept an officeholder contribution, from a corporation or labor union.

## FINANCIAL STATEMENT

Some government officials are required to file an annual personal financial statement. A filer must report any gifts, including trips, that exceed \$250 in value, except gifts reportable as a political contribution, or a lobby expenditure, or a gift received from an individual related within the second degree by consanguinity or affinity. Also, a filer must report transportation, meals, or lodging provided by a third party in connection with a conference or similar event, unless a lobbyist reports the expenditures.

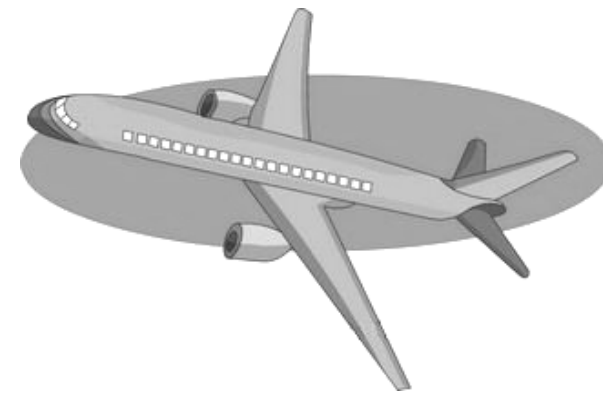
## Texas Ethics Commission

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Visit us at <http://www.ethics.state.tx.us> on the Internet.

# Can I Take This Trip?



A Texas Ethics Commission guide  
to the acceptance of trips by  
government officers and employees.

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*Revised February 24, 1997*



# Can I Take This Trip?

Officers and employees of governmental bodies often ask the Ethics Commission whether it is permissible to take a trip paid for by a third party. To answer such questions, it is first necessary to determine whether the third party is providing the trip to the governmental body or to the individual. If the trip is being provided to an individual government officer or employee, rather than to the governmental body itself, the individual must consider the restrictions and reporting requirements in *all* of the following laws:

- ◆ the lobby law in chapter 305, Government Code
- ◆ the gift laws in chapter 36, Penal Code
- ◆ the honorarium law in chapter 36, Penal Code
- ◆ the campaign finance law in title 15, Election Code
- ◆ the law requiring certain government officials to file an annual personal financial statement in chapter 572, Government Code.

It is important to review the restrictions in all of those laws because what is permissible under one law may not be permissible under another.

## GIFTS TO THE GOVERNMENT

Under the appropriate circumstances, a governmental body may accept an offer by a third party to pay travel expenses for a government officer or employee to conduct government business.

Whether a governmental body may accept a gift depends on the laws specifically applicable to the governmental body, not on the laws under the jurisdiction of the Texas Ethics Commission. Individual employees may not make decisions about accepting gifts on behalf of a governmental body; only the governing board may make such decisions.

An individual government officer or employee who intends to accept a trip for himself or herself should first review the restrictions and reporting requirements in the laws discussed below.

## LOBBY LAW

Under the lobby law, an officer or employee in the legislative or executive branch of *state government* is subject to a general prohibition on the acceptance of transportation and lodging from a registered lobbyist. There are exceptions to this rule: one for transportation and lodging in connection with a fact-finding trip, one for transportation and lodging in connection with a conference or similar event, and one for incidental transportation.

**Fact-finding trips.** There is an exception to the prohibition on lobbyist-paid trips for necessary expenditures for transportation and lodging when the purpose of the travel is to explore matters directly related to the duties of a member of the legislative or executive branch, such as fact-finding trips, but not including attendance at merely ceremonial events or pleasure trips. A lobbyist who provides transportation or lodging in connection with a fact-finding trip must be present at the event.

**Conferences or similar events.** There is also an exception for necessary expenditures for transportation and lodging provided in connection with a conference or similar event in which the member renders services, such as addressing an audience or engaging in a seminar, to the extent that those services are more than merely perfunctory. A lobbyist who provides transportation or lodging in connection with a conference or similar event must be present at the event.

**Incidental transportation.** The prohibition on lobbyist-paid transportation does not apply to transportation of incidental value, such as a short ride in a car or taxi.

*Note: A lobbyist is required to report lobby expenditures, including expenditures for transportation and lodging.*

## GIFT LAWS

Under chapter 36 of the Penal Code, most public servants, at both the state and local level, are subject to a prohibition on the acceptance of a benefit from someone subject to their jurisdiction. (The Governor and the Governor's employees, the Lieutenant Governor and the Lieutenant Governor's employees, and members of the legislature and legislative employees are subject to a prohibition on the acceptance of a benefit from anyone.) There are, however, exceptions to those prohibitions, including an exception for something worth less than \$50 and an exception for something from a close friend or family member. There is also a specific exception for benefits in the form of transportation and lodging accepted as a "guest" and reported in accordance with any applicable reporting requirement. In order for something to be accepted as a guest, the donor must be present.

# Revolving Door

## A GUIDE TO THE REVOLVING DOOR PROVISIONS

*THIS GUIDE IS FOR former board members, officers, and employees of certain agencies in the executive branch of state government. Chapter 572 of the Government Code contains three revolving door provisions. Each provision applies to different groups of former members, officers, and employees.*

*The revolving door provisions do not apply to former officers or employees of the legislative or judicial branches of state government.*

**Caveat:** *Other law “that restricts the representation of a person before a particular state agency by a former state officer or employee of that agency” prevails over the second and third provisions in section 572.054. For example, a former employee of the Public Utility Commission is not subject to the second or third revolving door provisions because the Public Utilities Regulatory Act contains a specific revolving door provision that applies to former employees of the Public Utility Commission.*

### The First Revolving Door Rule

#### Two-year Prohibition Applicable to Former State Officers and Employees

The first revolving door rule applies to all former state officers and employees of a state agency.

With respect to a contract for which a state agency first advertises or otherwise solicits bids, proposals, offers, or qualifications between September 1, 2015, and August 31, 2017, if a state officer or employee has participated on behalf of the agency in a procurement or contract negotiation involving any person, then he or she may not accept employment from that person for two years after the date he or she leaves the agency.

With respect to a contract for which a state agency first advertises or otherwise solicits bids, proposals, offers, or qualifications on or qualifications on or after September 1, 2017, if a state officer or employee of a state agency participated on behalf of the agency in a procurement or contract negotiation involving any person, then he or she may not accept employment from that person for two years after the date the contract is signed or the procurement is terminated or withdrawn.

### The Second Revolving Door Rule

#### Two-year Prohibition Applicable to Former Board Members and Executive Directors

The second revolving door rule applies to all former board members and former executive heads of regulatory agencies. For two years after a board member or executive head leaves a regulatory agency, he or she *may not* appear before or communicate with officers or employees of the agency with the intent to influence the board on behalf of any person in connection with any matter on which the person seeks official action.

The law is not an absolute prohibition on communications to an agency by a former board member or former executive head of the agency. *The restriction applies only to communications and appearances intended to influence agency action.* If, for example, a current board member calls a former board member to get information about past board activities, the former board member is free to provide information -- as long as the former board member does not try to influence the actions of the current board. This restriction applies regardless of who initiated the contact and even if a former board member or executive head is communicating on their "own behalf" with the intent to influence agency action, subject to any constitutional due process right to be heard by the agency.

### The Third Revolving Door Rule

#### Continual Prohibition Applicable to Former Board Members and Upper-level Employees

The third revolving door rule deals with work on specific “matters” and applies to all former officers and certain former employees of regulatory agencies.

**Former Officers.** The provision applies to a former “officer” of a regulatory agency. Board members of state agencies are officers. An individual elected or appointed as the head of an agency that does not have a board is an officer.

For example, the Agriculture Commissioner and the Insurance Commissioner are state officers.

**Former Employees Paid at or Above Certain Level.** The provision applies to a former employee of a regulatory agency whose ending pay was at or above the amount prescribed for salary group A17, of the state position classification salary schedule. (The 2020-2021 General Appropriations Act prescribed the minimum annual salary for that salary group (A17) as \$36,976 for fiscal years 2020 and 2021.) A former employee who received that amount or more at the time of leaving state employment is subject to the third revolving door rule, regardless of whether the former employee held a classified position or a position exempt from the classification schedule.

An officer or employee subject to the third revolving door prohibition *may never* represent a person or receive compensation for services rendered on behalf of any person regarding a "particular matter" in which he or she "participated" while serving with the agency, either through personal involvement or because the matter was within his or her official responsibility. In this context, "participated" means to have taken action as an officer or employee through decision, approval, disapproval, recommendation, giving advice, investigation, or similar action.

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The most common question raised about the third revolving door rule is whether proposed future employment would involve work on a "particular matter" that a person participated in as a state officer or employee. A "particular matter" is defined narrowly to mean something quite specific, such as an investigation, application, contract, rulemaking, or other administrative proceeding.

This means a person subject to the third revolving door prohibition may work on matters similar to matters he or she worked on as a state employee, but not on exactly the same matters. For example, a former employee of a regulatory agency who worked on Permit Application X at the agency could not leave the agency and work on Permit Application X on behalf of the applicant. The former employee could, however, work on Permit Application Z, even if Permit Application Z involved issues similar to the issues raised in connection with Permit Application X.

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**Representation of  
Nonprofit Organizations or  
Governmental Bodies**

All of the revolving door laws apply to activity on behalf of a "person." Under the revolving door laws, a "person" is an individual or business entity. It does not include a nonprofit organization or governmental body.

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**Penalties**

A violation of the second or third revolving door provisions is a Class A misdemeanor.

The Texas Ethics Commission may assess a civil penalty for a violation of any of the three revolving door laws.

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*Revised October 3, 2019*

# REVOLVING DOOR



## *LEAVING A STATE AGENCY?*

*A Texas Ethics Commission Guide to the  
Revolving Door Provisions in Chapter 572  
of the Texas Government Code*

## Consideration of Texas Certificate of High School Equivalency Test Fee Changes

February 3, 2023

### COMMITTEE OF THE FULL BOARD: ACTION STATE BOARD OF EDUCATION: ACTION

**SUMMARY:** This item provides the opportunity for the State Board of Education to consider fee increases to some Texas Certificate of High School Equivalency tests and policy changes requested by the vendor.

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§7.111](#).

Texas Education Code (TEC), §7.111, requires the State Board of Education (SBOE) to adopt rules to develop and deliver high school equivalency examinations and provide for the administration of the examinations online.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** The SBOE adopted 19 TAC Chapter 89, Adaptations for Special Populations, Subchapter C, Texas Certificate of High School Equivalency, to be effective September 1, 1996. Rules in 19 TAC Subchapter C, were last amended to be effective December 25, 2016. The board approved awarding a contract for the Texas Certificate of High School Equivalency Examination Provider to GED Testing Service at the April 2021 board meeting. GED Testing Service's request for a contract amendment to increase pricing for the GED Ready practice test was approved at the November 2021 board meeting.

**BACKGROUND INFORMATION AND JUSTIFICATION:** In January 2015, the Texas Education Agency (TEA) released a competitive request for proposals (RFP) to solicit proposals for a provider for the Texas Certificate of High School Equivalency examination. At the April 2015 SBOE meeting, TEA staff presented the results of the RFP. The SBOE requested that TEA extend the existing provider's Memorandum of Understanding for six months beyond the expiration date and begin the development of a new RFP to potentially identify multiple test providers.

At the July 2015 meeting, the committee held a public hearing. Additionally, at the July 2015 meeting, the board approved a decision matrix of requirements to be included in a future RFP. During the September 2015 meeting, the board approved the competitive RFP to be released in fall 2015.

On January 29, 2016, the board voted to award contracts to three separate companies, Data Recognition Corporation, Educational Testing Service, and GED Testing Service, to provide high school equivalency assessments in Texas. On September 16, 2016, the board gave the chair authority to sign new contracts with vendors beginning October 8, 2016, or when the vendors were ready to provide services and staff and the board chair were confident the vendor was able to execute the terms of the Request for Proposals.

On November 18, 2016, the board approved expanding the entities eligible to serve as official paper-based testing centers and defined the requirements for paper-based testing centers.

On November 16, 2018, the board instructed staff to proceed with renewal of existing contracts.

On February 1, 2019, the board approved the contract renewal for GED Testing Service with no amendments and approved the contract renewal for Educational Testing Service with an amendment to increase pricing for certain tests and services. Data Recognition Corporation notified TEA that it did not wish to renew its contract which would expire on August 31, 2019.

On November 15, 2019, the board instructed staff to proceed with the fiscal year 2021 renewal of existing contracts with GED Testing Service and Educational Testing Service and to proceed with the competitive procurement process for a fiscal year 2022 award.

On November 20, 2020, the board approved the content of the Texas Certificate of High School Equivalency Request for Proposals (RFP) for test providers.

On April 16, 2021, the board approved awarding a contract for the Texas Certificate of High School Equivalency Examination Provider to GED Testing Service, the sole respondent to the RFP.

On November 19, 2021, the board approved an increase in the price for the GED Ready test.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Approve the GED Testing Service's request to increase pricing for certain Texas Certificate of High School Equivalency tests and reduce the number of discounted retests as shown in the Attachment.

**Staff Members Responsible:**

Monica Martinez, Associate Commissioner, Standards and Programs

Cindee Tonnesen, Assistant Director, Texas Certificate of High School Equivalency, College, Career, and Military Preparation

**Attachment:**

GED Fee and Policy Changes

## GED Test Fee and Policy Changes

### Price per Battery (All 4 tests)

	GED Computer-based Test (CBT)* (Current)	GED CBT Test (Proposed)	GED Online Proctored (OP)** Test (No Changes)
Vendor Fee	\$80.00	<b>\$104.00</b>	\$144.00
State Administrative Fee	\$25.00	\$25.00	\$25.00
Test Center Reimbursement	\$40.00	\$40.00	\$0.00
<b>Total Fee per Battery</b>	<b>\$145.00</b>	<b>\$169.00</b>	<b>\$169.00</b>

\* Computer-based tests are administered in testing centers

\*\*Online Proctored tests are taken at home using a live online proctor

	GED Paper-based Test (PBT) for Accommodations (Current)	GED PBT for Accommodations (Proposed)	GED PBT for Corrections *** (Current)	GED PBT for Corrections (Proposed)
Vendor Fee	\$80.00	<b>\$104.00</b>	\$120.00	<b>\$144.00</b>
State Administrative Fee	\$25.00	\$25.00	\$25.00	\$25.00
Test Center Reimbursement	\$40.00	\$40.00	\$0.00	\$0.00
<b>Total Fee per Battery</b>	<b>\$145.00</b>	<b>\$169.00</b>	<b>\$145.00</b>	<b>\$169.00</b>

\*\*\*Corrections testing includes jails, prisons, rehabilitation centers and juvenile facilities

### Price per Test

	GED CBT Test (current)	GED CBT Test (Proposed)	GED OP Test (No Changes)
Individual Test Fee	\$20.00	<b>\$26.00</b>	\$36.00
State Administrative Fee	\$6.25	\$6.25	\$6.25
Test Center Reimbursement	\$10.00	\$10.00	\$0.00
<b>Total per subject</b>	<b>\$36.25</b>	<b>\$42.25</b>	<b>\$42.25</b>
<b>Discounted Retake Policy</b>	<b>Two</b> discounted retakes available within one year after the failed test.	<b>One</b> discounted retake available within one year after the failed test.	No discounted retakes available
<b>Retest Price</b>	<b>\$16.25</b>	<b>\$16.25</b>	<b>\$42.25</b>

## GED Test Fee and Policy Changes

	GED PBT for Accommodations (Current)	GED PBT for Accommodations (Proposed)	GED PBT for Corrections (Current)	GED PBT for Corrections (Proposed)
<b>Vendor Fee</b>	\$20.00	<b>\$26.00</b>	\$30.00	<b>\$36.00</b>
<b>State Administrative Fee</b>	\$6.25	\$6.25	\$6.25	\$6.25
<b>Test Center Reimbursement</b>	\$10.00	\$10.00	\$0.00	\$0.00
<b>Total Fee per Battery</b>	\$36.25	<b>\$42.25</b>	\$36.25	<b>\$42.25</b>
<b>Discounted Retake Policy</b>	<b>Two</b> discounted retakes available within one year after the failed test.	<b>One</b> discounted retake available within one year after the failed test.	No discounted retakes available	No discounted retakes available
<b>Retest Price</b>	\$16.25	\$16.25	\$36.25	<b>\$42.25</b>

## Legislative Recommendations for the 88<sup>th</sup> Texas Legislature

February 3, 2023

### **COMMITTEE OF THE FULL BOARD: ACTION**

### **STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** This item provides an opportunity for the board to discuss legislative recommendations to the 88th Texas Legislature.

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§7.102](#).

TEC, §7.102 permits the State Board of Education to perform those duties relating to school districts or regional education service centers assigned to the board by the Texas constitution or by provision of the education code. This section outlines the powers and duties provided to the board, which must be carried out with the advice and assistance of the commissioner of education.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** In preparation for each legislative session, the board adopts recommendations which are designed to improve the public education system of Texas. At its November 2022 meeting, the board adopted a set of recommendations for the 88th Texas Legislature. Recommendations are available on the TEA website at <https://tea.texas.gov/sites/default/files/88th-sboe-legislative-recommendations.pdf>

### **Staff Member Responsible:**

Hunter Thompson, Director of Governmental Relations



## Commissioner's Comments

February 1, 2023

**COMMITTEE OF THE FULL BOARD: DISCUSSION**  
**STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** This item provides an opportunity for the board to be briefed on current agenda items, agency operations, policy implementation, and public education-related legislation.

**BOARD RESPONSE:** Review and comment.

**BACKGROUND INFORMATION AND JUSTIFICATION:** On an as needed basis, the board will be briefed on significant public education issues and events.

**Staff Member Responsible:**

Yolanda Walker, Executive Director, State Board of Education Support Division

## Discussion of Proposed New Occupational Safety and Health Administration (OSHA) Course

February 3, 2023

### COMMITTEE OF THE FULL BOARD: DISCUSSION STATE BOARD OF EDUCATION: NO ACTION

**SUMMARY:** This item provides the opportunity for the board to discuss a proposed new high school career and technical education course related to Occupational Safety and Health Administration (OSHA) standards. The proposed new course would support student learning in workplace safety as part of select programs of study.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c), and 28.025(a).

TEC, §7.102(c)(4), requires the State Board of Education (SBOE) to establish curriculum and graduation requirements.

TEC, §28.002(a), identifies the subjects of the required curriculum.

TEC, §28.002(c), requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments.

TEC, §28.025(a), requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND SIGNIFICANT ISSUES:** In response to proposed updates to the state accountability system, TEA received feedback regarding the potential addition of industry-based certifications (IBCs) and/or additional courses to various career and technical education (CTE) programs of study. Specifically, the agency received feedback recommending the development and adoption of a new Texas Essential Knowledge and Skills (TEKS)-based course related to OSHA, which could be included in a variety of relevant programs of study. TEA staff provided this feedback to the SBOE at the November 2022 meeting and the SBOE agreed to move forward with development of a course for implementation beginning in the 2023-24 school year.

#### **Staff Members Responsible:**

Monica Martinez, Associate Commissioner, Standards and Programs  
Shelly Ramos, Senior Director, Curriculum Standards and Student Support

#### **Separate Exhibit:**

Text of Draft TEKS for the Proposed New OSHA Standards Course  
(to be provided at the January-February 2023 SBOE meeting)

## Update on Texas Essential Knowledge and Skills (TEKS) Review

February 3, 2023

### COMMITTEE OF THE FULL BOARD: ACTION

### STATE BOARD OF EDUCATION: ACTION

**SUMMARY:** This item provides the opportunity for staff to present an update on the review of the Texas Essential Knowledge and Skills (TEKS) and the English Language Proficiency Standards (ELPS).

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c); and 28.025(a).

TEC, §7.102(c)(4), requires the State Board of Education (SBOE) to establish curriculum and graduation requirements.

TEC, §28.002(a), identifies the subjects of the required curriculum.

TEC, §28.002(c), requires the SBOE to by rule identify the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments.

TEC, §28.025(a), requires the SBOE to by rule determine the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under the TEC, §28.002.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** The SBOE adopted the TEKS for all subjects effective September 1, 1998. The English language arts and reading TEKS were amended effective September 4, 2008. The Spanish language arts and reading TEKS were amended effective November 26, 2008. The TEKS for high school English elective courses were amended effective August 23, 2010. The English and Spanish language arts and reading TEKS for Kindergarten-Grade 8 were amended effective September 25, 2017, and the English language arts and reading and English as a second language (ESL) TEKS for high school were amended effective November 12, 2017. The K-12 TEKS for English and Spanish language arts and reading were again amended effective August 1, 2019, to make technical adjustments to the standards. The mathematics TEKS were amended effective August 1, 2006. The secondary mathematics TEKS were amended effective February 22, 2009. The mathematics TEKS were again amended effective September 12, 2012. The science TEKS were amended effective August 4, 2009 and were amended again to streamline the science TEKS effective August 27, 2018. The social studies TEKS were amended effective August 23, 2010 and were amended again to streamline the social studies TEKS in 2018. The career and technical education (CTE) TEKS were amended effective August 23, 2010. The CTE TEKS were again amended effective August 28, 2017. The fine arts TEKS were amended effective August 24, 2015. The TEKS for languages other than English (LOTE) were amended effective July 15, 2014, and December 31, 2014. The technology applications TEKS were amended effective September 26, 2011. The health education TEKS and the physical education TEKS were amended to be effective August 1, 2022. The science TEKS were once again amended effective April 28, 2021, November 30, 2021, and April 26, 2022. The revised science TEKS are scheduled to be implemented in the 2024-2025 school year. The technology applications TEKS were amended effective August 7, 2022, and are scheduled to be implemented in the 2024-2025 school year. At the November 2022 meeting, the SBOE approved proposed revisions to the social studies TEKS for implementation beginning in the 2024-2025 school year.

At the June 2019 SBOE meeting, the board held a work session to discuss updating the TEKS and instructional materials review and adoption schedule. At the September 2019 meeting, the board approved the schedule through the 2030-2031 school year. The board held another work session to discuss updates to the TEKS and instructional materials review and adoption schedule at the January 2021 meeting. The board approved updates to the TEKS and instructional materials review and adoption schedule at the April 2021 meeting.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The board received training from a standards writing advisor at the July 2014 meeting. The standards writing advisor provided additional training to Texas Education Agency (TEA) staff in October 2014 to support future facilitation of the TEKS review committees.

In 2017, the SBOE significantly revised the process for the review and revision of the TEKS. The 2017 TEKS review process was used for the streamlining of the social studies TEKS. At the November 2018 meeting, the SBOE approved updates to the 2017 TEKS review and revision process to better clarify the process. The updated process was used for the review of the physical education, health education, and science TEKS.

In early 2019, the SBOE began the review of the English Language Proficiency Standards (ELPS) in accordance with the SBOE's approved TEKS and instructional materials review schedule. At the January 2021 meeting, the board held a work session to discuss the timeline for the TEKS review and revision process and associated activities, including updates to State Board for Educator Certification teacher assignment rules and certification exams, adoption of instructional materials, and the completion of the Texas Resource Review. TEA provided an overview of career and technical education (CTE) programs of study and a skills gap analysis to inform the review and revision of the CTE TEKS. The board discussed potential adjustments to the TEKS and Instructional Materials Review and Adoption Schedule. At the April 2021 meeting, the SBOE approved revisions to the TEKS and Instructional Materials Review and Adoption Schedule.

At the June and November 2021 SBOE meetings, the board discussed the review of the social studies TEKS. Work groups were convened to develop recommendations for the social studies TEKS in January, February, March, April, May, June, July, and August 2022. At a special called meeting held August 1, 2022, the SBOE discussed the proposed new social studies TEKS and held a public hearing regarding the new standards. The board determined that it would not move forward with new social studies TEKS at its August/September 2022 meeting. Instead, the board asked TEA staff to bring to the next meeting a draft of the current standards that only adds content to address requirements from Senate Bill (SB) 3, 87th Texas Legislature, Second Called Session, 2021.

At the November 2023 SBOE meeting, the board approved for second reading and final adoption proposed amendments to 19 TAC Chapter 113, Texas Essential Knowledge and Skills for Social Studies, Subchapter A, Elementary, Subchapter B, Middle School, and Subchapter C, High School. Additionally at that meeting, the board approved a CTE TEKS review process that mirrors the process for other subjects, but accounts for factors unique to CTE. Staff provided SBOE members with applications received for work group members to review and revise entrepreneurship and career preparation CTE courses. The approvals were due to TEA staff on December 1, 2022.

**Staff Members Responsible:**

Monica Martinez, Associate Commissioner, Standards and Programs

Shelly Ramos, Senior Director, Curriculum Standards and Student Support

**Consideration of Petition for Amendment of Rule Concerning 19 TAC Chapter 100, Charters,  
Subchapter A, Open-Enrollment Charter Schools, §100.1, Selection Process**

**February 3, 2023**

**COMMITTEE OF THE FULL BOARD: ACTION**  
**STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** A petition to amend 19 Texas Administrative Code (TAC) Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools, §100.1, Selection Process, has been received from the Texas Public Charter Schools Association. The petition requests that the rule be amended to remove subsection (d), which establishes a period of no contact between open-enrollment charter applicants and any person or entity acting on their behalf with the commissioner, the commissioner's designee, a member of the State Board of Education, or a member of an external application review panel. This item provides an opportunity for the State Board of Education (SBOE) to consider the petition.

**STATUTORY AUTHORITY:** Texas Government Code (TGC), §2001.021 and §2001.004; Texas Education Code (TEC), §12.101; and 19 TAC §30.1.

Texas Government Code, §2001.021, provides that any interested person may petition a state agency adopt a rule change. It also requires a state agency to either deny the petition in writing or initiate rulemaking proceedings.

Texas Government Code, §2001.004, provides that a state agency shall adopt rules of practice stating the nature and requirements of all available formal and informal procedures. It also requires a state agency to make available for public inspection all rules and other written statements of policy or interpretations that are prepared, adopted, or used by the agency in discharging its functions.

TEC, §12.101, requires the commissioner to notify the SBOE of each charter the commissioner proposes to grant. It also establishes that unless, before the 90th day after the date on which the board receives the notice from the commissioner, a majority of the members of the board present and voting vote against the grant of that charter, the commissioner's proposal to grant each charter takes effect.

19 TAC §30.1 allows any interested person to petition the SBOE for the adoption, amendment, or repeal of an SBOE rule and establishes the procedures for the review of a petition for a rule change.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Ms. Starlee Coleman of the Texas Public Charter Schools Association submitted to the SBOE a petition requesting that rule language that establishes the period of no contact under 19 TAC §100.1 be repealed.

The petitioner stated that the no-contact rule is unnecessary. The petitioner stated that, "No-Contact rules are intended to protect the integrity of the procurement process between vendors/providers and the contracting agency. Because approved open-enrollment public charter schools enter into a contract with the Texas Education Agency (TEA), a short no-contact period between the applicants and the Commissioner and members of the external application review panel may, upon first glance, appear justifiable. However, an analogy to procurement falls apart upon examination. Unlike typical procurements wherein multiple vendors compete for the same business, charter applicants are not in direct competition with one another. An applicant either passes muster or it does not. Applicants who fail to

meet TEA standards are removed from the process, and even if an applicant is recommended to the SBOE, there is no guarantee of approval. Moreover, we strongly believe that blocking the applicant as well as those associated with the applicant, from contact with elected SBOE members is uniquely unnecessary. The SBOE holds a vote to (1) veto or (2) take no action on the Commissioner's recommendation, but the SBOE never directly negotiates or contracts with the applicant or school. If an applicant is finally approved, only TEA negotiates terms and conditions with the approved applicant, thereby rendering a No-Contact rule moot and unfounded."

The petitioner also stated that the no-contact rule is unfair. The petition stated that, "Notably, the SBOE rule does not apply to all interested parties, but only to applicants and their supporters. Those in opposition remain free to contact their elected officials. If the intention truly was to allow SBOE members to make uninfluenced decisions, the rules would apply equally to all parties. Instead, this was a politically-driven effort that results in SBOE members only hearing from those opposed to the application, while supporters are purposefully excluded and silenced."

The petitioner also stated that the no-contact rule is unconstitutional. The petitioner stated that, "We have identified no other state agency that penalizes constituents for petitioning elected officials. Section 27 of the Texas Constitution mirrors the Federal Constitutional right to petition one's government: Texans have the right to "apply to those invested with the powers of government for redress of grievances or other purposes, by petition, address, or remonstrance." This No-Contact Rule is content- and person-based discrimination, and creates a valid Constitutional complaint that would be ratified by Federal and Texas courts."

The petition, which provides the petitioner's rationale and justification, is presented as Attachment I of this item.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Direct Texas Education Agency staff to initiate rulemaking proceedings; or

Deny the petition to amend the rule concerning the no-contact provision.

**Staff Members Responsible:**

Kelvey Oeser, Deputy Commissioner, Educator and System Support  
Marian Schutte, Director, Authorizing

**Attachment I:**

Petition to Amend Rule Concerning No-Contact Provision

**Attachment II:**

Text of 19 TAC Chapter 100, Charters, Subchapter A, Open-Enrollment Charter Schools, §100.1, Selection Process

**Figure: 19 TAC §30.1(a)**

## STATE BOARD OF EDUCATION

### Petition for Adoption of a Rule

The Texas Government Code, §2001.021, provides that any interested person may petition an agency requesting the adoption of a rule.

The petition should be signed and submitted:

by mail to Rulemaking Division, Texas Education Agency, 1701 North Congress Avenue, Austin, Texas 78701-1494; or

by using the email button at the bottom of this petition form or by emailing directly to *rules@tea.texas.gov*.

Name: Starlee Coleman

Affiliation/Organization (if applicable): Texas Public Charter Schools Association

Address: 3005 S. Lamar Blvd., Ste D-447 Austin, TX 78704

Email Address: scoleman@txcharterschools.org

Telephone: 512-584-8282

Date: 11/30/2022

Texas Government Code, §2001.021, specifies that an interested person must meet one of the following criteria. Please check all of the following that apply to you.

- resident of Texas
- business entity located in Texas
- governmental subdivision located in Texas
- public or private organization located in Texas that is not a state agency

Proposed rule text (indicate words to be added or deleted from the current text):

Delete 19 TAC §100.1. Selection Process, subsection (d).

(d) An applicant for an open-enrollment charter, or any person or entity acting on behalf of an applicant for an open-enrollment charter, shall not communicate with the commissioner or the commissioner's designee, a member of the SBOE, or a member of an external application review panel concerning a charter school application Statutory authority for the proposed rule action:

SB 2, 83rd Texas Legislature, Regular Session, 2013, granted the Commissioner of Education the authority to establish the contents of the charter application and the criteria by which new charters would be awarded. While Why is this rule action necessary or desirable?

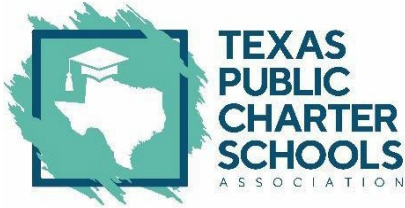
The SBOE No-Contact rule is unnecessary. No-Contact rules are intended to protect the integrity of the procurement process between vendors/providers and the contracting agency. Because approved open-enrollment public charter schools enter into a contract with the Texas Education Agency (TEA), a short no-contact period (If more space is required, attach additional sheets.)

Starlee Coleman

Petitioner's Signature

(Typing your name in the field above serves as your signature for the purposes of this petition.)

Click here to submit petition form



November 30, 2022

Commissioner Mike Morath  
Texas Education Agency  
1701 North Congress Avenue  
Austin, TX 78701

RE: TPCSA Submission of TAC §30.1 Petition for Adoption of Rule Changes

Dear Commissioner Morath,

The Texas Public Charter Schools Association (TPCSA) is a non-profit membership organization that serves the vast majority of the state's 870 charter school campuses with a total enrollment of more than 375,000 students. TPCSA's mission is to support and advocate for a policy and regulatory climate that ensures every student in Texas has access to ever-improving public school options.

As you know, in 2013 the 83<sup>rd</sup> Texas Legislature passed SB 2, which shifted greater authority over the application and approval process for public charter schools from the State Board of Education (SBOE) to the Commissioner. In August 2014, the SBOE updated its portion of the Chapter 100 rules to accommodate these changes.

At that time, the SBOE adopted a "No-Contact Rule" that allows the disqualification of an applicant for an open-enrollment charter if the applicant or its designee contacts SBOE Members in the period between the submission of the application and 90 days after the Commissioner proposes charter school awards:

**19 TAC §100.1. Selection Process.**

*(d) An applicant for an open-enrollment charter, or any person or entity acting on behalf of an applicant for an open-enrollment charter, shall not communicate with the commissioner or the commissioner's designee, a member of the SBOE, or a member of an external application review panel concerning a charter school application beginning on the date the application is submitted and ending 90 days after the commissioner's proposal. The SBOE may veto a proposed application for violation of this subsection.*

**We believe this No-Contact period in the SBOE rules is unnecessary, unfair, and unconstitutional.**

- **The SBOE No-Contact rule is unnecessary.** No-Contact rules are intended to protect the integrity of the procurement process between vendors/providers and the contracting agency. Because approved open-enrollment public charter schools enter into a contract with the Texas Education Agency (TEA), a short no-contact period between the applicants and the Commissioner and members of the external application review panel may, upon first glance, appear justifiable.



However, an analogy to procurement falls apart upon examination. Unlike typical procurements wherein multiple vendors compete for the same business, charter applicants are not in direct competition with one another. An applicant either passes muster or it does not. Applicants who fail to meet TEA standards are removed from the process, and even if an applicant is recommended to the SBOE, there is no guarantee of approval.

Moreover, we strongly believe that blocking the applicant, as well as those associated with the applicant, from contact with elected SBOE members is uniquely unnecessary. The SBOE holds a vote to (1) veto or (2) take no action on the Commissioner's recommendation, but the SBOE never directly negotiates or contracts with the applicant or school. If an applicant is finally approved, only TEA negotiates terms and conditions with the approved applicant, thereby rendering a No-Contact rule moot and unfounded.

- **The SBOE no-contact rule is unfair.** Notably, the SBOE rule does not apply to all interested parties, but only to applicants and their supporters. Those in opposition remain free to contact their elected officials. If the intention truly was to allow SBOE members to make uninfluenced decisions, the rules would apply equally to all parties. Instead, this was a politically-driven effort that results in SBOE members only hearing from those opposed to the application, while supporters are purposefully excluded and silenced.
- **The SBOE no-contact rule is unconstitutional.** We have identified no other state agency that penalizes constituents for petitioning elected officials. Section 27 of the Texas Constitution mirrors the Federal Constitutional right to petition one's government: Texans have the right to "apply to those invested with the powers of government for redress of grievances or other purposes, by petition, address, or remonstrance." This No-Contact Rule is content- and person-based discrimination, and creates a valid Constitutional complaint that would be ratified by Federal and Texas courts.

For the above-outlined reasons, we are submitting this petition to TEA in accordance with the required process in TAC §30.1 Petition for Adoption of Rule Changes. We encourage the SBOE to take action at its January 2023 meeting to repeal this unfounded rule.

We appreciate your consideration of this petition and look forward to TEA's response.

Thank you,



Starlee Coleman  
CEO

**ATTACHMENT II**  
**Text of 19 TAC**

**Chapter 100. Charters**

**Subchapter A. Open-Enrollment Charter Schools**

**§100.1. Selection Process.**

- (a) In accordance with the Texas Education Code (TEC), §12.101, a State Board of Education (SBOE) member shall be designated by the SBOE chair to work in coordination with the commissioner of education on the review of TEC, Chapter 12, Subchapter D, open-enrollment charter school applicants.
- (b) Following the commissioner's notification to the SBOE of the charters the commissioner proposes to grant, a majority of the SBOE members present and voting may vote to veto the commissioner's proposed charter(s) or may vote to take no action. The SBOE's consideration of the proposed charters will occur no later than 90 days following the commissioner's notification.
- (c) The SBOE may not vote or deliberate on any charter application that has not been proposed by the commissioner. For purposes of this section, deliberation is defined in Texas Government Code, §551.001.
- (d) An applicant for an open-enrollment charter, or any person or entity acting on behalf of an applicant for an open-enrollment charter, shall not communicate with the commissioner or the commissioner's designee, a member of the SBOE, or a member of an external application review panel concerning a charter school application beginning on the date the application is submitted and ending 90 days after the commissioner's proposal. The SBOE may veto a proposed application for violation of this subsection.

*Statutory Authority: The provisions of this §100.1 issued under the Texas Education Code, §12.101.*

*Source: The provisions of this §100.1 adopted to be effective October 21, 2014, 39 TexReg 8265.*

**Discussion of Proposed Amendment to 19 TAC Chapter 61, School Districts,  
Subchapter A, Board of Trustees Relationship,  
§61.1, Continuing Education for School Board Members**

February 2, 2023

**COMMITTEE OF THE FULL BOARD: DISCUSSION  
STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** This item provides an opportunity for the committee to discuss a proposed amendment to 19 Texas Administrative Code (TAC) Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship, §61.1, Continuing Education for School Board Members. The proposed amendment would update the requirements to be a registered provider of school board member training.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §11.159.

TEC, §11.159, requires the SBOE to provide a training course for independent school district trustees.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**FUTURE ACTION EXPECTED:** The proposed amendment to §61.1 will be presented for first reading and filing authorization at the April 2023 SBOE meeting.

**BACKGROUND INFORMATION AND JUSTIFICATION:** TEC, §11.159, Member Training and Orientation, requires the SBOE to provide a training course for school board trustees. Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship, addresses this statutory requirement. School board trustee training under current SBOE rule includes a local school district orientation session; a basic orientation to the TEC; an annual team-building session with the local school board and the superintendent; specified hours of continuing education based on identified needs; training on evaluating student academic performance; training on identifying and reporting potential victims of sexual abuse, human trafficking, and other maltreatment of children; and training on school safety. In addition to establishing the conditions for the training courses required for school district trustees, §61.1 establishes the criteria for both registered providers of school board training and authorized providers of school board training.

**Staff Members Responsible:**

Steve Lecholop, Deputy Commissioner, Governance

Christopher Lucas, Director, Policy, Planning, and Operations, Governance

**Attachment:**

Text of 19 TAC Chapter 61, School Districts, Subchapter A, Board of Trustees Relationship, §61.1, Continuing Education for School Board Members

**ATTACHMENT  
Text of 19 TAC**

**Chapter 61. School Districts**

**Subchapter A. Board of Trustees Relationship**

**§61.1. Continuing Education for School Board Members.**

- (a) Under the Texas Education Code (TEC), §11.159, the State Board of Education (SBOE) shall adopt a framework for governance leadership to be used in structuring continuing education for school board members. The framework shall be posted to the Texas Education Agency (TEA) website and shall be distributed annually by the president of each board of trustees to all current board members and the superintendent.
- (b) The continuing education required under the TEC, §11.159, applies to each member of an independent school district board of trustees.
  - (1) Each school board member of an independent school district shall complete a local district orientation.
    - (A) The purpose of the local orientation is to familiarize new board members with local board policies and procedures and district goals and priorities.
    - (B) A candidate for school board may complete the training up to one year before he or she is elected or appointed. A newly elected or appointed school board member who did not complete this training in the year preceding his or her election or appointment must complete the training within 120 calendar days after election or appointment.
    - (C) The orientation shall be at least three hours in length.
    - (D) The orientation shall address local district practices in the following, in addition to topics chosen by the local district:
      - (i) curriculum and instruction;
      - (ii) business and finance operations;
      - (iii) district operations;
      - (iv) superintendent evaluation; and
      - (v) board member roles and responsibilities.
    - (E) Each board member should be made aware of the continuing education requirements of this section and those of the following:
      - (i) open meetings act in Texas Government Code, §551.005;
      - (ii) public information act in Texas Government Code, §552.012; and
      - (iii) cybersecurity in Texas Government Code, §2054.5191.
    - (F) The orientation shall be open to any board member who chooses to attend.
  - (2) Each school board member of an independent school district shall complete a basic orientation to the TEC and relevant legal obligations.
    - (A) The orientation shall have special, but not exclusive, emphasis on statutory provisions related to governing Texas school districts.
    - (B) A candidate for school board may complete the training up to one year before he or she is elected or appointed. A newly elected or appointed school board member who did not complete this training in the year preceding his or her election or appointment must complete the training within 120 calendar days after election or appointment.

- (C) The orientation shall be at least three hours in length.
  - (D) Topics shall include, but not be limited to, the TEC, Chapter 26 (Parental Rights and Responsibilities), and the TEC, §28.004 (Local School Health Advisory Council and Health Education Instruction).
  - (E) The orientation shall be provided by a regional education service center (ESC).
  - (F) The orientation shall be open to any board member who chooses to attend.
  - (G) The continuing education may be fulfilled through online instruction, provided that the training incorporates interactive activities that assess learning and provide feedback to the learner and offers an opportunity for interaction with the instructor.
  - (H) The ESC shall determine the clock hours of training credit to be awarded for successful completion of an online course and shall provide verification of completion as required in subsection (h) of this section.
- (3) After each session of the Texas Legislature, including each regular session and called session related to education, each school board member shall complete an update to the basic orientation to the TEC.
- (A) The update session shall be of sufficient length to familiarize board members with major changes in statute and other relevant legal developments related to school governance.
  - (B) The update shall be provided by an ESC or a registered provider, as defined by subsection (c) of this section.
  - (C) A board member who has attended an ESC basic orientation session described in paragraph (2) of this subsection that incorporated the most recent legislative changes is not required to attend an update.
  - (D) The continuing education may be fulfilled through online instruction, provided that the training is designed and offered by a registered provider, incorporates interactive activities that assess learning and provide feedback to the learner, and offers an opportunity for interaction with the instructor.
  - (E) The ESC or registered provider shall determine the clock hours of training credit to be awarded for successful completion of an online course and shall provide verification of completion as required in subsection (h) of this section.
- (4) The entire board shall participate with their superintendent in a team-building session.
- (A) The purpose of the team-building session is to enhance the effectiveness of the board-superintendent team and to assess the continuing education needs of the board-superintendent team.
  - (B) The session shall be held annually.
  - (C) The session shall be at least three hours in length.
  - (D) The session shall include a review of the roles, rights, and responsibilities of a local board as outlined in the framework for governance leadership described in subsection (a) of this section.
  - (E) The assessment of needs shall be based on the framework for governance leadership described in subsection (a) of this section and shall be used to plan continuing education activities for the year for the governance leadership team.
  - (F) The team-building session shall be provided by an ESC or a registered provider as described in subsection (c) of this section.
  - (G) The superintendent's participation in team-building sessions as part of the continuing education for board members shall represent one component of the superintendent's ongoing professional development.

- (5) In addition to the continuing education requirements in paragraphs (1) through (4) of this subsection, each board member shall complete additional continuing education based on the framework for governance leadership described in subsection (a) of this section.
- (A) The purpose of continuing education is to address the continuing education needs referenced in paragraph (4) of this subsection.
  - (B) The continuing education shall be completed annually.
  - (C) In a board member's first year of service, he or she shall complete at least ten hours of continuing education in fulfillment of assessed needs.
  - (D) Following a board member's first year of service, he or she shall complete at least five hours of continuing education annually in fulfillment of assessed needs.
  - (E) A board president shall complete continuing education related to leadership duties of a board president as some portion of the annual requirement.
  - (F) At least 50% of the continuing education shall be designed and delivered by persons not employed or affiliated with the board member's local school district. No more than one hour of the required continuing education that is delivered by the local district may utilize self-instructional materials.
  - (G) The continuing education shall be provided by an ESC or a registered provider, as defined by subsection (c) of this section.
  - (H) The continuing education may be fulfilled through online instruction, provided that the training is designed and offered by a registered provider, incorporates interactive activities that assess learning and provide feedback to the learner, and offers an opportunity for interaction with the instructor.
  - (I) The ESC or registered provider shall determine the clock hours of training credit to be awarded for successful completion of an online course and shall provide verification of completion as required in subsection (h) of this section.
- (6) Each school board member shall complete continuing education on evaluating student academic performance and setting individual campus goals for early childhood literacy and mathematics and college, career, and military readiness.
- (A) The purpose of the training on evaluating student academic performance is to provide research-based information to board members that is designed to support the oversight role of the board of trustees outlined in the TEC, §11.1515.
  - (B) The purpose of the continuing education on setting individual campus goals for early childhood literacy and mathematics and college, career, and military readiness is to facilitate boards meeting the requirements of TEC, §11.185 and §11.186.
  - (C) A candidate for school board may complete the training up to one year before he or she is elected or appointed. A newly elected or appointed school board member who did not complete this training in the year preceding his or her election or appointment must complete the training within 120 calendar days after election or appointment.
  - (D) The continuing education shall be completed every two years.
  - (E) The training shall be at least three hours in length.
  - (F) The continuing education required by this subsection shall include, at a minimum:
    - (i) instruction in school board behaviors correlated with improved student outcomes with emphasis on:
      - (I) setting specific, quantifiable student outcome goals; and
      - (II) adopting plans to improve early literacy and numeracy and college, career, and military readiness for applicable student groups evaluated in

the Closing the Gaps domain of the state accountability system established under TEC, Chapter 39;

- (ii) instruction in progress monitoring practices to improve student outcomes; and
  - (iii) instruction in state accountability with emphasis on the Texas Essential Knowledge and Skills, state assessment instruments administered under the TEC, Chapter 39, and the state accountability system established under the TEC, Chapter 39.
- (G) The continuing education shall be provided by an authorized provider as defined by subsection (d) of this section.
- (H) If the training is attended by an entire school board and its superintendent, includes a review of local school district data on student achievement, and otherwise meets the requirements of subsection (b)(4) of this section, the training may serve to meet a school board member's obligation to complete training under subsection (b)(4) and (6) of this section, as long as the training complies with the Texas Open Meetings Act.
- (7) Each board member shall complete continuing education on identifying and reporting potential victims of sexual abuse, human trafficking, and other maltreatment of children in accordance with TEC, §11.159(c)(2).
- (A) A candidate for school board may complete the training up to one year before he or she is elected or appointed. A newly elected or appointed school board member who did not complete this training in the year preceding his or her election or appointment must complete the training within 120 calendar days after election or appointment.
  - (B) The training shall be completed every two years.
  - (C) The training shall be at least one hour in length.
  - (D) The training must familiarize board members with the requirements of TEC, §38.004 and §38.0041, and §61.1051 of this title (relating to Reporting Child Abuse or Neglect, Including Trafficking of a Child).
  - (E) The training required by this subsection shall include, at a minimum:
    - (i) instruction in best practices of identifying potential victims of child abuse, human trafficking, and other maltreatment of children;
    - (ii) instruction in legal requirements to report potential victims of child abuse, human trafficking, and other maltreatment of children; and
    - (iii) instruction in resources and organizations that help support victims and prevent child abuse, human trafficking, and other maltreatment of children.
  - (F) The training sessions shall be provided by a registered provider as defined by subsection (c) of this section.
  - (G) This training may be completed online, provided that the training is designed and offered by a registered provider, incorporates interactive activities that assess learning and provide feedback to the learner, and offers an opportunity for interaction with the instructor.
  - (H) The registered provider shall determine the clock hours of training credit to be awarded for successful completion of an online course and shall provide verification of completion as required in subsection (h) of this section.
- (c) For the purposes of this section, a registered provider has demonstrated proficiency in the content required for a specific training. A private or professional organization, school district, government agency, college/university, or private consultant shall register with the TEA to provide the board member continuing education required in subsection (b)(3), (5), and (7) of this section.

- (1) The registration process shall include documentation of the provider's training and/or expertise in the activities and areas covered in the framework for governance leadership.
  - (2) An updated registration shall be required of a provider of continuing education every three years.
  - (3) A school district that provides continuing education exclusively for its own board members is not required to register.
  - (4) An ESC is not required to register under this subsection.
- (d) An authorized provider meets all the requirements of a registered provider and has demonstrated proficiency in the content required in subsection (b)(4) and (6) of this section. Proficiency may be demonstrated by completing a TEA-approved train-the-trainer course that includes evaluation on the topics and following a review of the provider's qualifications and course design, or through other means as determined by the commissioner.
- (1) A private or professional organization, school district, government agency, college/university, or private consultant may be authorized by TEA to provide the board member training required in subsection (b)(4) and (6) of this section.
  - (2) An ESC shall be authorized by TEA to provide the board member training required in subsection (b)(4) and (6) of this section.
  - (3) The authorization process shall include documentation of the provider's training and/or expertise in the activities and areas covered in the framework for governance leadership.
  - (4) An updated authorization shall be required of a provider of training every three years.
- (e) No continuing education shall take place during a school board meeting unless that meeting is called expressly for the delivery of board member continuing education. However, continuing education may take place prior to or after a legally called board meeting in accordance with the provisions of the Texas Government Code, §551.001(4).
- (f) An ESC board member continuing education program shall be open to any interested person, including a current or prospective board member. A district is not responsible for any costs associated with individuals who are not current board members.
- (g) A registration fee shall be determined by ESCs to cover the costs of providing continuing education programs offered by ESCs.
- (h) For each training described in this section, the provider of continuing education shall provide verification of completion of board member continuing education to the individual participant and to the participant's school district. The verification must include the provider's authorization or registration number.
- (i) To the extent possible, the entire board shall participate in continuing education programs together.
- (j) At the last regular meeting of the board of trustees before an election of trustees, the current president of each local board of trustees shall announce the name of each board member who has completed the required continuing education, who has exceeded the required hours of continuing education, and who is deficient in meeting the required continuing education as of the anniversary of the date of each board member's election or appointment to the board or two-year anniversary of his or her previous training, as applicable. The announcement shall state that completing the required continuing education is a basic obligation and expectation of any sitting board member under SBOE rule. The minutes of the last regular board meeting before an election of trustees must reflect whether each trustee has met or is deficient in meeting the training required for the trustee as of the first anniversary of the date of the trustee's election or appointment or two-year anniversary of his or her previous training, as applicable. The president shall cause the minutes of the local board to reflect the announcement and, if the minutes reflect that a trustee is deficient in training as of the anniversary of his or her joining the board, the district shall post the minutes on the district's Internet website within 10 business days of the meeting and maintain the posting until the trustee meets the requirements.



- (k) Annually, the SBOE shall commend those local board-superintendent teams that complete at least eight hours of the continuing education specified in subsection (b)(4) and (5) of this section as an entire board-superintendent team.
- (l) Annually, the SBOE shall commend local board-superintendent teams that effectively implement the commissioner's trustee improvement and evaluation tool developed under the TEC, §11.182, or any other tool approved by the commissioner.
- (m) This section will be implemented May 1, 2020. This section as it read prior to adoption by the SBOE at its January 2020 meeting controls continuing education for school board members until May 1, 2020.

## Discussion of Pending Litigation

February 1, 2023

### **COMMITTEE OF THE FULL BOARD: DISCUSSION STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** The State Board of Education (SBOE) may enter into executive session in accordance with the Texas Government Code, §551.071(1)(A), to discuss pending and contemplated litigation with the general counsel, legal staff, and, if necessary, attorney(s) from the Attorney General's Office. The Committee of the Full Board will meet in Room 1-103 to discuss any litigation arising after the date of posting or reasonably contemplated as of the date of the board meeting.

**BOARD RESPONSE:** Board may advise and comment.

**BACKGROUND INFORMATION AND JUSTIFICATION:** At every regularly scheduled meeting, the SBOE has the opportunity to be apprised of pending litigation as the need arises. The SBOE may also receive continued briefing on procedural developments.

**Staff Member Responsible:**

Von Byer, General Counsel, Legal Services

# **COMMITTEE ON INSTRUCTION**

## **Election of Chair**

**February 2, 2023**

**COMMITTEE ON INSTRUCTION: ACTION**  
**STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** State Board of Education (SBOE) operating rules call for each committee to elect a chair from among its members. This item provides an opportunity for the Committee on Instruction to elect a chair at this meeting if the SBOE retains the existing committee structure. The chair may then appoint a vice chair. If the board changes the committee structure, the committee may elect a member to preside over this first meeting only.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), [§7.107\(b\)](#).

TEC, §7.107(b) requires the SBOE to organize and adopt operating rules at the first meeting after an election and qualification of new members.

The full text of statutory citation can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** A committee chair was last elected on January 28, 2021.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The board is required to organize at the first meeting after the election and qualification of new members. Section 1.2(e) of the board's operating rules requires each standing committee to elect a chair from among its members and the chair may appoint a vice chair. An officer of the board is not eligible to serve as the chair of a standing committee.

**Staff Member Responsible:**

Yolanda M. Walker, Executive Director, State Board of Education Support Division

**Proposed New 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics,  
Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP)  
Precalculus (One Credit)  
(Second Reading and Final Adoption)**

**February 3, 2023**

**COMMITTEE ON INSTRUCTION: ACTION**  
**STATE BOARD OF EDUCATION: CONSENT**

**SUMMARY:** This item presents for second reading and final adoption proposed new 19 Texas Administrative Code (TAC) Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56 Advanced Placement (AP) Precalculus. The proposal would add a new Advanced Placement (AP) mathematics course to align with current offerings from the College Board. No changes are recommended since approved for first reading.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §§7.102(c)(4); 28.002(a) and (c); and 28.025(a).

TEC, §7.102(c)(4), requires the State Board of Education (SBOE) to establish curriculum and graduation requirements.

TEC, §28.002(a), identifies the subjects of the required curriculum.

TEC, §28.002(c), requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments.

TEC, §28.025(a), requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**EFFECTIVE DATE:** The proposed effective date of the proposed new section is August 1, 2023. Under TEC, §7.102(f), the SBOE must approve the rule action at second reading and final adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2023-2024 school year. The earlier effective date will allow students in Texas to earn state credit toward graduation in the first school year the course is made available by College Board.

**PREVIOUS BOARD ACTION:** The SBOE adopted the Texas Essential Knowledge and Skills (TEKS) for mathematics effective September 1, 1998. The mathematics TEKS were amended effective August 1, 2006. The secondary mathematics TEKS were amended effective February 22, 2009. The mathematics TEKS were again amended effective September 12, 2012. At the August-September 2022 meeting, the SBOE discussed the addition of a new AP Precalculus course that has been created by the College Board.

The board approved proposed new §111.56 for first reading and filing authorization at the November 2022 SBOE meeting.

**BACKGROUND INFORMATION AND JUSTIFICATION:** For students to earn state credit toward specific graduation requirements, a course must be approved by the SBOE and included in SBOE

administrative rule. In September 2023, the College Board will add a new mathematics course to its AP course catalog. The proposed new rule would add a new AP course to the mathematics TEKS so that school districts and charter schools may offer the new AP Precalculus course for state credit toward mathematics graduation requirements. Proposed new §111.56 was approved for first reading and filing authorization at the November 2022 SBOE meeting.

The attachment to this item presents the text of proposed new §111.56 for consideration by the SBOE for second reading and final adoption.

**FISCAL IMPACT:** No changes have been made to this section since published as proposed.

Texas Education Agency (TEA) has determined that there are no additional costs to state or local government required to comply with the proposal.

**LOCAL EMPLOYMENT IMPACT:** No changes have been made to this section since published as proposed.

The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

**SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT:** No changes have been made to this section since published as proposed.

The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

**COST INCREASE TO REGULATED PERSONS:** No changes have been made to this section since published as proposed.

The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

**TAKINGS IMPACT ASSESSMENT:** No changes have been made to this section since published as proposed.

The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

**GOVERNMENT GROWTH IMPACT:** No changes have been made to this section since published as proposed.

TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create a new regulation by adding TEKS for a new AP mathematics course.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not

increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

**PUBLIC BENEFIT AND COST TO PERSONS:** No changes have been made to this section since published as proposed.

The proposal would add flexibility in course options for students to meet high school graduation requirements. There is no anticipated economic cost to persons who are required to comply with the proposal.

**DATA AND REPORTING IMPACT:** No changes have been made to this section since published as proposed.

The proposal would have no data and reporting impact.

**PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS:** No changes have been made to this section since published as proposed.

TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

**PUBLIC COMMENTS:** Following the November 2022 SBOE meeting, notice of proposed new §111.56 was filed with the Texas Register, initiating the public comment period. The public comment period began December 23, 2022, and ended at 5:00 p.m. on January 27, 2023. A summary of public comments received will be provided to the SBOE during the January-February 2023 meeting. The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in January-February 2023 in accordance with the SBOE board operating policies and procedures.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Approve for second reading and final adoption proposed new 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit); and

Make an affirmative finding that immediate adoption of proposed new 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit), is necessary and shall have an effective date of August 1, 2023. *(Per TEC, §7.102(f), a vote of two-thirds of the members of the board is necessary for an earlier effective date.)*

**Staff Members Responsible:**

Monica Martinez, Associate Commissioner, Standards and Programs

Shelly Ramos, Senior Director, Curriculum Standards and Student Support

**Attachment:**

Text of Proposed New 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit)

**ATTACHMENT**  
**Text of Proposed New 19 TAC**

**Chapter 111. Texas Essential Knowledge and Skills for Mathematics**

**Subchapter D. Other High School Mathematics Courses**

**§111.56. Advanced Placement (AP) Precalculus (One Credit).**

- (a) General requirements. Students shall be awarded one credit for successful completion of this course. Recommended prerequisites: Algebra II and Geometry.
- (b) Content requirements. Content requirements for Advanced Placement (AP) Precalculus are prescribed in the College Board Publication *Advanced Placement Course Description Mathematics: Precalculus*, published by The College Board. This publication may be obtained from the College Board Advanced Placement Program.



**Proposed Revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School  
(Second Reading and Final Adoption)**

**February 3, 2023**

**COMMITTEE ON INSTRUCTION: ACTION**  
**STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** This item presents for second reading and final adoption proposed revisions to 19 Texas Administrative Code (TAC) Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School. The proposed revisions would repeal two existing middle school courses, add a new middle school course, and repeal implementation language that will no longer be relevant. No changes are recommended since approved for first reading.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §§7.102(c)(4), 28.002(a) and (c), and 28.016.

TEC, §7.102(c)(4), requires the State Board of Education (SBOE) to establish curriculum and graduation requirements.

TEC, §28.002(a), identifies the subjects of the required curriculum.

TEC, §28.002(c), requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments.

TEC, §28.016, requires each school district to ensure that at least once in Grade 7 or 8 each student receives instruction in high school, college, and career preparation. TEC, §28.016(c)(2), permits school districts to provide the instruction as part of an existing career and technical education course designated by the SBOE as appropriate for that purpose.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**EFFECTIVE DATE:** The proposed effective date of the proposed revisions is August 1, 2023. Under TEC, §7.102(f), the SBOE must approve the rule action at second reading and final adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2023-2024 school year. The earlier effective date will allow all school districts including districts of innovation to implement the new course at the beginning of their school year.

**PREVIOUS BOARD ACTION:** The SBOE adopted §127.2, Investigating Careers, Adopted 2015, and §127.3, College and Career Readiness, Adopted 2015, effective August 28, 2017. At the August-September 2022 meeting, the SBOE discussed a proposed new Flight Plans course that would replace the two existing middle school college and career exploration courses. The board approved the proposed revisions for first reading and filing authorization at the November 2022 SBOE meeting.

**BACKGROUND INFORMATION AND JUSTIFICATION:** TEC, §28.016, requires each school district to ensure that at least once in Grade 7 or 8 each student receives instruction in high school, college, and career preparation. The instruction must include information regarding the creation of a high school personal graduation plan, the distinguished level of achievement, each endorsement, college

readiness standards, and potential career choices and the education needed to enter those careers. School districts are permitted to provide the instruction as part of an existing career and technical education course designated by the SBOE as appropriate for that purpose.

At the request of a board member, the board will consider replacing two existing courses with a single updated course in college and career investigation and preparation. Proposed new §127.2, Flight Plans, Adopted 2022, would be available for districts to use in meeting the requirements of TEC, §28.016.

The implementation section for the subchapter would be repealed and new implementation language added to proposed new §127.2 to align with the changes.

**FISCAL IMPACT:** No changes have been made to this section since published as proposed.

Texas Education Agency (TEA) has determined that there are no additional costs to the state. During the first five years the proposal is in effect, there may be fiscal implications for school districts and open-enrollment charter schools to implement the proposed new course, which may include the need for professional development and revisions to district-developed databases, curriculum, and scope and sequence documents. Since curriculum and instruction decisions are made at the local district level, it is difficult to estimate the fiscal impact on any given district.

**LOCAL EMPLOYMENT IMPACT:** No changes have been made to this section since published as proposed.

The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

**SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT:** No changes have been made to this section since published as proposed.

The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

**COST INCREASE TO REGULATED PERSONS:** No changes have been made to this section since published as proposed.

The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

**TAKINGS IMPACT ASSESSMENT:** No changes have been made to this section since published as proposed.

The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

**GOVERNMENT GROWTH IMPACT:** No changes have been made to this section since published as proposed.

TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. The proposed rulemaking would create a new regulation and repeal existing regulations by adding Texas

Essential Knowledge and Skills for a new college and career exploration course and removing existing courses and related implementation language.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand or limit an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

**PUBLIC BENEFIT AND COST TO PERSONS:** No changes have been made to this section since published as proposed.

The proposed revisions would update and streamline the standards for college and career exploration to ensure the standards remain current. There is no anticipated economic cost to persons who are required to comply with the proposal.

**DATA AND REPORTING IMPACT:** No changes have been made to this section since published as proposed.

The proposal would have no data and reporting impact.

**PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS:** No changes have been made to this section since published as proposed.

TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

**PUBLIC COMMENTS:** Following the November 2022 SBOE meeting, notice of the proposed revisions to Chapter 127, Subchapter A, were filed with the Texas Register, initiating the public comment period. The public comment period began December 23, 2022, and ended at 5:00 p.m. on January 27, 2023. A summary of public comments received will be provided to the SBOE during the January-February 2023 meeting. The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in January-February 2023 in accordance with the SBOE board operating policies and procedures.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Approve for second reading and final adoption proposed revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School; and

Make an affirmative finding that immediate adoption of proposed revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School, is necessary and shall have an effective date of August 1, 2023. *(Per TEC, §7.102(f), a vote of two-thirds of the members of the board is necessary for an earlier effective date.)*

**Staff Members Responsible:**

Monica Martinez, Associate Commissioner, Standards and Programs  
Shelly Ramos, Senior Director, Curriculum Standards and Student Support

**Attachment:**

Text of Proposed Revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School

ATTACHMENT  
Text of Proposed Revisions to 19 TAC

**Chapter 127. Texas Essential Knowledge and Skills for Career Development and Career and Technical Education**

**Subchapter A. Middle School**

**§127.1. Implementation of Texas Essential Knowledge and Skills for Career Development, Middle School, Adopted 2015.**

- ~~(a) The provisions of this subchapter shall be implemented by school districts beginning with the 2017-2018 school year.~~
- ~~(b) No later than August 31, 2016, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills for career development as adopted in §127.2 and §127.3 of this subchapter.~~
- ~~(c) If the commissioner makes the determination that instructional materials funding has been made available under subsection (b) of this section, §127.2 and §127.3 of this subchapter shall be implemented beginning with the 2017-2018 school year and apply to the 2017-2018 and subsequent school years.~~
- ~~(d) If the commissioner does not make the determination that instructional materials funding has been made available under subsection (b) of this section, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that §127.2 and §127.3 of this subchapter shall be implemented for the following school year.~~

**§127.2. Investigating Careers, Adopted 2015.**

- ~~(a) General requirements. This course is recommended for students in Grades 7 and 8.~~
- ~~(b) Introduction.
  - ~~(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.~~
  - ~~(2) Career development is a lifelong pursuit of answers to the questions: Who am I? Why am I here? What am I meant to do with my life? It is vital that students have a clear sense of direction for their career choice. Career planning is a critical step and is essential to success.~~
  - ~~(3) The goal of this course is to create a foundation for success in high school, future studies, and careers such as Science, Technology, Engineering, and Mathematics; Business and Industry; Public Service; Arts and Humanities; and Multidisciplinary Studies. The students research labor market information, learn job seeking skills, and create documents required for employment.~~
  - ~~(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.~~
  - ~~(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.~~~~
- ~~(c) Knowledge and skills.
  - ~~(1) The student investigates one or more careers within the 16 career clusters. The student is expected to:
    - ~~(A) identify the various career opportunities within one or more career clusters; and~~
    - ~~(B) identify the pathways within one or more career clusters.~~~~~~

- ~~(2) — The student investigates career pathways in one or more of the 16 career clusters. The student is expected to:~~
- ~~(A) — research the academic requirements for one or more of the careers in an identified cluster;~~
  - ~~(B) — research the certification or educational requirements for careers; and~~
  - ~~(C) — describe the technical skill requirements for careers.~~
- ~~(3) — The student investigates the professional skills needed for college and career success. The student is expected to:~~
- ~~(A) — apply core academic skills to meet personal, academic, and career goals;~~
  - ~~(B) — investigate the importance of co-curricular, extracurricular, career preparation, and extended learning experiences;~~
  - ~~(C) — investigate the steps required to participate in a variety of career and educational opportunities, including, but not limited to, entry level employment, military service, apprenticeships, community and technical colleges, and universities;~~
  - ~~(D) — identify professional associations affiliated with a career pathway;~~
  - ~~(E) — recognize the value of community service and volunteerism; and~~
  - ~~(F) — demonstrate characteristics required for personal and professional success such as work ethics, integrity, dedication, perseverance, and interacting with diverse populations.~~
- ~~(4) — The student investigates labor market information. The student is expected to:~~
- ~~(A) — analyze national, state, regional, and local labor market information;~~
  - ~~(B) — classify evidence of high skill, high wage, or high demand occupations based on analysis of labor market information; and~~
  - ~~(C) — analyze the effects of changing employment trends, societal needs, and economic conditions on career planning.~~
- ~~(5) — The student investigates job seeking skills. The student is expected to:~~
- ~~(A) — identify the steps for an effective job search;~~
  - ~~(B) — describe appropriate appearance for an interview; and~~
  - ~~(C) — participate in a mock interview.~~
- ~~(6) — The student creates professional documents required for employment. The student is expected to:~~
- ~~(A) — develop a resume;~~
  - ~~(B) — write appropriate business correspondence such as a letter of intent and a thank you letter;~~
  - ~~(C) — complete sample job applications; and~~
  - ~~(D) — explain protocol for selecting and using references.]~~

**[§127.3. College and Career Readiness, Adopted 2015.]**

- ~~(a) — General requirements. This course is recommended for students in Grades 7 and 8.~~
- ~~(b) — Introduction.~~

- ~~(1) — Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.~~

- ~~(2) Career development is a lifelong pursuit of answers to the questions: Who am I? Why am I here? What am I meant to do with my life? It is vital that students have a clear sense of direction for their career choice. Career planning is a critical step and is essential to success.~~
- ~~(3) The career development process is unique to every person and evolves throughout one's life. Students will use decision-making and problem-solving skills for college and career planning. Students will explore valid, reliable educational and career information to learn more about themselves and their interests and abilities. Students integrate skills from academic subjects, information technology, and interpersonal communication to make informed decisions. This course is designed to guide students through the process of investigation and in the development of a college and career readiness achievement plan. Students will use interest inventory software or other tools available to explore college and career areas of personal interest. Students will use this information to explore educational requirements for various colleges and a variety of chosen career paths.~~
- ~~(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.~~
- ~~(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.~~
- ~~(c) Knowledge and skills:~~
- ~~(1) The student explores career assessments as related to college and career planning. The student is expected to:~~
- ~~(A) analyze and discuss the initial results of career assessments;~~
  - ~~(B) explore the 16 career clusters;~~
  - ~~(C) research trending fields related to career interest areas;~~
  - ~~(D) determine academic requirements in related career fields; and~~
  - ~~(E) research educational options and requirements using available resources.~~
- ~~(2) The student analyzes college and career opportunities. The student is expected to:~~
- ~~(A) determine academic requirements for transitioning to high school;~~
  - ~~(B) explore opportunities for earning college credit in high school such as advanced placement courses, International Baccalaureate courses, dual credit, and local and statewide articulated credit;~~
  - ~~(C) develop an awareness of financial aid, scholarships, and other sources of income as well as college savings to support college and career advancement;~~
  - ~~(D) discuss the impact of effective college and career planning;~~
  - ~~(E) demonstrate decision-making skills related to school and community issues, programs of study, and college and career planning; and~~
  - ~~(F) identify how performance on assessments such as the PSAT/NMSQT®, SAT®, ACT®, ASVAB®, and Texas Success Initiative (TSI®) impact personal academic and career goals.~~
- ~~(3) The student evaluates skills for personal success. The student is expected to:~~
- ~~(A) use interpersonal skills to facilitate effective teamwork;~~
  - ~~(B) use problem-solving models and critical thinking skills to make informed decisions;~~
  - ~~(C) use effective time management and goal-setting strategies;~~
  - ~~(D) identify skills that can be transferable among a variety of careers;~~
  - ~~(E) create a personal career portfolio;~~

- ~~(F) — make oral presentations that fulfill specific purposes using appropriate technology; and~~
- ~~(G) — identify entrepreneurial opportunities within a field of personal interest.~~
- ~~(4) — The student recognizes the impact of college and career choices on personal lifestyle. The student is expected to:~~
  - ~~(A) — prepare a personal budget reflecting the student's desired lifestyle; and~~
  - ~~(B) — use resources to compare and contrast salaries of at least three careers in the student's interest area.~~
- ~~(5) — The student demonstrates an understanding of financial management. The student is expected to:~~
  - ~~(A) — compare the advantages and disadvantages of different types of money management services;~~
  - ~~(B) — simulate opening and maintaining different types of financial accounts;~~
  - ~~(C) — simulate different methods of withdrawals and deposits;~~
  - ~~(D) — reconcile financial statements, including fees and services;~~
  - ~~(E) — compare and contrast forms of credit, including credit cards and debit cards;~~
  - ~~(F) — discuss the importance of credit scores;~~
  - ~~(G) — discuss the impact of identity theft on credit; and~~
  - ~~(H) — examine the effects of poor credit scores as they relate to personal finance and career opportunities.~~
- ~~(6) — The student develops skills for professional success. The student is expected to:~~
  - ~~(A) — demonstrate effective verbal, nonverbal, written, and electronic communication skills;~~
  - ~~(B) — evaluate the impact of positive and negative personal choices, including use of electronic communications such as social networking sites;~~
  - ~~(C) — model characteristics of effective leadership, teamwork, and conflict management;~~
  - ~~(D) — recognize the importance of a healthy lifestyle, including the ability to manage stress; and~~
  - ~~(E) — explore characteristics necessary for professional success such as work ethics, integrity, dedication, perseverance, and interactions with diverse populations.]~~

**§127.2. Flight Plans, Adopted 2022.**

- ~~(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2023-2024 school year.~~
- ~~(b) General requirements. This course is recommended for students in Grades 7 and 8.~~
- ~~(c) Introduction.~~
  - ~~(1) Career and technical education (CTE) instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.~~
  - ~~(2) Career development is a lifelong pursuit of answers to the questions: Who am I? Why am I here? What am I meant to do with my life? Will my desired career path provide a self-sufficient wage? What occupations are in the highest demand that align to my values and interests? It is vital that students have a clear sense of direction for their career choice. Education and career planning is a critical step and is essential to success.~~
  - ~~(3) The career development process is unique to every person and evolves throughout one's life. In Flight Plans, students use decision-making and problem-solving skills for individual career and~~



academic planning. Students explore valid, reliable educational and career information to learn more about themselves and their interests and abilities. Students integrate skills from academic subjects, information technology, and interpersonal communication to make informed decisions. This course is designed to guide students through the process of investigating and developing a college and career readiness flight plan. Students use aptitude and interest inventory assessments, software, or other tools available to explore college and career areas of personal interest. Students use this information to explore a variety of career paths, especially those in demand, and begin mapping their anticipated secondary coursework and potential postsecondary experiences that are in alignment with their goals.

- (4) The goal of this course is to help students build career awareness and engage in deep exploration and study of the Texas CTE career clusters to create a foundation for success in high school, possible postsecondary studies, and careers. Students research labor market information, learn job-seeking skills, and create documents required for employment.
  - (5) Students are encouraged to explore and participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.
  - (6) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (d) Knowledge and skills.
- (1) The student takes one or more career interest surveys, aptitude tests, or career assessments and explores various college and career options. The student is expected to:
    - (A) analyze and discuss the initial results of the assessments;
    - (B) explore and describe the CTE career clusters;
    - (C) identify various career opportunities within one or more career clusters; and
    - (D) research and evaluate emerging occupations related to career interest areas.
  - (2) The student investigates educational and training requirements for career and education pathways in one or more of the career clusters. The student is expected to:
    - (A) research and describe applicable academic, technical, certification, and training requirements for one or more of the careers in an identified career cluster; and
    - (B) use available resources to research and evaluate educational and training options for one or more of the careers in an identified career cluster.
  - (3) The student analyzes educational and career opportunities. The student is expected to:
    - (A) describe academic requirements for transitioning from middle school to high school and from high school to career or postsecondary education;
    - (B) explore and list opportunities for earning college credit in high school such as Advanced Placement examinations, International Baccalaureate examinations, dual credit courses, and local and statewide articulated credit courses;
    - (C) investigate and describe various methods available to pay for college and other postsecondary training, including financial aid, scholarships, college savings, employee benefits, and other sources of income;
    - (D) discuss the impact of effective college and career planning;
    - (E) identify how performance on assessments such as the PSAT/NMSQT®, SAT®, ACT®, ASVAB®, and Texas Success Initiative (TSI®) impact personal academic and career goals;
    - (F) investigate and describe the importance of co-curricular, extracurricular, career preparation, and extended learning experiences in developing college applications or resumes;

- (G) investigate and report on the steps required to participate or enroll in a variety of career and educational opportunities, including entry-level employment, military service, apprenticeships, community and technical colleges, and universities, as applicable to the career;
  - (H) identify professional associations affiliated with a particular career pathway; and
  - (I) define entrepreneurship and identify entrepreneurial opportunities within a field of personal interest.
- (4) The student develops skills for personal success. The student is expected to:
- (A) demonstrate effective time-management and goal-setting strategies;
  - (B) identify skills that can be transferable among a variety of careers;
  - (C) give oral professional presentations on a topic related to career and college exploration using appropriate technology;
  - (D) apply core academic skills to meet personal, academic, and career goals;
  - (E) explain the value of community service and volunteerism; and
  - (F) define and identify examples in the workplace of characteristics required for personal and professional success such as work ethic, integrity, dedication, and perseverance.
- (5) The student investigates labor market information and recognizes the impact of college and career choices on personal lifestyle. The student is expected to:
- (A) analyze labor market trends related to a career of interest;
  - (B) classify evidence of high-skill, high-wage, or high-demand occupations based on analysis of labor market information;
  - (C) analyze the effects of changing employment trends, societal needs, and economic conditions on career choices;
  - (D) prepare a personal budget reflecting the student's desired lifestyle; and
  - (E) use resources to compare salaries of at least three careers in the student's interest area.
- (6) The student investigates job-seeking skills. The student is expected to:
- (A) identify the steps of an effective job search;
  - (B) describe appropriate appearance for an interview; and
  - (C) participate in a mock interview.
- (7) The student creates professional documents required for employment. The student is expected to:
- (A) write a resume;
  - (B) write appropriate business correspondence such as a cover letter and a thank you letter;
  - (C) complete sample job applications; and
  - (D) explain protocol for selecting and using references.
- (8) The student creates an individual career and academic plan. The student is expected to:
- (A) select a career pathway in a desired field, such as military service, entrepreneurship, or industry;
  - (B) document high school courses and postsecondary educational requirements for that career pathway; and
  - (C) write a plan for starting one's career after the completion of high school and any post-secondary education.

**Proposed Amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter A,  
Required Curriculum, §74.5, Academic Achievement Record (Transcript)  
(First Reading and Filing Authorization)**

**February 3, 2023**

**COMMITTEE ON INSTRUCTION: ACTION**  
**STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** This item presents for first reading and filing authorization a proposed amendment to 19 Texas Administrative Code (TAC) Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.5, Academic Achievement Record (Transcript). The proposed amendment would add a new requirement that a student who earns a diploma by satisfying the requirements of the Texas First Early High School Completion Program must have successful completion of the program indicated on the academic achievement record, or transcript.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §7.102(c)(13).

TEC, §7.102(c)(13), requires the State Board of Education (SBOE) to adopt transcript forms and standards for differentiating high school performance for purposes of reporting academic achievement under TEC, §28.025.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**EFFECTIVE DATE:** The proposed effective date of the proposed amendment is 20 days after filing as adopted with the Texas Register. Under TEC, §7.102(f), the SBOE must approve the rule action at second reading and final adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2023-2024 school year. The earlier effective date will allow districts to indicate successful completion of the Texas First Early High School Completion Program for students who meet the requirements during the current school year.

**PREVIOUS BOARD ACTION:** The SBOE adopted §74.5 effective June 18, 2014, to align with legislation passed by the 83rd Texas Legislature, Regular Session, 2013. In April 2016, the SBOE gave final approval to a proposed amendment to §74.5 to align with legislation passed by the 84th Texas Legislature, 2015. In April 2018, the SBOE gave final approval to a proposed amendment to §74.5 to align with legislation passed by the 83rd Texas Legislature, Regular Session, 2013, and 85th Texas Legislature, 2017. In April 2021, the SBOE gave final approval to a proposed amendment to §74.5 to align with legislation passed by the 86th Texas Legislature, Regular Session, 2019.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The 87th Texas Legislature, Regular Session, 2021, passed Senate Bill (SB) 1888, adding new TEC, §28.0253, to establish the Texas First Early High School Completion Program. The Texas Education Agency, in coordination with the Texas Higher Education Coordinating Board, is required to establish the program to allow public high school students who demonstrate early readiness for college to graduate early from high school. A student is entitled to early high school graduation under the Texas First Early High School Completion Program if the student meets the criteria established by rule by the Texas Higher Education Coordinating Board. Additionally, students who graduate under the program are considered to have earned the distinguished level of achievement and are eligible to receive a scholarship at participating institutions of higher education. The proposed amendment would require school districts and open-enrollment charter schools to indicate on a student's transcript completion of the Texas First Early High School Completion Program.

The proposed amendment was not presented as a discussion item. The SBOE, however, may wish to consider this item for first reading and filing authorization as authorized under its operating procedures. Therefore, this item is presented for first reading and filing authorization consideration at this meeting. It is recommended that the SBOE consider this item for first reading and filing authorization to ensure that districts indicate on a student's transcript completion of the program for students who satisfy the requirements during the current school year.

**FISCAL IMPACT:** TEA has determined that there are no additional costs to state government.

There may be costs to school districts and charter schools associated with required updates to local student information systems in order to implement the requirements of statute. These may include the need for professional development and amendments to district-developed databases. Since the design and format of and data collection for the academic achievement record (high school transcript) are made at the local district level, it is difficult to estimate the fiscal impact on any given district.

**LOCAL EMPLOYMENT IMPACT:** The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

**SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT:** The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

**COST INCREASE TO REGULATED PERSONS:** The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

**TAKINGS IMPACT ASSESSMENT:** The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

**GOVERNMENT GROWTH IMPACT:** TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would expand an existing regulation by requiring school districts and charter schools to report a student's early high school graduation via the Texas First Early High School Graduation Program on the academic achievement record.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not create a new regulation; would not limit or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

**PUBLIC BENEFIT AND COST TO PERSONS:** The proposal would improve documentation of requirements on the academic achievement record and the ability to more effectively transmit that information between school districts and institutions of higher education. There is no anticipated economic cost to persons who are required to comply with the proposal.

**DATA AND REPORTING IMPACT:** The proposal would have no data or reporting impact.

**PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS:** TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

**PUBLIC COMMENTS:** The public comment period on the proposal begins March 3, 2023, and ends April 7, 2023. The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in January-February 2023 in accordance with the SBOE board operating policies and procedures. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the Texas Register on March 3, 2023.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Suspend the board operating procedures in accordance with §5.2(a) to allow consideration at first reading and filing authorization; and

Approve for first reading and filing authorization the proposed amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.5, Academic Achievement Record (Transcript).

**Staff Members Responsible:**

Monica Martinez, Associate Commissioner, Standards and Programs

Shelly Ramos, Senior Director, Curriculum Standards and Student Support

**Attachment:**

Text of Proposed Amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter A, Required Curriculum, §74.5, Academic Achievement Record (Transcript)

**ATTACHMENT**  
**Text of Proposed Amendment to 19 TAC**

**Chapter 74. Curriculum Requirements**

**Subchapter A. Required Curriculum**

**§74.5. Academic Achievement Record (Transcript).**

- (a) The commissioner of education shall develop and distribute to each school district and institution of higher education the state guidelines for a common academic achievement record and coding system for courses and instructions for recording information on the academic achievement record. Each school district must use the coding system provided by the commissioner.
- (b) Following guidelines developed by the commissioner, each school district must use an academic achievement record (transcript) form that includes the following:
  - (1) student demographics;
  - (2) school data;
  - (3) student data; and
  - (4) the record of courses and credits earned.
- (c) The academic achievement record shall serve as the academic record for each student and must be maintained permanently by the district. Each district must ensure that copies of the record are made available for a student transferring from one district to another. To ensure appropriate placement of a transfer student, a district must respond promptly to each request for student records from a receiving school district.
- (d) Any credit earned by a student must be recorded on the academic achievement record, regardless of when the credit was earned.
- (e) A student who completes high school graduation requirements shall have attached to the academic achievement record a seal approved by the State Board of Education.
- (f) A student who completes the requirements for an endorsement shall have the endorsement clearly indicated on the academic achievement record.
- (g) A student who earns a performance acknowledgment shall have the performance acknowledgment clearly indicated on the academic achievement record.
- (h) A student who earns the distinguished level of achievement shall have the distinguished level of achievement clearly indicated on the academic achievement record.
- (i) A student who demonstrates proficiency in speech as specified in §74.11(a)(3) of this title (relating to High School Graduation Requirements) shall have completion of the speech requirement clearly indicated on the academic achievement record.
- (j) A student who completes the required instruction in cardiopulmonary resuscitation (CPR) as specified in §74.38 of this title (relating to Requirements for Instruction in Cardiopulmonary Resuscitation (CPR)) in Grade 9, 10, 11, or 12 shall have completion of the CPR instruction clearly indicated on the academic achievement record.
- (k) A student who completes the required instruction on proper interaction with peace officers shall have completion of the instruction clearly indicated on the academic achievement record.
- (l) A student who completes and submits a free application for federal student aid (FAFSA) or a Texas application for state financial aid (TASFA) or submits the Texas Education Agency-approved opt-out form shall have the completion of the financial aid application requirement clearly indicated on the academic achievement record.

- (m) A student who satisfies a languages other than English graduation credit requirement by successfully completing a dual language immersion program at an elementary school in accordance with §74.12(b)(5)(F) of this title (relating to Foundation High School Program) shall have the credit clearly indicated on the academic achievement record.
- (n) A student who earns a high school diploma by satisfying the requirements of the Texas First Early High School Completion Program in accordance with Chapter 21, Subchapter D, of this title (relating to the Texas First Early High School Completion Program) shall have completion of the program and the distinguished level of achievement clearly indicated on the academic achievement record.
- (o) ~~(n)~~ A student who completes all graduation requirements except for required end-of-course assessment instruments may be issued a certificate of coursework completion. The academic achievement record will include a notation of the date such a certificate was issued to the student.

## Approval of Updates and Substitutions to Adopted Instructional Materials

February 3, 2023

### COMMITTEE ON INSTRUCTION: ACTION STATE BOARD OF EDUCATION: CONSENT

**SUMMARY:** This item provides the opportunity for the committee and board to approve update and/or substitution requests received since the last board meeting. The updated content has been reviewed by subject-area specialists and determined to address the pertinent student expectations in a manner equal to the content initially reviewed and approved by the state review panel.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §31.003 and §31.022.

TEC, §31.003, permits the State Board of Education (SBOE) to adopt rules for the adoption, requisition, distribution, care, use, and disposal of instructional materials.

TEC, §31.022(b), requires the SBOE to adopt rules to provide for a full and complete investigation of instructional materials for each subject in the foundation curriculum and for each subject in the enrichment curriculum.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** In February 2015, the SBOE approved a substitution request for three science products, kindergarten–grade 2, from Discovery Education. In April 2016, the SBOE approved an update request for two math products, grades 6–8, from Texas State University. In April 2019, the Committee on Instruction (COI) postponed a vote on an update request for three English language arts and reading products, grades 6–8, from ThinkCERCA. The board approved the update request from ThinkCERCA at the June 2019 meeting. At the September 2019 meeting, the SBOE postponed a vote on an update request from EDUSPARK, Inc. for four Spanish language arts and reading products, kindergarten, and grades 1, 4, and 5. The request from EDUSPARK, Inc. was approved by the SBOE at the November 2019 meeting. In January 2020, a substitution request from Origo Education for English and Spanish math, kindergarten–grade 5, was submitted to the COI but no action was taken. In April 2020, the SBOE approved the substitution request from Origo Education for English and Spanish math, kindergarten–grade 5. In September 2020, the SBOE approved an update request from Learning A–Z for six English language arts and reading products, kindergarten–grade 2. In November 2020, the SBOE approved an update request from Learning A–Z for three English language arts and reading products, grades 2–4. In January 2021, the SBOE approved an update request from Learning A–Z for English language arts and reading, grade 5 and a substitution request from QuaverEd for their prekindergarten product. In April 2021, the SBOE approved an update request from EDUSPARK, Inc. for English and Spanish prekindergarten products and a substitution request from Cheng & Tsui Co. Inc. for their Chinese Level I languages other than English product. In June 2021, the SBOE approved an update request from Learning A–Z for English language arts and reading, grades 2–4. In September 2021, the SBOE approved update requests from The Children’s Learning Institute at UT Health Science Center for prekindergarten English and Spanish. In November 2021, the SBOE approved a substitution request from Cheng & Tsui and an update request from Learning A–Z, grades 1–5. In January 2022, the SBOE approved update requests from Learning A–Z, English language arts and reading, grades 2 and 3. In April 2022, the SBOE approved a substitution request from Learning Without Tears for kindergarten handwriting, and an update request from Learning A–Z for English language arts and reading, grades K–4. In June 2022, the SBOE



approved an update request from Learning A–Z for English language arts and reading, grades 2–5. In September 2022, the SBOE approved update requests from Learning A–Z for English language arts and reading, grades 2–5 and from Goodheart-Wilcox Publisher for health, grades 6–8 and high school. In November 2022, the SBOE approved update requests from Learning A–Z for English language arts and reading, grades K–5.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Rules in 19 TAC §66.75 permit a publisher to submit a request for approval to substitute an updated edition of state-adopted instructional materials. The rule also requires that all requests for updates involving content in state-adopted instructional materials be approved by the SBOE prior to their introduction into state-adopted instructional materials.

Rules in 19 TAC §66.76 permit a publisher to submit a request for approval to substitute a new edition of state-adopted instructional materials. The rule also requires that all requests for updates involving content used in determining the product's eligibility for adoption must be approved by the SBOE prior to their introduction into state-adopted instructional materials.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Approve instructional materials update and/or substitution requests as presented in the separate exhibit.

**Staff Member Responsible:**

Amie Phillips, Director, Instructional Materials Review

**Separate Exhibit:**

Additional Updates and/or Substitutions Submitted for Approval  
(to be provided at the January-February 2023 SBOE meeting)

## Recommendations Regarding Renewal of Instructional Materials Contracts

February 3, 2023

**COMMITTEE ON INSTRUCTION: ACTION**  
**STATE BOARD OF EDUCATION: CONSENT**

**SUMMARY:** This item recommends renewal of instructional materials contracts that expire on August 31, 2023. This action is recommended to ensure that these materials remain available for distribution to school districts until replacements become available.

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§31.026](#).

TEC, §31.026, requires the State Board of Education (SBOE) to execute contracts with publishers of adopted materials that coincide with the board's review cycle and that specify a price fixed for the term of the contract that does not exceed the lowest price paid by any other state or any school or school district.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Instructional materials included in *Proclamation 2015* (social studies, grades K–12; high school mathematics; and fine arts, grades K–12) were adopted in November 2014.

Texas Administrative Code, §66.72(g), requires publishers awarded instructional materials contracts to be prepared to extend the contract period for not more than four years.

A list of instructional materials recommended for 2023–2027 renewal is provided in the Attachment. Current contracts for these materials will expire on August 31, 2023, and new instructional materials for the subject areas will not yet be adopted at that time.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Renew contracts for instructional materials adopted under *Proclamation 2015* in the subject areas and for the periods indicated in the Attachment.

**Staff Members Responsible:**

Colin Dempsey, Director, District Operations, Technology, and Sustainability Supports (DOTSS)  
Cheryl Aker, Contracts, Rule, and Finance Manager, DOTSS

**[Attachment:](#)**

Instructional Materials Recommended for 2023–2027 Renewal

**Proclamation 2015 Instructional Materials Recommended for 2023–2027 Renewal**

<b>Publisher</b>	<b>Course/Grade</b>	<b>TEKS %</b>
Agile Mind Educational Holdings, Inc.	Algebra I	100%
	Algebra II	100%
	Geometry	100%
	Precalculus	100%
Alfred Publishing Co., Inc.	Music/Band MS1	65.38%
	Music/Band MS2 (2 products)	51.85%; 74.07%
	Music/Band MS3 (3 products)	51.85%–96.30%
	Music/Orchestra MS1 (3 products)	57.69%–84.62%
	Music/Orchestra MS2 (3 products)	51.85%–96.30%
	Music/Orchestra MS3 (3 products)	59.26%–96.30%
	Music/Choir MS2 (2 products)	51.85%; 55.56%
	Music/Choir MS3	96.30%
	Music/Jazz Ensemble MS3	62.96%
	Music/Jazz Ensemble I (3 products)	66.67%– 70.00%
	Music/Jazz Ensemble II (4 products)	66.67%; 69.70%
	Music/Jazz Ensemble III (4 products)	65.71%–74.29%
	Music/Orchestra I	60.00%
	Music/Orchestra II	57.58%
	Music/Piano I	50.00%
Music/Piano III	51.43%	
Music/Piano IV	57.14%	
Music/Guitar I	60.00%	
AQR Press	Advanced Quantitative Reasoning	100%
Big Ideas Learning, LLC	Algebra I	100%
	Algebra II	100%
	Geometry	100%
Cengage Learning, Inc/ Brooks Cole	Mathematical Models with Applications	53.85%
	Precalculus (2 products)	55.36%; 100%
Cengage Learning, Inc/ National Geographic Learning	Social Studies 6	100%
Cengage Learning, Inc/ South-Western	Economics	52.57%
Davis Publications, Inc.	Art grades K, 3, 4, 5	100%
	Art grade 1	91.67%
	Art grade 2	83.33%
	Art MS 1, 2, 3	100%
	Art Level I	94.44%
	Art Level II	89.47%
	Art Level III	50.00%
	Art and Media Communications I	77.78%
	Art and Media Communications II (2 products)	84.21%; 57.89%
	Ceramics I	84.21%
	Ceramics II	50.00%
	Design I	84.21%
	Digital Art and Media I	84.21%
Painting I	78.95%	

**Proclamation 2015 Instructional Materials Recommended for 2023–2027 Renewal**

<b>Publisher</b>	<b>Course/Grade</b>	<b>TEKS %</b>
Discovery Education, Inc.	Social Studies 6	100%
	Social Studies 8	100%
	US History Since 1877	100%
Drama Education Network	Theatre K-5	100%
	Theatre MS1	50.00%
	Theatre MS2	54.17%
	Theatre Arts I	50.00%
Houghton Mifflin Harcourt	Social Studies 6-8	100%
	Economics	62.50%
	Psychology	80.65%
	Sociology	69.86%
	US History Since 1877	100%
	World Geography	100%
	World History	100%
	Algebra I	100%
	Algebra II	100%
Geometry	100%	
Human Kinetics	Dance I–IV	100%
Kendall Hunt Publishing	Precalculus	77%
Make Music, Inc.	Music/Band MS1	96.15%
	Music/Band MS2 & 3	100%
	Music/Choir MS1	96.15%
	Music/Choir MS2 & 3	100%
	Music/Instrumental Ensemble MS1	96.15%
	Music/Instrumental Ensemble MS2 & 3	100%
	Music/Orchestra MS1	96.15%
	Music/Orchestra MS2 & 3	100%
	Music/Vocal Ensemble MS1	96.15%
	Music/Vocal Ensemble MS2 & 3	100%
	Music/Jazz Ensemble MS2 & 3	100%
	Music/Band I	70.00%
	Music/Band II	69.70%
	Music/Band III	77.14%
	Music/Choir I	70.00%
	Music/Choir III	77.14%
	Music/Instrumental Ensemble I	70.00%
	Music/Instrumental Ensemble II	69.70%
	Music/Instrumental Ensemble III	77.14%
	Music/Jazz Ensemble I	70.00%
	Music/Jazz Ensemble II	69.70%
	Music/Jazz Ensemble III	77.14%
	Music/Orchestra I	70.00%
	Music/Orchestra II	69.70%
Music/Orchestra III	77.14%	
Music/Vocal Ensemble I	70.00%	
Music/Vocal Ensemble III	77.14%	

**Proclamation 2015 Instructional Materials Recommended for 2023–2027 Renewal**

Publisher	Course/Grade	TEKS %
McGraw-Hill School Education LLC	Social Studies 6-8	100%
	Economics	100%
	Psychology	100%
	US Government	100%
	US History Since 1877	100%
	World Geography	100%
	World History	100%
	Algebra I	100%
	Algebra II	100%
	Geometry	100%
	Precalculus	100%
Perfection Learning	Economics	100%
	US Government	100%
	Technical Theatre I & II	100%
	Technical Theatre III	71.43%
	Theatre Arts I, II, III	100%
	Theatre Arts IV	62.50%
QuaverEd	Music K-5	100%
Savvas Learning Company (formerly publishing as Pearson, Scott Foresman & Prentice Hall)	Social Studies K-5	100%
	Spanish Social Studies K-5	100%
	Social Studies 6-8	100%
	Economics	100%
	US Government	100%
	US History Since 1877	100%
	World History	100%
	Algebra I	100%
	Algebra II	100%
	Geometry	100%
Mathematical Models with Applications	100%	
	Precalculus	100%
Social Studies School Service (formerly Herff Jones   Nystrom Publishing)	Social Studies K	86.84%
	Social Studies 1	76.47%
	Social Studies 2	78.95%
	Social Studies 3	77.97%
	Social Studies 6	76.83%
	Social Studies 8	84.55%
	US Government	86.25%
	US History Since 1877	90.00%
	World Geography	79.10%
	World History	93.50%

**Proclamation 2015 Instructional Materials Recommended for 2023–2027 Renewal**

<b>Publisher</b>	<b>Course/Grade</b>	<b>TEKS %</b>
Studies Weekly (American Legacy Publishing)	Social studies K	81.58%
	Social studies 1	64.71%
	Social studies 2	77.19%
	Social studies 3	76.27%
	Social studies 4	81.25%
	Social studies 5	67.90%
	Spanish Social Studies K	78.95%
	Spanish Social Studies 1	72.55%
	Spanish Social Studies 2	66.67%
	Spanish Social Studies 3	69.49%
	Spanish Social Studies 4	100%
Spanish Social Studies 5	65.43%	
Tempo Press	Music/Orchestra I (4 - products bass, cello, violin, Viola)	56.67%–83.33%
	Music/Orchestra II (4 - products bass, cello, violin, Viola)	54.55%–84.85%
	Music/Orchestra III (4 - products bass, cello, violin, Viola)	60.00%–88.57%
	Music/Orchestra IV (4 - products bass, cello, violin, Viola)	57.14%–88.57%
The College Board - SpringBoard	Algebra I	100%
	Algebra II	98.18%
	Geometry	100%
	Precalculus	78.57%

**Publishers Not Electing To Renew**

Bedford, Freeman and Worth Publishing Group, LLC (formerly Sapling Systems, Inc., dba Sapling Learning)	Algebra I, Algebra II, Geometry
Carnegie Learning, Inc. Carnegie (d/b/a EMC Publishing, LLC)	Economics (EMC) Algebra I, Algebra II, Geometry (Carnegie)
CORD Communications	Algebra II

**Additional Contracts Not Being Renewed**

Patti DeWitt, Inc. Instructional materials do not meet accessibility requirements	Music 3, 5 & 6; Music/Choir MS1, 2 & 3; Music/Choir III, IV
WorldView Software Publisher non-responsive to all attempts to contact; there have been no orders for their economics or US government materials since adopted	Economics; US Government

**COMMITTEE ON SCHOOL FINANCE/  
PERMANENT SCHOOL FUND**

## **Election of Chair**

**February 2, 2023**

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND: ACTION**  
**STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** State Board of Education (SBOE) operating rules call for each committee to elect a chair from among its members. This item provides an opportunity for the Committee on School Finance/Permanent School Fund to elect a chair at this meeting if the SBOE retains the existing committee structure. The chair may then appoint a vice chair. If the board changes the committee structure, the committee may elect a member to preside over this first meeting only.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), [§7.107\(b\)](#).

TEC, §7.107(b) requires the SBOE to organize and adopt operating rules at the first meeting after an election and qualification of new members.

The full text of the statutory citation can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** A committee chair was last elected on January 28, 2021.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The board is required to organize at the first meeting after the election and qualification of new members. Section 1.2(e) of the board's operating rules requires each standing committee to elect a chair from among its members and the chair may appoint a vice chair. An officer of the board is not eligible to serve as the chair of a standing committee.

**Staff Member Responsible:**

Yolanda M. Walker, Executive Director, State Board of Education Support Division



**Proposed Repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting  
(Second Reading and Final Adoption)**

**February 3, 2023**

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND: ACTION  
STATE BOARD OF EDUCATION: ACTION**

**SUMMARY:** This item presents for second reading and final adoption the proposed repeal of 19 Texas Administrative Code (TAC) Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting. The proposed repeal would implement House Bill (HB) 3, 86th Texas Legislature, 2019, which removed the State Board of Education's (SBOE's) rulemaking authority related to student attendance. No changes are recommended since approved for first reading.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §48.004, as transferred, redesignated, and amended by HB 3, 86th Texas Legislature, 2019.

TEC, §48.004, as transferred, redesignated, and amended by HB 3, 86th Texas Legislature, 2019, requires the commissioner to adopt rules, take actions, and require reports necessary to implement and administer student attendance.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**EFFECTIVE DATE:** The proposed effective date of the proposed repeal is 20 days after filing as adopted with the Texas Register. Under TEC, §7.102(f), the SBOE must approve the rule action at second reading and final adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2023-2024 school year. The earlier effective date will implement legislation in a timely manner by removing provisions for which statutory authority no longer exists.

**PREVIOUS BOARD ACTION:** At the August-September 2022 SBOE meeting, the committee discussed the proposed repeal of Chapter 129, Subchapters A and B. At the November 2022 SBOE meeting, the board approved for first reading and filing authorization the proposed repeal of Chapter 129, Subchapters A and B.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Chapter 129, Subchapter A, defines the student attendance allowed in Texas schools. The subchapter was adopted effective September 1, 1996. Chapter 129, Subchapter B, defines the requirements for student attendance accounting for state funding purposes. The subchapter was adopted effective September 1, 1996, and was last amended effective December 25, 2019.

HB 3, 86th Texas Legislature, 2019, renumbered TEC, §42.004, to §48.004. The renumbered statute was amended to transfer rulemaking authority related to the implementation and administration of student attendance from the SBOE to the commissioner of education. The repeal of the rules is necessary since statutory authority no longer exists.

**FISCAL IMPACT:** No changes have been made to this section since published as proposed.

Texas Education Agency (TEA) has determined that there are no additional costs to state or local government required to comply with the proposal.

**LOCAL EMPLOYMENT IMPACT:** No changes have been made to this section since published as proposed.

The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

**SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT:** No changes have been made to this section since published as proposed.

The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

**COST INCREASE TO REGULATED PERSONS:** No changes have been made to this section since published as proposed.

The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

**TAKINGS IMPACT ASSESSMENT:** No changes have been made to this section since published as proposed.

The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

**GOVERNMENT GROWTH IMPACT:** No changes have been made to this section since published as proposed.

TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would repeal existing regulations to implement HB 3, 86th Texas Legislature, 2019, which removed the SBOE's rulemaking authority related to student attendance.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not create a new regulation; would not expand or limit an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

**PUBLIC BENEFIT AND COST TO PERSONS:** No changes have been made to this section since published as proposed.

The proposal would implement legislation by removing rules for which statutory authority no longer exists. There is no anticipated economic cost to persons who are required to comply with the proposal.

**DATA AND REPORTING IMPACT:** No changes have been made to this section since published as proposed.

The proposal would have no data and reporting impact.

**PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS:** No changes have been made to this section since published as proposed.

TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

**PUBLIC COMMENTS:** Following the November 2022 SBOE meeting, notice of the proposed repeal of Chapter 129, Subchapters A and B, was filed with the Texas Register, initiating the public comment period. The public comment period on the proposal began December 23, 2022, and ended at 5:00 p.m. on January 27, 2023. At the time this item was prepared, no public comments had been received. A summary of public comments received will be provided to the SBOE during the January-February 2023 meeting. The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in January-February 2023 in accordance with the SBOE board operating policies and procedures.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Approve for second reading and final adoption the proposed repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting; and

Make an affirmative finding that immediate adoption of the proposed repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting, is necessary and shall have an effective date of 20 days after filing as adopted with the Texas Register. *(Per TEC, §7.102(f), a vote of two-thirds of the members of the board is necessary for an earlier effective date.)*

**Staff Members Responsible:**

Jim Terry, Associate Commissioner, School Finance  
David Marx, Senior Director, Financial Compliance

**Attachment:**

Text of Proposed Repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting

ATTACHMENT  
Text of Proposed Repeal of 19 TAC

**Chapter 129. Student Attendance**

**[Subchapter A. Student Attendance Allowed]**

**§129.1. Free Attendance in General.**

- ~~(a) Definitions. Identification is required within 30 days of a child's enrollment in a Texas school, in accordance with the Texas Education Code, §25.002. For the purposes of identification, the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:~~
- ~~(1) Documents that are suitable for identification. Shall be defined by the commissioner of education.~~
- ~~(2) The child's records. Include a minimum set of data and documentation established by the commissioner of education. The minimum set of data will include the child's social security number or a state approved alternative identification number as assigned by the Public Education Information Management System (PEIMS).~~
- ~~(b) Children shall not be denied enrollment or be removed solely because they fail to meet the requirements of subsection (a) of this section.~~
- ~~(c) Students in this country under a bona fide exchange program are eligible to attend school in the designated district of residence.~~

**[Subchapter B. Student Attendance Accounting]**

**§129.21. Requirements for Student Attendance Accounting for State Funding Purposes.**

- ~~(a) All public schools in Texas must maintain records to reflect the average daily attendance (ADA) for the allocation of Foundation School Program (FSP) funds and other funds allocated by the Texas Education Agency (TEA). Superintendents, principals, and teachers are responsible to their school boards and to the state to maintain accurate, current attendance records.~~
- ~~(b) The commissioner of education is responsible for providing guidelines and procedures for attendance accounting in accordance with state law.~~
- ~~(c) The commissioner must provide for special circumstances regarding attendance accounting in accordance with the provisions of law.~~
- ~~(d) The superintendent of schools is responsible for the safekeeping of all attendance records and reports. The superintendent of schools may determine whether the properly certified attendance records or reports for the school year are to be stored in the central office, on the respective school campuses of the district, or at another secure location. Regardless of where such records are stored, they must be readily available for audit by the TEA division responsible for performing school financial audits.~~
- ~~(e) Districts must maintain records and make reports concerning student attendance and participation in special programs as required by the commissioner.~~
- ~~(f) If a school district chooses to use a locally developed record or automated system, the record or automated system must contain the minimum information required by the commissioner.~~
- ~~(g) A student must be enrolled for at least two hours of instruction to be considered in membership for one half day, and for at least four hours of instruction to be considered in membership for one full day.~~
- ~~(h) Attendance for all grades must be determined by the absences recorded at the official attendance taking time during the campus's instructional day, unless the local school board adopts a district policy, or delegates to the superintendent the authority to establish procedures, for recording absences in an~~

~~alternative hour, or unless the students for which attendance is being taken are enrolled in and participating in an alternative attendance accounting program approved by the commissioner.~~

- ~~(1) — Students enrolled on a half-day basis may earn only one half-day of attendance each school day. Attendance is determined for these pupils by recording absences in a period during the half-day that they are scheduled to be present. Students enrolled on a full-day basis may earn one full-day of attendance each school day.~~
  - ~~(2) — Students who are enrolled in and participating in an alternative attendance accounting program approved by the commissioner will earn attendance according to the statutory and rule provisions applicable to that program.~~
  - ~~(3) — The established period in which absences are recorded may not be changed during the school year.~~
  - ~~(4) — Students absent at the time the attendance roll is taken, during the daily period selected, are counted absent for the entire day, unless the students are enrolled in and participating in an alternative attendance accounting program approved by the commissioner. Students present at the time the attendance roll is taken, during the daily period selected, are counted present for the entire day, unless the students are enrolled in and participating in an alternative attendance accounting program approved by the commissioner.~~
- ~~(i) — A student who is not actually in school at the time attendance is taken must not be counted in attendance for FSP funding purposes, unless the student is participating in an activity that meets the conditions set out in subsection (j) of this section, or unless the student is enrolled in and participating in an alternative attendance accounting program approved by the commissioner.~~
- ~~(j) — A student not actually on campus at the time attendance is taken may be considered in attendance for FSP funding purposes under the following conditions:~~
- ~~(1) — The student is participating in an activity that is approved by the local board of school trustees and is under the direction of a member of the professional or paraprofessional staff of the school district, or an adjunct staff member who:
    - ~~(A) — has a minimum of a bachelor's degree; and~~
    - ~~(B) — is eligible for participation in the Teacher Retirement System of Texas.~~~~
  - ~~(2) — The student is participating in a mentorship approved by district personnel to serve as one or more of the advanced measures needed to complete the Distinguished Achievement Program outlined in Chapter 74 of this title (relating to Curriculum Requirements).~~
  - ~~(3) — The student is absent for one of the purposes specified in the Texas Education Code (TEC), §25.087(b), (b-1), (b-2), (b-4), (b-5), or (c). Excused days for travel under the TEC, §25.087(b)(1), are limited to not more than one day for travel to and one day for travel from the applicable site. A temporary absence excused under the TEC, §25.087(b)(2), must be supported by a document such as a note from the health care professional.~~
- ~~(k) — A student not actually on campus at the time attendance is taken also may be considered in attendance for FSP funding purposes under other conditions described in the handbook adopted under §129.1025 of this title (relating to Adoption by Reference: Student Attendance Accounting Handbook) related to off-campus instruction.~~
- ~~(l) — Before a district or charter school may count a student in attendance under this section or in attendance when the student was allowed to leave campus during any part of the school day, the local school board or governing body must adopt a policy, or delegate to the superintendent the authority to establish procedures, addressing parental consent for a student to leave campus, and the district or charter school must distribute the policy or procedures to staff and to all parents of students in the district or charter school.]~~

**Report on Permanent School Fund Securities Transactions and the Investment Portfolio and Ratification of Purchases and Sales for the Months of September and October 2022**

**February 3, 2023**

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND: ACTION  
STATE BOARD OF EDUCATION: CONSENT**

**SUMMARY:** This item provides an opportunity for the committee and board to receive a report on Permanent School Fund (PSF) Securities Transactions and the Investment Portfolio and consider ratification of purchases and sales of investments executed in the portfolio of the PSF for the months of September and October 2022.

**STATUTORY AUTHORITY:** Texas Constitution, [Article VII, §2](#) and [§5](#), and 19 Texas Administrative Code (TAC) Chapter 33.

The Texas Constitution, Article VII, §2 and §5 establish the permanent school fund, the assets that comprise the permanent school fund, the bond guarantee program, the available school fund, and authorize the State Board of Education (SBOE) to manage and invest the permanent school fund in accordance with the prudent person standard.

19 TAC Chapter 33 codifies administrative rules that provide a statement of investment objectives, policies, and guidelines of the Texas Permanent School Fund and Bond Guarantee Program as adopted by the SBOE.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** At the November 2022 meeting, the board approved purchases in the amount of \$1,631,746,929 and sales in the amount of \$1,896,145,452 conducted in the investment portfolio of the PSF for the months of July through August 2022.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The purchases and sales of the investment portfolio are reviewed by the staff to ensure compliance with the Investment Guidelines, Policies, and Objectives of the PSF. The specific amounts of the purchases and sales for the reporting period will be recommended to the board for ratification upon approval by the Committee on School Finance/Permanent School Fund.

**Staff Member Responsible:**

Holland Timmins, Executive Administrator and Chief Investment Officer, Texas Permanent School Fund

**Report on Permanent School Fund Liquid Account and Ratification of Purchases and Sales for the Months of September and October 2022**

**February 3, 2023**

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND: ACTION  
STATE BOARD OF EDUCATION: CONSENT**

**SUMMARY:** This item provides an opportunity for the committee and board to receive a status update report on the liquid account and consider approval of the purchases and sales of investments executed in the liquid account for the months of September and October 2022.

**STATUTORY AUTHORITY:** Texas Constitution, [Article VII, §2](#) and [§5](#); Texas Natural Resources Code ([NRC](#)), [§51.414](#), as repealed by SB 1232, 87th Legislature, Regular Session, 2021; and 19 Texas Administrative Code (TAC) Chapter 33.

The Texas Constitution, Article VII, §2 and §5 establish the permanent school fund, the assets that comprise the permanent school fund, the bond guarantee program, the available school fund, and authorize the State Board of Education (SBOE) to manage and invest the permanent school fund in accordance with the prudent person standard.

NRC, §51.414, created the Liquid Account within the Permanent School Fund (PSF) to be managed by the SBOE.

19 TAC Chapter 33 codifies administrative rules that provide a statement of investment objectives, policies, and guidelines of the Texas PSF and Bond Guarantee Program as adopted by the SBOE.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** At the November 2022 meeting, the board approved purchases in the amount of \$1,166,571,366 and sales in the amount of \$316,668,187 for the PSF Liquid Account for the period July 1, 2022, through August 31, 2022.

**Staff Member Responsible:**

Holland Timmins, Executive Administrator and Chief Investment Officer, Texas Permanent School Fund

## Annual Reporting of the Internally-Managed Permanent School Fund Investment Portfolio

February 2, 2023

### COMMITTEE ON SCHOOL FINANCE/PERMNET SCHOOL FUND: DISCUSSION STATE BOARD OF EDUCATION: NO ACTION

**SUMMARY:** This item provides an opportunity for the executive administrator and chief investment officer of the Permanent School Fund to report on various items required by 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund.

**STATUTORY AUTHORITY:** Texas Constitution, [Article VII, §2](#) and [§5](#), and 19 Texas Administrative Code (TAC) Chapter 33.

The Texas Constitution, Article VII, §2 and §5 establish the permanent school fund, the assets that comprise the permanent school fund, the bond guarantee program, the available school fund, and authorize the State Board of Education (SBOE) to manage and invest the permanent school fund in accordance with the prudent person standard.

19 TAC Chapter 33 codifies administrative rules that provide a statement of investment objectives, policies, and guidelines of the Texas Permanent School Fund and Bond Guarantee Program as adopted by the SBOE.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Specific actions that the committee must accomplish are outlined in 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund. This chapter also outlines specific reporting requirements and representations that must be made to the committee.

**Staff Member Responsible:**

Holland Timmins, Executive Administrator and Chief Investment Officer, Texas Permanent School Fund

**Attachment:**

Memorandum: Compliance of Internally-Managed Portfolio with 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund



ATTACHMENT

**MEMORANDUM**

**TO: Committee on School Finance/Permanent School Fund**

**FROM: Holland Timmins, Executive Administrator and Chief Investment Officer**

**DATE: January 2023**

**RE: Compliance of Internally-Managed Portfolio with 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund**

19 TAC §33.60(4) states that, "Annually, the SBOE Committee on School Finance/Permanent School Fund shall confirm that the PSF and each of its managed portfolios have complied with the provisions of this chapter concerning exclusions imposed by the SBOE, proxy voting, and trading and brokerage selection."

The following is the certification of the Executive Administrator and Chief Investment Officer of the Permanent School Fund regarding the compliance with 19 TAC Chapter 33 of internally managed investment portfolios.

**§33.25, Permissible and Restricted Investments and General Guidelines for Investment Managers.**

To the best of my knowledge, all investment transactions and holdings of the internally managed portfolios are in compliance with the requirements of 19 TAC §33.25.

**§33.40, Trading and Brokerage Policy.**

To the best of my knowledge, all securities transactions for the Fund were conducted in accordance with the requirements of §33.40. All brokers utilized by the Fund's internal portfolio managers meet the criteria set forth in §33.40(c)(2).

In addition, the Permanent School Fund internal portfolio managers utilize the following Electronic Communication Networks (ECN) which are exempted from having comprehensive, proprietary, in-house research capabilities as set forth in paragraph (2)(B):

Instinet  
Virtu Americas, LLC

**§33.45, Proxy Voting Policy.**

To the best of my knowledge, all proxy votes were voted in compliance with 19 TAC §33.45.

**Proposed Revisions to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund**  
**(Second Reading and Final Adoption)**

**February 3, 2023**

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND: ACTION**  
**STATE BOARD OF EDUCATION: CONSENT**

**SUMMARY:** This item presents for second reading and final adoption proposed revisions to 19 Texas Administrative Code (TAC) Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund. The proposed revisions would implement Senate Bill (SB) 1232, 87th Texas Legislature, Regular Session, 2021, which authorized the creation of the Texas Permanent School Fund (PSF) Corporation. The proposed revisions would repeal 19 TAC §§33.1, 33.5, 33.10, 33.15, 33.20, 33.25, 33.30, 33.35, 33.40, 33.45, 33.50, 33.55, 33.60, 33.65, and 33.67 and propose new §§33.3, 33.4, 33.6, 33.7, and 33.8. The proposed new rules would include changes to the existing rules relating to the Bond Guarantee Program, including changes to the reserve. The proposed revisions would also organize the rules in Chapter 33 by creating new Subchapter B, Texas Permanent School Fund Corporation Rules, which would contain §33.21. Changes are recommended since approved for first reading.

**STATUTORY AUTHORITY:** Texas Constitution, [Article VII, §5\(a\) and \(f\)](#); Texas Education Code (TEC), [§43.001](#) and [§43.0031](#); and SB 1232, 87th Texas Legislature, Regular Session, 2021.

Texas Constitution, Article VII, §5(a), authorizes the State Board of Education (SBOE) to make distributions from the PSF to the available school fund with certain limits.

Texas Constitution, Article VII, §5(f), authorizes the SBOE to manage and invest the PSF according to the prudent person standard and make investments it deems appropriate.

TEC, §43.001, describes the PSF as a perpetual endowment.

TEC, §43.0031, requires the SBOE to adopt an ethics policy.

Senate Bill (SB) 1232, 87th Texas Legislature, Regular Session, 2021, allows the State Board of Education (SBOE) to create the Texas Permanent School Fund PSF Corporation and delegate its authority to manage the PSF to the Texas PSF Corporation.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**EFFECTIVE DATE:** The proposed effective date of the proposed revisions is 20 days after filing as adopted with the Texas Register. Under TEC, §7.102(f), the SBOE must approve the rule action at second reading and final adoption by a vote of two-thirds of its members to specify an effective date earlier than the beginning of the 2023-2024 school year. The earlier effective date would allow the rules to align with statute as soon as possible.

**PREVIOUS BOARD ACTION:** The SBOE adopted rules in Chapter 33 effective September 1, 1996. The proposed rules were last revised by the SBOE as follows: Sections 33.1, 33.40, and 33.55 were amended effective June 4, 2012. Sections 33.5, 33.25, 33.35, and 33.60 were amended effective April 8, 2021. Sections 33.10, 33.15, 33.20, and 33.30 were amended effective March 15, 2020. Section 33.45 was amended effective March 31, 2004. Section 33.21 was adopted effective March 22, 2022. Section

33.50 was adopted effective September 1, 1996. Sections 33.65 and 33.67 were amended effective March 29, 2018.

**BACKGROUND INFORMATION AND JUSTIFICATION:** In accordance with statute, the rules in Chapter 33 establish investment objectives, policies, and guidelines for the Texas Permanent School Fund.

SB 1232, 87th Texas Legislature, Regular Session, 2021, allows the State Board of Education to create the Texas PSF Corporation and delegate its authority to manage the PSF to the Texas PSF Corporation.

Existing §§33.5, 33.20, 33.65, and 33.67 would be repealed. The sections would be renumbered and amended as follows.

Proposed new §33.3, Duties and Responsibilities of the State Board of Education Related to the Texas Permanent School Fund Corporation, would replace existing §33.20. The following significant changes would be made from the existing rule. The proposed new rule would update the duties and responsibilities of the SBOE to align with SB 1232, including the repeal of provisions that are no longer applicable. The remaining provisions would specify the role of the SBOE as fiduciary of the PSF and the duties and responsibilities of the SBOE with respect to the Texas PSF Corporation, as set forth in SB 1232 and the Texas PSF Corporation's governing documents.

Proposed new §33.4, Ethical Standards for Members of the State Board of Education, would replace existing §33.5. The following significant changes would be made from the existing rule. The proposed new rule would change most of the ethical provisions related to the investment and management of the PSF because under SB 1232, the PSF Corporation now has strategic and operational control of PSF investments. The SBOE will no longer hire companies and individuals to manage the PSF. The SBOE's role concerning the PSF has significantly changed. The PSF Corporation has developed an ethics policy as required by SB 1232. The provisions of the new rule would provide ethical standards for SBOE members, the commissioner of education, Texas Education Agency (TEA) staff, and persons who provide services to the SBOE relating to the PSF.

Proposed new §33.6, Bond Guarantee Program for School Districts, would replace existing §33.65. The following significant changes would be made from the existing rule. The commissioner would have the authority to increase or decrease the multiplier, and changes would be made to the fund's reserve to (1) allow the SBOE to establish an amount of capacity held in reserve of up to 5.0% of the fund's capacity; (2) remove the limitations on the use of the reserve capacity; and (3) provide the commissioner or SBOE the ability to increase or decrease the amount held in reserve. Additionally, the changes would allow applications for districts that experience unforeseen catastrophes or emergencies to be prioritized.

At adoption, a technical edit is recommended in §33.6(e)(2) that would add commas to the phrase "cost value, asset allocation, and risk in the portfolio."

Proposed new §33.7, Bond Guarantee Program for Charter Schools, would replace existing §33.67. The only significant change that would be made from the existing rule would be to allow the commissioner to hold up to 5.0% of the charter school available capacity in reserve each month.

At adoption, a non-substantive, conforming edit is recommended in §33.7(m)(1) that would specify that the commissioner must notify the Texas PSF Corporation immediately after receiving a notice of default under §33.7(k).

New §33.8, Compliance with Securities and Exchange Commission (SEC) Rule 15c2-12 Pertaining to Disclosure of Information Relating to the Bond Guarantee Program, would be proposed. The proposed new rule would codify the SEC Rule 15c2-12 undertaking in Chapter 33. Additionally, the new rule would add a definition of Texas PSF Corporation and specify that the annual report is prepared by the Texas PSF Corporation.

Existing §§33.1, 33.10, 33.15, 33.25, 33.30, 33.35, 33.40, 33.45, 33.50, 33.55, and 33.60 are proposed for repeal because they are no longer applicable to the SBOE due to the implementation of SB 1232 and the delegation of the authority to manage and invest the PSF to the Texas PSF Corporation.

The text of §§33.1, 33.5, 33.10, 33.15, 33.20, 33.25, 33.30, 33.35, 33.40, 33.45, 33.50, 33.55, 33.60, 33.65, and 33.67 proposed for repeal is not included as an attachment to this item due to the volume of rules; however, the rules are viewable on the TEA website at <https://tea.texas.gov/about-tea/laws-and-rules/texas-administrative-code/19-tac-chapter-33>.

In accordance with TEC, §43.0031(c), a copy of proposed new 19 TAC §33.4, Ethical Standards for Members of the State Board of Education, was submitted to the Texas Ethics Commission and the State Auditor's Office (SAO) for review and comment following SBOE approval of the proposed new section for first reading and filing authorization at the November 2022 meeting. The SBOE is to consider any comments from the Texas Ethics Commission or SAO received prior to final adoption. The SAO sent a letter dated January 13, 2023, stating that the SAO has no comments on the proposed new rule. No formal comments have yet been received from the Texas Ethics Commission. Any comments received will be provided to the SBOE at the January-February 2023 meeting.

**FISCAL IMPACT:** No changes have been made to this section since published as proposed.

TEA has determined that there are no additional costs to state or local government required to comply with the proposal.

**LOCAL EMPLOYMENT IMPACT:** No changes have been made to this section since published as proposed.

The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

**SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT:** No changes have been made to this section since published as proposed.

The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

**COST INCREASE TO REGULATED PERSONS:** No changes have been made to this section since published as proposed.

The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

**TAKINGS IMPACT ASSESSMENT:** No changes have been made to this section since published as proposed.

The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

**GOVERNMENT GROWTH IMPACT:** No changes have been made to this section since published as proposed.

TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create new regulations and repeal existing regulations to align with SB 1232, 87th Texas Legislature, Regular Session, 2021. The new provisions would address the SBOE's responsibilities in relation to the PSF.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand or limit an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

**PUBLIC BENEFIT AND COST TO PERSONS:** No changes have been made to this section since published as proposed.

The proposal would update and clarify provisions supporting the management and investment of the PSF. There is no anticipated economic cost to persons who are required to comply with the proposal.

**DATA AND REPORTING IMPACT:** No changes have been made to this section since published as proposed.

The proposal would have no new data and reporting impact.

**PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS:** No changes have been made to this section since published as proposed.

TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

**PUBLIC COMMENTS:** Following the November 2022 SBOE meeting, notice of the proposed revisions to Chapter 33 was filed with the Texas Register, initiating the public comment period. The public comment period began December 23, 2022, and ended at 5:00 p.m. on January 27, 2023. At the time this item was prepared, no public comments had been received. A summary of public comments received will be provided to the SBOE during the January-February 2023 meeting. The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in January-February 2023 in accordance with the SBOE board operating policies and procedures.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Approve for second reading and final adoption the proposed revisions to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund, Subchapter A, State Board of Education Rules, and Subchapter B, Texas Permanent School Fund Corporation Rules; and

Make an affirmative finding that immediate adoption of the proposed revisions to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund, Subchapter A, State Board of Education Rules, and Subchapter B, Texas Permanent School Fund Corporation Rules, is necessary and shall have an effective date of 20 days after filing as adopted with the Texas Register. *(Per TEC, §7.102(f), a vote of two-thirds of the members of the board is necessary for an earlier effective date.)*

**Staff Members Responsible:**

Holland Timmins, Executive Administrator and Chief Investment Officer, Texas Permanent School Fund

**Attachment:**

Text of Proposed Revisions to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund, Subchapter A, State Board of Education Rules, and Subchapter B, Texas Permanent School Fund Corporation Rules

ATTACHMENT  
Text of Proposed New 19 TAC

**Chapter 33. Statement of Investment Objectives, Policies, and Guidelines of the Texas  
Permanent School Fund**

**Subchapter A. State Board of Education Rules**

**§33.3. Duties and Responsibilities of the State Board of Education Related to the Texas Permanent School Fund Corporation.**

- (a) The Texas Constitution, Article VII, §§1-8, establish the Available School Fund, the Texas Permanent School Fund (PSF), and the State Board of Education (SBOE) and specify the standard of care SBOE members must exercise in managing PSF assets. In addition, the constitution directs the legislature to establish suitable provisions for supporting and maintaining an efficient public free school system, defines the composition of the PSF and the Available School Fund, and requires the SBOE to set aside sufficient funds to provide free instructional materials for the use of children attending the public free schools of this state. The members of the SBOE serve as fiduciaries of the PSF.
- (b) Pursuant to Texas Education Code, Chapter 43, Subchapter B, the SBOE delegated the authority to manage and invest the PSF to the Texas PSF Corporation, a special-purpose governmental corporation that is an instrumentality of the state of Texas with all necessary and implied powers to accomplish its purpose. The SBOE has the following duties and responsibilities with respect to the Texas PSF Corporation:
- (1) establish by rule the terms of the five members of the SBOE appointed to the Texas PSF Corporation Board of Directors;
  - (2) adopt the certificate of formation for the Texas PSF Corporation;
  - (3) approve the adoption and amendment of the Texas PSF Corporation bylaws; and
  - (4) act as the sole member of the Texas PSF Corporation.

**§33.4. Ethical Standards for Members of the State Board of Education.**

- (a) Definitions. For purposes of this section, the following definitions have the following meanings.
- (1) Commissioner--the commissioner of education. As the commissioner is an employee of the Texas Education Agency (TEA), any provisions that apply to TEA employees apply to the commissioner.
  - (2) Official act or official action--a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority.
  - (3) Permanent School Fund (PSF) service provider--any person who provides services to the PSF or relating to the management or investment of the PSF, including, but not limited to, external investment managers and consultants, banks, custodians, and professional services (attorneys, accountants, etc.). Notwithstanding the foregoing, for all purposes under this section, the term PSF service provider excludes State Board of Education (SBOE) members, TEA employees, and private fund managers. PSF service providers who provide services to the Texas PSF Corporation are covered by the Texas PSF Corporation's ethics policy.
  - (4) Personal securities transactions--
    - (A) transactions for a member's or employee's own account, including an individual retirement account; or
    - (B) transactions for an account, other than an account over which the member or employee has no direct or indirect influence or control, in which the member or employee (or the member's or employee's spouse, minor child, or other dependent relative):
      - (i) is an income or principal beneficiary or other equity owner of the account; or

- (ii) receives compensation for managing the account for the benefit of persons other than the member or employee or his or her family.
- (5) Private fund manager--a person who controls a non-publicly traded investment fund or other investment vehicle (including, but not limited to, a partnership, limited liability company, trust, association, or other entity) in which the PSF is invested. A private fund manager may include the vehicle's sponsor, general partner, managing member, manager, advisor, or other agent thereof. For purposes of this section, private fund managers are not considered to be PSF service providers.
- (6) Publicly traded securities--securities of a class that is listed on a national securities exchange or quoted on the NASDAQ national market system in the United States or that is publicly traded on any foreign stock exchange or other foreign market.
- (7) Relative--an individual related within the third degree by consanguinity (blood relative) or the second degree by affinity (marriage) determined in accordance with Texas Government Code, §§573.021-573.025. For purposes of this definition:
  - (A) examples of a relative within the third degree by consanguinity are a child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, uncle, aunt, niece, or nephew;
  - (B) examples of a relative within the second degree by affinity are a spouse, an individual related to a spouse within the second degree by consanguinity, or a spouse of such an individual;
  - (C) an individual adopted into a family is considered a relative on the same basis as a natural born family member; and
  - (D) an individual is considered a spouse even if the marriage has been dissolved by death or divorce if there are surviving children of that marriage.
- (8) Texas Education Agency (TEA) employee--a person employed by TEA who provides advice to the SBOE, commissioner, or TEA concerning the PSF.
- (b) General principles. Under Texas Education Code (TEC), §43.0031, members of the SBOE, the commissioner, TEA employees, and persons providing services to the SBOE relating to the PSF are subject to general ethical standards relating to the PSF. The PSF is held in public trust for the benefit of the schoolchildren of Texas. The members of the SBOE serve as fiduciaries of the PSF in accordance with the Texas Constitution, Article VII, §5(f). SBOE members or anyone acting on their behalf shall aspire to the highest standards of ethical conduct and shall comply with the provisions of this section, the Texas Constitution, Texas statutes, and all other applicable provisions governing the responsibilities of a fiduciary.
- (c) General ethical standards.
  - (1) SBOE members must comply with all laws applicable to them, which may include one or more of the following statutes: Texas Government Code, §572.051 (Standards of Conduct; State Agency Ethics Policy), §552.352 (Distribution or Misuse of Confidential Information), §572.002 (General Definitions), §572.004 (Definition: Regulation), §572.054 (Representation by Former Officer or Employee of Regulatory Agency Restricted; Criminal Offense), §572.058 (Private Interest in Measure or Decision; Disclosure; Removal from Office for Violation), §572.021 (Financial Statement Required), §2252.908 (Disclosure of Interested Parties), Chapter 573 (Degrees of Relationship; Nepotism Prohibitions), and Chapter 305 (Registration of Lobbyists); Texas Penal Code, Chapter 36 (Bribery and Corrupt Influence) and Chapter 39 (Abuse of Office); and TEC, §43.0032 (Conflicts of Interest) and §43.0033 (Reports of Expenditures). The omission of any applicable statute listed in this paragraph does not excuse violation of its provisions.
  - (2) SBOE members must be honest in the exercise of their duties and must not take actions that will discredit the PSF.
  - (3) SBOE members shall be loyal to the interests of the PSF to the extent that such loyalty is not in conflict with other duties that legally have priority.



(4) SBOE members shall not use nonpublic information gained through their relationship with the PSF to seek or obtain personal gain beyond agreed compensation and/or any properly authorized expense reimbursement. This should not be interpreted to forbid the use of PSF as a reference or the communication to others of the fact that a relationship with PSF exists, provided that no misrepresentation is involved.

(5) This section is adopted to satisfy the requirements of TEC, §43.0031.

(d) Conflicts of interest.

(1) A conflict of interest exists whenever SBOE members, the commissioner, or TEA employees have business, commercial, or other relationships, including, but not limited to, personal and private relationships, that could reasonably be expected to diminish their independence of judgment in the performance of their duties. Conflicts include, but are not limited to, beneficial interests in securities, corporate memberships, trustee positions, familial relationships, or other special relationships that could reasonably be considered a conflict of interest with the fiduciary duties to the PSF. Further, TEC, §43.0032, requires disclosure and no participation in a matter affected by the possible conflict of interest, unless a waiver is granted, when an SBOE member, the commissioner, a TEA employee, or a person who provides services to the SBOE that relate to management or investment of the PSF has a business, commercial, or other relationship that could reasonably be expected to diminish a person's independence of judgment in the performance of the person's responsibilities relating to the PSF. Such business, commercial, or other relationship is defined to be a relationship that is prohibited under Texas Government Code, §572.051, or that would require public disclosure under Texas Government Code, §572.058, or a relationship that does not rise to this level but that is determined by the SBOE to create an unacceptable risk to the integrity and reputation of the PSF investment program.

(2) Any person who has a possible conflict of interest as defined in paragraph (1) of this subsection shall, upon discovery, promptly disclose the possible conflict to the commissioner and the chair and vice chair of the SBOE on a disclosure form prescribed by the commissioner.

(e) Prohibited transactions and interests. SBOE members, the commissioner, and TEA employees may not:

(1) engage in any personal securities transaction when the person has actual knowledge that the Texas PSF Corporation is trading such securities or has acquired information through his or her position that is not otherwise available to the public. An SBOE member, the commissioner, or a TEA employee may otherwise buy or sell a publicly traded security of an issuer that is held by the Texas PSF Corporation;

(2) accept or solicit any gifts, favors, services, or benefits that might reasonably tend to influence the person in the discharge of his or her duties for the PSF or that the person knows, or should know, is being offered with the intent to influence the person's conduct on behalf of the PSF;

(3) accept employment or engage in a business or professional activity while serving as an SBOE member or a TEA employee that the member or employee might reasonably expect would require or induce the member or employee to disclose confidential information acquired by reason of his or her position concerning the PSF;

(4) accept employment or compensation while serving as a member or employee that could reasonably be expected to impair the member's or employee's independence of judgment in the performance of his or her duties;

(5) make personal investments that could reasonably be expected to create a substantial conflict of interest between the member's or employee's private interest and the interests of the PSF;

(6) intentionally or knowingly solicit, accept, or agree to accept any gifts, favors, services, or benefits for the exercise of the member's or employee's authority or performance of the member's or employee's duties;

(7) purchase, sell, exchange, or lease property to or from the Texas PSF Corporation if such person holds an interest in the property (whether direct or indirect);

- (8) purchase, sell, or exchange any interest in an entity with the Texas PSF Corporation if such person holds an interest in the entity (whether direct or indirect);
- (9) accept offers, under any circumstances, by reason of their official position to trade in any security or other investment on terms more favorable than those available to the general investing public or, in the case of private market investments, a similarly situated investor;
- (10) lend to or borrow from the Texas PSF Corporation, PSF service providers, private fund managers, or other third parties with which the Texas PSF Corporation has a business relationship, unless such entities are normally engaged in such lending in the usual course of their business, and then only on customary terms offered to others under similar circumstances to finance proper and usual activities; or
- (11) act as a representative or agent of a third party, including a PSF service provider or private fund manager, in connection with the acquisition of services or an investment for the Texas PSF Corporation.
- (f) Gifts and entertainment. An SBOE member, the commissioner, or a TEA employee (or the spouse, minor child, or dependent relative thereof) may not:
  - (1) accept any gift or benefit, unless such gift is a permissible gift as defined in subsection (g) of this section;
  - (2) solicit, offer, or accept a gift or benefit (for the personal benefit of the member or employee or for the benefit of a third party), regardless of whether it is a permissible gift, that the member or employee knows, or should know, is being offered or given because of the member's or employee's official position, in exchange for an official act, or with the intent to influence the member's or employee's conduct on behalf of the PSF;
  - (3) solicit, accept, or agree to accept an honorarium in consideration for services that the member or employee would not have been requested to provide but for his or her official position or duties;
  - (4) accept any gift or benefit from a lobbyist, or a person who is required to be registered as a lobbyist, that is not expressly permitted by Texas Government Code, Chapter 305; or
  - (5) accept a gift or benefit if the source of the gift or benefit is not identified or if the member or employee knows, or has reason to know, that a prohibited gift is being offered through an intermediary.
- (g) Definition of permissible gift. The term "permissible gift" means a gift or benefit that is offered or accepted in compliance with all applicable statutes and rules and is one of the following:
  - (1) an occasional gift that is not cash or money, including checks, gift cards, or negotiable instruments, and does not exceed \$50 in value;
  - (2) food, lodging, entertainment, and transportation, if accepted as a guest (i.e., the donor is present) and, if required, the member or employee reports the gift as required by law;
  - (3) an item is given in the context of a personal relationship, such as kinship, or a professional or business relationship that is independent of the member's or employee's official capacity; or
  - (4) transportation, lodging, and meals in connection with attendance at a conference or similar event in which the member or employee renders services, such as speaking, if the services are more than perfunctory.
- (h) Receipt of prohibited gift. A member or employee who receives a gift that is not a permissible gift should return the gift to its source or, if that is not possible or feasible, donate the gift to a recognized tax-exempt charitable organization or governmental entity.
- (i) Contributions and solicitation of support.
  - (1) All SBOE members, the commissioner, and TEA employees (and their respective agents) shall follow all applicable laws governing campaign contributions, including, without limitation, the

rules promulgated by the Securities and Exchange Commission relating to political contributions by certain investment advisors.

(2) An SBOE member shall not request that a PSF service provider or private fund manager make any gift or donation to a school or other charitable interest on behalf of or at the request of a member.

(j) Compliance and enforcement.

(1) The SBOE will enforce this section through its chair or vice chair or the commissioner.

(2) Any violation of this section will be reported to the chair and vice chair of the SBOE and the commissioner, and a recommended action will be presented to the SBOE by the chair of the SBOE or the commissioner.

(3) The ethics advisor of TEA shall respond to inquiries from SBOE members, the commissioner, and TEA employees concerning the provisions of this section. The ethics advisor may confer with the general counsel.

(k) Ethics training. The SBOE shall receive annual training regarding state ethics laws through the Texas Ethics Commission or TEA's ethics advisor. TEA employees shall complete all ethics training required by TEA.

### **§33.6. Bond Guarantee Program for School Districts.**

(a) Statutory provision. The commissioner of education must administer the guarantee program for school district bonds according to the provisions of Texas Education Code (TEC), Chapter 45, Subchapter C.

(b) Definitions. The following definitions apply to the guarantee program for school district bonds.

(1) Annual debt service--payments of principal and interest on outstanding bonded debt scheduled to occur between September 1 and August 31 during the fiscal year in which the guarantee is sought as reported by the Municipal Advisory Council (MAC) of Texas or its successor, if the district has outstanding bonded indebtedness.

(A) The annual debt service will be determined by the current report of the bonded indebtedness of the district as reported by the MAC of Texas or its successor as of the date of the application deadline.

(B) The annual debt service does not include:

(i) the amount of debt service to be paid on the bonds for which the reservation is sought; or

(ii) the amount of debt service attributable to any debt that is no longer outstanding at the application deadline, provided that the Texas Education Agency (TEA) has sufficient evidence of the discharge or defeasance of such debt.

(C) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement, or if there is no official statement, debt service amounts based on the maximum rate permitted by the bond order or other bond proceeding that establishes a maximum interest rate for the bonds.

(2) Application deadline--the last business day of the month in which an application for a guarantee is filed. Applications must be submitted electronically through the website of the MAC of Texas or its successor by 5:00 p.m. on the last business day of the month to be considered in that month's application processing.

(3) Average daily attendance (ADA)--total refined average daily attendance as defined by TEC, §42.005.

(4) Bond--a debt security issuance approved by the attorney general, issued under TEC, §45.003 or §45.004, to provide long-term financing with a maturity schedule of at least three years.

- (5) Bond Guarantee Program (BGP)--the guarantee program that is described by this section and established under TEC, Chapter 45, Subchapter C.
- (6) Bond order--the order adopted by the governing body of a school district that authorizes the issuance of bonds and the pricing certificate, if any, establishing the terms of the bonds executed pursuant to such order.
- (7) Combination issue--an issuance of bonds for which an application for a guarantee is filed that includes both a new money portion and a refunding portion, as permitted by the Texas Government Code, Chapter 1207. The eligibility of combination issues for the guarantee is limited by the eligibility of the new money and refunding portions as defined in this subsection.
- (8) Enrollment growth--growth in student enrollment, as defined by §129.1025 of this title (relating to Adoption by Reference: Student Attendance Accounting Handbook), that has occurred over the previous five school years.
- (9) Nationally recognized investment rating firm--an investment rating firm that is designated by the United States Securities and Exchange Commission as a nationally recognized statistical rating organization (NRSRO) and is demonstrating that it has:
  - (A) had its current NRSRO designation for at least three consecutive years;
  - (B) provided credit ratings to each of the following:
    - (i) fifteen or more fixed income securities denominated in United States dollars and issued during the immediately preceding three years; and
    - (ii) ten or more school districts in the United States; and
  - (C) a documented separation of duties between employees involved in credit analysis and employees involved in business relationships with clients.
- (10) New money issue--an issuance of bonds for the purposes of constructing, renovating, acquiring, and equipping school buildings; the purchase of property; or the purchase of school buses. An issuance of bonds for the purpose of constructing teacher or student housing is eligible for the guarantee for new money only if it is an integral part of the educational mission of the school district as determined by the commissioner. Eligibility for the guarantee for new money issues is limited to the issuance of bonds authorized under TEC, §45.003. A new money issue does not include the issuance of bonds to purchase a facility from a public facility corporation created by the school district or to purchase any property that is currently under a lease-purchase contract under the Local Government Code, Chapter 271, Subchapter A. A new money issue does not include an issuance of bonds to refinance any type of maintenance tax-supported debt. Maintenance tax-supported debt includes, but is not limited to:
  - (A) time warrants or loans entered under TEC, Chapter 45, Subchapter E; or
  - (B) any other type of loan or warrant that is not supported by bond taxes as defined by TEC, §45.003.
- (11) Notes issued to provide interim financing--an issuance of notes, including commercial paper notes, designed to provide short-term financing for the purposes of constructing, renovating, acquiring, and equipping school buildings; the purchase of property; or the purchase of school buses. For notes to be eligible for the guarantee under this section, the notes must be:
  - (A) issued to pay costs for which bonds have been authorized at an election occurring before the issuance of the notes;
  - (B) approved by the attorney general or issued in accordance with proceedings that have been approved by the attorney general; and
  - (C) refunded by bonds issued to provide long-term financing no more than three years from the date of issuance of such notes, provided that the date of issuance of notes will be determined by reference to the date on which the notes were issued for capital

expenditures and the intervening date or dates of issuance of any notes issued to refinance outstanding notes will be disregarded.

- (12) Refunding issue--an issuance of bonds for the purpose of refunding bonds, including notes issued to provide interim financing, that are supported by bond taxes as defined by TEC, §45.003. Eligibility for the guarantee for refunding issues is limited to refunding issues that refund bonds, including notes issued to provide interim financing, that were authorized by a bond election under TEC, §45.003.
- (13) Total debt service--total outstanding principal and interest on bonded debt.
  - (A) The total debt service will be determined by the current report of the bonded indebtedness of the district as reported by the MAC of Texas or its successor as of the date of the application deadline, if the district has outstanding bonded indebtedness.
  - (B) The total debt service does not include:
    - (i) the amount of debt service to be paid on the bonds for which the reservation is sought; or
    - (ii) the amount of debt service attributable to any debt that is no longer outstanding at the application deadline, provided that TEA has sufficient evidence of the discharge or defeasance of such debt.
  - (C) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement, or if there is no official statement, debt service amounts based on the maximum rate permitted by the bond order or other bond proceeding that establishes a maximum interest rate for the bonds.

(c) Data sources.

- (1) The following data sources will be used for purposes of prioritization:
  - (A) projected ADA for the current school year as adopted by the legislature for appropriations purposes;
  - (B) final property values certified by the comptroller of public accounts, as described in the Texas Government Code, Chapter 403, Subchapter M, for the tax year preceding the year in which the bonds will be issued. If final property values are unavailable, the most recent projection of property values by the comptroller, as described in the Texas Government Code, Chapter 403, Subchapter M, will be used;
  - (C) debt service information reported by the MAC of Texas or its successor as of the date of the application deadline; and
  - (D) enrollment information reported to the Public Education Information Management System (PEIMS) for the five-year time period ending in the year before the application date.
- (2) The commissioner may consider adjustments to data values determined to be erroneous or not reflective of current conditions before the deadline for receipt of applications for that application cycle.

(d) Bond eligibility.

- (1) Only those combination, new money, and refunding issues as defined in subsection (b)(7), (10), and (12), respectively, of this section are eligible to receive the guarantee.
- (2) Refunding issues must comply with the following requirements to retain eligibility for the guarantee for the refunding bonds, except that subparagraph (C) of this paragraph does not apply to a refunding issue that provides long-term financing for notes issued to provide interim financing.

- (A) As with any district applying for approval for the guarantee, the district issuing the refunding bonds must meet the requirements for initial approval specified in subsection (g)(2)(A) of this section.
- (B) The bonds to be refunded must have been:
- (i) previously guaranteed by the Permanent School Fund (PSF) or approved for credit enhancement under §61.1038 of this title (relating to School District Bond Enhancement Program);
  - (ii) issued on or after November 1, 2008, and before January 1, 2010; or
  - (iii) issued as notes to provide interim financing as defined in subsection (b)(11) of this section.
- (C) The district must demonstrate that issuing the refunding bond(s) will result in a present value savings to the district and that the refunding bond or bonds will not have a maturity date later than the final maturity date of the bonds being refunded. Present value savings is determined by computing the net present value of the difference between each scheduled payment on the original bonds and each scheduled payment on the refunding bonds. Present value savings must be computed at the true interest cost of the refunding bonds. If the commissioner approves refunding bonds for the guarantee based on evidence of present value savings but at the time of the sale of the refunding bonds a present value savings is not realized, the commissioner may revoke the approval of the bonds for the guarantee.
- (D) The refunding transaction must comply with the provisions of subsection (g)(4)(A)-(C) of this section.
- (3) If a district files an application for a combination issue, the application will be treated as an application for a single issue for the purposes of eligibility for the guarantee. A guarantee for the combination issue will be awarded only if both the new money portion and the refunding portion meet all of the applicable eligibility requirements described in this section. As part of its application, the applicant district must present data that demonstrate compliance for both the new money portion of the issue and the refunding portion of the issue.
- (4) If the commissioner determines that an applicant has deliberately misrepresented information related to a bond issue to secure a guarantee, the commissioner must revoke the approval of the bonds for the guarantee.
- (e) Determination of PSF capacity to guarantee bonds.
- (1) Each month the commissioner will estimate the available capacity of the PSF. If necessary, the commissioner will confirm that the PSF has sufficient capacity to guarantee the bonds before the issuance of the final approval for the guarantee in accordance with subsection (g)(3) of this section. The calculation of capacity will be based on a multiplier of three and one-half times the cost value of the PSF with the proviso that under no circumstances could the capacity of the fund exceed the limits set by federal regulation. The commissioner may increase or decrease the multiplier to prudently manage fund capacity and preserve the AAA credit rating of the PSF. Changes to the multiplier made by the commissioner are to be ratified or rejected by the State Board of Education (SBOE) at the next meeting for which the item can be posted.
  - (2) The SBOE may establish an amount of capacity to be held in reserve of up to 5.0% of the fund's capacity. The amount to be held in reserve may be increased or decreased by a majority vote of the SBOE based on changes in the cost value, asset allocation, and risk in the portfolio, or may be increased or decreased by the commissioner as necessary to prudently manage fund capacity and preserve the AAA credit rating of the PSF. Changes to the amount held in reserve made by the commissioner are to be ratified or rejected by the SBOE at the next meeting for which the item can be posted.

- (3) The net capacity of the PSF to guarantee bonds is determined by subtracting the amount to be held in reserve, as determined under paragraph (2) of this subsection, from the total available capacity, as described in paragraph (1) of this subsection.
- (f) Application process and application processing.
- (1) Application submission and fee. A district must apply to the commissioner for the guarantee of eligible bonds or the credit enhancement of eligible bonds as authorized under §61.1038 of this title by submitting an application electronically through the website of the MAC of Texas or its successor. The district must submit the information required under TEC, §45.055(b), and this section and any additional information the commissioner may require. The application and all additional information required by the commissioner must be received before the application will be processed. The district may not submit an application for a guarantee or credit enhancement before the successful passage of an authorizing proposition.
- (A) The application fee is \$1,500.
- (B) The fee is due at the time the application for the guarantee or the credit enhancement is submitted. An application will not be processed until the fee has been remitted according to the directions provided on the website of the MAC of Texas or its successor and received by TEA.
- (C) The fee will not be refunded to a district that:
- (i) is not approved for the guarantee or the credit enhancement; or
- (ii) does not sell its bonds before the expiration of its approval for the guarantee or the credit enhancement.
- (D) The fee may be transferred to a subsequent application for the guarantee or the credit enhancement by the district if the district withdraws its application and submits the subsequent application before the expiration of its approval for the guarantee or the credit enhancement.
- (2) Application prioritization and processing. Applications will be prioritized based on districts' property wealth per ADA, with the application of a district with a lower property wealth per ADA prioritized before that of a district with a higher property wealth per ADA. Applications may also be prioritized for districts that experience unforeseen catastrophes or emergencies that require the renovation or replacement of school facilities as described in TEC, §44.031(h). All applications received during a calendar month will be held until up to the 15th business day of the subsequent month. On or before the 15th business day of each month, the commissioner will announce the results of the prioritization and process applications for initial approval for the guarantee, up to the available net capacity as of the application deadline, subject to the requirements of this section.
- (A) Approval for guarantees will be awarded each month beginning with the districts with the lowest property wealth per ADA until the PSF reaches its net capacity to guarantee bonds.
- (B) Approval for guarantees will be awarded based on the fund's capacity to fully guarantee the bond issue for which the guarantee is sought. Applications for bond issues that cannot be fully guaranteed will not receive an award. The amount of bond issue for which the guarantee was requested may not be modified after the monthly application deadline for the purposes of securing the guarantee during the award process. If PSF net capacity has been exhausted, the commissioner will process the application for approval of the credit enhancement as specified in §61.1038 of this title.
- (C) The actual guarantee of the bonds is subject to the approval process prescribed in subsection (g) of this section.
- (D) An applicant school district is ineligible for consideration for the guarantee if its lowest credit rating from any nationally recognized investment rating firm as defined in subsection (b)(9) of this section is the same as or higher than that of the PSF.

- (3) Late application. An application received after the application deadline will be considered a valid application for the subsequent month, unless withdrawn by the submitting district before the end of the subsequent month.
  - (4) Notice of application status. Each district that submits a valid application will be notified of the application status within 15 business days of the application deadline.
  - (5) Reapplication. If a district does not receive approval for the guarantee or for any reason does not receive approval of the bonds from the attorney general within the time period specified in subsection (g)(4) of this section, the district may reapply in a subsequent month. Applications that were denied approval for the guarantee will not be retained for consideration in subsequent months.
- (g) Approval for the guarantee; district responsibilities on receipt of approval.
- (1) Initial and final approval provisions.
    - (A) If, during the monthly estimation of PSF capacity described in subsection (e)(1) of this section, the commissioner determines that the available capacity of the PSF is 10% or less, the commissioner may require an applicant school district to obtain final approval for the guarantee as described in paragraph (3) of this subsection.
    - (B) If the commissioner has not made such a determination:
      - (i) the commissioner will consider the initial approval described in paragraph (2) of this subsection as both the initial and final approval; and
      - (ii) an applicant school district that has received notification of initial approval for the guarantee, as described in paragraph (2) of this subsection, may consider that notification as notification of initial and final approval for the guarantee and may complete the sale of the applicable bonds.
  - (2) Initial approval.
    - (A) The following provisions apply to all applications for the guarantee, regardless of whether an application is for a new money, refunding, or combination issue. Under TEC, §45.056, the commissioner will investigate the applicant school district's accreditation status and financial status. A district must be accredited and financially sound to be eligible for initial approval by the commissioner. The commissioner's review will include the following:
      - (i) the purpose of the bond issue;
      - (ii) the district's accreditation status as defined by §97.1055 of this title (relating to Accreditation Status) in accordance with the following:
        - (I) if the district's accreditation status is Accredited, the district will be eligible for consideration for the guarantee;
        - (II) if the district's accreditation status is Accredited-Warned or Accredited-Probation, the commissioner will investigate the underlying reason for the accreditation rating to determine whether the accreditation rating is related to the district's financial soundness. If the accreditation rating is related to the district's financial soundness, the district will not be eligible for consideration for the guarantee; or
        - (III) if the district's accreditation status is Not Accredited-Revoked, the district will not be eligible for consideration for the guarantee;
      - (iii) the district's compliance with statutes and rules of TEA; and
      - (iv) the district's financial status and stability, regardless of the district's accreditation rating, including approval of the bonds by the attorney general under the provisions of TEC, §45.0031 and §45.005.



- (B) The following limitation applies to applications for new money issues of bonds for which the election authorizing the issuance of the bonds was called after July 15, 2004. The commissioner will limit approval for the guarantee to a district that has, at the time of the application for the guarantee, less than 90% of the annual debt service of the district with the highest annual debt service per ADA, as determined by the commissioner annually, or less than 90% of the total debt service of the district with the highest total debt service per ADA, as determined by the commissioner annually. The limitation will not apply to school districts that have enrollment growth, as defined in subsection (b)(8) of this section, of at least 25%, based on PEIMS data on enrollment available at the time of application. The annual debt service amount is the amount defined by subsection (b)(1) of this section. The total debt service amount is the amount defined by subsection (b)(13) of this section.
- (C) The commissioner will grant or deny initial approval for the guarantee based on the review described in subparagraph (A) of this paragraph and the limitation described in subparagraph (B) of this paragraph and will provide an applicant district whose application has received initial approval for the guarantee written notice of initial approval.
- (3) Final approval. The provisions of this paragraph apply only as described in paragraph (1) of this subsection. A district must receive final approval before completing the sale of the bonds for which the district has received notification of initial approval.
- (A) A district that has received initial approval must provide a written notice to TEA two business days before issuing a preliminary official statement (POS) for the bonds that are eligible for the guarantee or two business days before soliciting investment offers, if the bonds will be privately placed without the use of a POS.
- (i) The district must receive written confirmation from TEA that the capacity continues to be available before proceeding with the public or private offer to sell bonds.
- (ii) TEA will provide this notification within one business day of receiving the notice of the POS or notice of other solicitation offers to sell the bonds.
- (B) A district that received confirmation from TEA in accordance with subparagraph (A) of this paragraph must provide written notice to TEA of the placement of an item to approve the bond sale on the agenda of a meeting of the school board of trustees no later than two business days before the meeting. If the bond sale is completed pursuant to a delegation by the board to a pricing officer or committee, notice must be given to TEA no later than two business days before the execution of a bond purchase agreement by such pricing officer or committee.
- (i) The district must receive written confirmation from TEA that the capacity continues to be available for the bond sale before the approval of the sale by the school board of trustees or by the pricing officer or committee.
- (ii) TEA will provide this notification within one business day before the date that the district expects to complete the sale by official action of the board or of a pricing officer or committee.
- (C) TEA will process requests for final approval from districts that have received initial approval on a first come, first served basis. Requests for final approval must be received before the expiration of the initial approval.
- (D) A district may provide written notification as required by this paragraph by facsimile transmission or by email in a manner prescribed by the commissioner.
- (4) District responsibilities on receipt of approval.
- (A) Once a district is awarded initial approval for the guarantee, each issuance of the bonds must be approved by the attorney general within 180 days of the date of the letter

granting the approval for the guarantee. The initial approval for the guarantee will expire at the end of the 180-day period. The commissioner may extend the 180-day period, based on extraordinary circumstances, on receiving a written request from the district or the attorney general before the expiration of the 180-day period.

- (B) If the bonds are not approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee, the commissioner will consider the application withdrawn, and the district must reapply for a guarantee.
- (C) If applicable, the district must comply with the provisions for final approval described in paragraph (3) of this subsection to maintain approval for the guarantee.
- (D) A district may not represent bonds as guaranteed for the purpose of pricing or marketing the bonds before the date of the letter granting approval for the guarantee.

(h) Financial exigency. The following provisions describe how a declaration of financial exigency under §109.2001 of this title (relating to Financial Exigency) affects a district's application for guarantee approval or a district's previously granted approval.

- (1) Application for guarantee of new money issue. The commissioner will deny approval of an application for the guarantee of a new money issue if the applicant school district has declared a state of financial exigency for the district's current fiscal year. The denial of approval will be in effect for the duration of the applicable fiscal year unless the district can demonstrate financial stability.
- (2) Approval granted before declaration. If in a given district's fiscal year the commissioner grants approval for the guarantee of a new money issue and the school district subsequently declares a state of financial exigency for that same fiscal year, the district must immediately notify the commissioner and may not offer the bonds for sale unless the commissioner determines that the district may proceed.
- (3) Application for guarantee of refunding issue. The commissioner will consider an application for the guarantee of a refunding issue that meets all applicable requirements specified in this section even if the applicant school district has declared a state of financial exigency for the district's current fiscal year. In addition to fulfilling all applicable requirements specified in this section, the applicant school district must also describe, in its application, the reason financial exigency was declared and how the refunding issue will support the district's financial recovery plan.

(i) Allocation of specific holdings. If necessary to successfully operate the BGP, the commissioner may allocate specific holdings of the PSF to specific bond issues guaranteed under this section. This allocation will not prejudice the right of the SBOE to dispose of the holdings according to law and requirements applicable to the fund; however, the SBOE will ensure that holdings of the PSF are available for a substitute allocation sufficient to meet the purposes of the initial allocation. This allocation will not affect any rights of the bond holders under law.

(j) Defeasance. The guarantee will be completely removed when bonds guaranteed by the BGP are defeased, and such a provision must be specifically stated in the bond order. If bonds guaranteed by the BGP are defeased, the district must notify the commissioner in writing within ten calendar days of the action.

(k) Bonds issued before August 15, 1993. For bonds issued before August 15, 1993, a school district seeking the guarantee of eligible bonds must certify that, on the date of issuance of any bond, no funds received by the district from the Available School Fund (ASF) are reasonably expected to be used directly or indirectly to pay the principal or interest on, or the tender or retirement price of, any bond of the political subdivision or to fund a reserve or placement fund for any such bond.

(l) Bonds guaranteed before December 1, 1993. For bonds guaranteed before December 1, 1993, if a school district cannot pay the maturing or matured principal or interest on a guaranteed bond, the commissioner will cause the amount needed to pay the principal or interest to be transferred to the district's paying agent solely from the PSF and not from the ASF. The commissioner also will direct the comptroller of public accounts to withhold the amount paid, plus interest, from the first state money payable to the district, excluding payments from the ASF.

- (m) Bonds issued after August 15, 1993, and guaranteed on or after December 1, 1993. If a school district cannot pay the maturing or matured principal or interest on a guaranteed bond, the commissioner will cause the amount needed to pay the principal or interest to be transferred to the district's paying agent from the PSF. The commissioner also will direct the comptroller of public accounts to withhold the amount paid, plus interest, from the first state money payable to the district, regardless of source, including the ASF.
- (n) Payments. For purposes of the provisions of TEC, Chapter 45, Subchapter C, matured principal and interest payments are limited to amounts due on guaranteed bonds at scheduled maturity, at scheduled interest payment dates, and at dates when bonds are subject to mandatory redemption, including extraordinary mandatory redemption, in accordance with the terms of the bond order. All such payment dates, including mandatory redemption dates, must be specified in the bond order or other document pursuant to which the bonds initially are issued. Without limiting the provisions of this subsection, payments attributable to an optional redemption or a right granted to a bondholder to demand payment on a tender of such bonds according to the terms of the bonds do not constitute matured principal and interest payments.
- (o) Guarantee restrictions. The guarantee provided for eligible bonds under the provisions of TEC, Chapter 45, Subchapter C, is restricted to matured bond principal and interest. The guarantee applies to all matured interest on eligible bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond order provision requiring an interest rate change. The guarantee does not extend to any obligation of a district under any agreement with a third party relating to bonds that is defined or described in state law as a "bond enhancement agreement" or a "credit agreement," unless the right to payment of such third party is directly as a result of such third party being a bondholder.
- (p) Notice of default. A school district that has determined that it is or will be unable to pay maturing or matured principal or interest on a guaranteed bond must immediately, but not later than the fifth business day before maturity date, notify the commissioner.
- (q) Payment from PSF.
  - (1) Immediately after the commissioner receives the notice described in subsection (p) of this section, the commissioner will instruct the comptroller to transfer from the appropriate account in the PSF to the district's paying agent the amount necessary to pay the maturing or matured principal or interest.
  - (2) Immediately after receipt of the funds for payment of the principal or interest, the paying agent must pay the amount due and forward the canceled bond or coupon to the comptroller. The comptroller will hold the canceled bond or coupon on behalf of the PSF.
  - (3) Following full reimbursement to the PSF with interest, the comptroller will further cancel the bond or coupon and forward it to the school district for which payment was made. Interest will be charged at the rate determined under the Texas Government Code, §2251.025(b). Interest will accrue as specified in the Texas Government Code, §2251.025(a) and (c).
- (r) Bonds not accelerated on default. If a school district fails to pay principal or interest on a guaranteed bond when it matures, other amounts not yet mature are not accelerated and do not become due by virtue of the school district's default.
- (s) Reimbursement of PSF. If payment from the PSF is made on behalf of a school district, the school district must reimburse the amount of the payment, plus interest, in accordance with the requirements of TEC, §45.061.
- (t) Repeated failure to pay. If a total of two or more payments are made under the BGP or the credit enhancement program authorized under §61.1038 of this title on the bonds of a school district, the commissioner will take action in accordance with the provisions of TEC, §45.062.

### **§33.7. Bond Guarantee Program for Charter Schools.**

- (a) Statutory provision. The commissioner of education must administer the guarantee program for open-enrollment charter school bonds according to the provisions of Texas Education Code (TEC), Chapter 45, Subchapter C.

- (b) Definitions. The following definitions apply to the guarantee program for open-enrollment charter school bonds.
- (1) Amortization expense--the annual expense of any debt and/or loan obligations.
  - (2) Annual debt service--payments of principal and noncapitalized interest on outstanding bonded debt scheduled to occur during a charter district's fiscal year as reported by the Municipal Advisory Council (MAC) of Texas or its successor, if the charter district is responsible for outstanding bonded indebtedness.
    - (A) The annual debt service will be determined by the current report of the bonded indebtedness of the charter district as reported by the MAC of Texas or its successor as of the date of the application deadline.
    - (B) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement or, if there is no official statement, debt service amounts based on the maximum rate permitted by the bond resolution or other bond proceeding that establishes a maximum interest rate for the bonds.
    - (C) Annual debt service includes required payments into a sinking fund as authorized under 26 United States Code (USC) §54A(d)(4)(C), provided that the sinking fund is maintained by a trustee or other entity approved by the commissioner that is not under the control or common control of the charter district.
  - (3) Application deadline--the last business day of the month in which an application for a guarantee is filed. Applications must be submitted electronically through the website of the MAC of Texas or its successor by 5:00 p.m. on the last business day of the month to be considered in that month's application processing. This application deadline does not apply to applications for issues to refund bonds previously guaranteed by the Bond Guarantee Program.
  - (4) Board resolution--the resolution adopted by the governing body of an open-enrollment charter holder that:
    - (A) requests guarantee of bonds through the Bond Guarantee Program; and
    - (B) authorizes the charter holder's administration to pursue bond financing.
  - (5) Bond--a debt security issuance approved by the attorney general, issued under TEC, Chapter 53, to provide long-term financing with a maturity schedule of at least three years.
  - (6) Bond Guarantee Program (BGP)--the guarantee program that is described by this section and established under TEC, Chapter 45, Subchapter C.
  - (7) Bond resolution--the resolution, indenture, or other instrument adopted by the governing body of an issuer of bonds authorizing the issuance of bonds for the benefit of a charter district.
  - (8) Charter district--an open-enrollment charter holder designated as a charter district under subsection (e) of this section, as authorized by TEC, §12.135.
  - (9) Combination issue--an issuance of bonds for which an application for a guarantee is filed that includes both a new money portion and a refunding portion, as permitted by TEC, Chapter 53. The eligibility of combination issues for the guarantee is limited by the eligibility of the new money and refunding portions as defined in this subsection.
  - (10) Debt service coverage ratio--a measure of a charter district's ability to pay interest and principal with cash generated from current operations. The debt service coverage ratio (total debt service coverage on all long-term capital debt) equals the excess of revenues over expenses plus interest expense plus depreciation expense plus amortization expense, all divided by annual debt service. The calculation can be expressed as: (Excess of revenues over expenses + interest expense + depreciation expense + amortization expense)/ annual debt service.
  - (11) Depreciation expense--the audited amount of depreciation that was expensed during the fiscal period.

- (12) Educational facility--a classroom building, laboratory, science building, faculty or administrative office building, or other facility used exclusively for the conduct of the educational and administrative functions of a charter school.
- (13) Foundation School Program (FSP)--the program established under TEC, Chapters 41, 42, and 46, or any successor program of state appropriated funding for school districts in the state of Texas.
- (14) Long-term debt--any debt of the charter district that has a term of greater than three years and is secured on a parity basis with the bonds to be guaranteed.
- (15) Maximum annual debt service--as of any date of calculation, the highest annual debt service requirements with respect to all outstanding long-term debt for any succeeding fiscal year.
- (16) Nationally recognized investment rating firm--an investment rating firm that is designated by the United States Securities and Exchange Commission as a nationally recognized statistical rating organization (NRSRO) and is demonstrating that it has:
  - (A) had its current NRSRO designation for at least three consecutive years;
  - (B) provided credit ratings to each of the following:
    - (i) fifteen or more fixed income securities denominated in United States dollars and issued during the immediately preceding three years;
    - (ii) ten or more school districts in the United States;
    - (iii) one or more charter schools in the United States; and
  - (C) a documented separation of duties between employees involved in credit analysis and employees involved in business relationships with clients.
- (17) New money issue--an issuance of revenue bonds under TEC, Chapter 53, for the purposes of:
  - (A) the acquisition, construction, repair, or renovation of an educational facility of an open-enrollment charter school and equipping real property of an open-enrollment charter school, provided that any bonds for student or teacher housing must meet the following criteria:
    - (i) the proposed housing is contemplated in the charter or charter application; and
    - (ii) the proposed housing is an essential and integral part of the educational program included in the charter contract; or
  - (B) the refinancing of one or more promissory notes executed by an open-enrollment charter school, each in an amount in excess of \$500,000, that evidence one or more loans from a national or regional bank, nonprofit corporation, or foundation that customarily makes loans to charter schools, the proceeds of which loans were used for a purpose described in subparagraph (A) of this paragraph; or
  - (C) both.
- (18) Open-enrollment charter--this term has the meaning assigned in §100.1001 of this title (relating to Definitions).
- (19) Open-enrollment charter holder--this term has the meaning assigned to the term "charter holder" in TEC, §12.1012.
- (20) Open-enrollment charter school--this term has the meaning assigned to the term "charter school" in §100.1001 of this title.
- (21) Open-enrollment charter school campus--this term has the meaning assigned to the term "charter school campus" in §100.1001 of this title.
- (22) Refunding issue--an issuance of bonds under TEC, Chapter 53, for the purpose of refunding;

- (A) bonds that have previously been issued under that chapter and have previously been approved by the attorney general; or
- (B) bonds that have previously been issued for the benefit of an open-enrollment charter school under Vernon's Civil Statutes, Article 1528m, and have previously been approved by the attorney general.

(c) Bond eligibility.

- (1) Only those combination, new money, and refunding issues as defined in subsection (b)(9), (17), and (22), respectively, of this section are eligible to receive the guarantee. The bonds must, without the guarantee, be rated as investment grade by a nationally recognized investment rating firm and must be issued on or after September 28, 2011.
- (2) Refunding issues must comply with the following requirements to retain eligibility for the guarantee for the refunding bonds.
  - (A) As with any open-enrollment charter holder applying for approval for the guarantee, the charter holder for which the refunding bonds are being issued must meet the requirements for charter district designation specified in subsection (e)(2) of this section and the requirements for initial approval specified in subsection (f)(3)(A) of this section.
  - (B) The charter holder must demonstrate that issuing the refunding bond(s) will result in a present value savings to the charter holder. Present value savings is determined by computing the net present value of the difference between each scheduled payment on the original bonds and each scheduled payment on the refunding bonds. Present value savings must be computed at the true interest cost of the refunding bonds. If the commissioner approves refunding bonds for the guarantee based on evidence of present value savings but at the time of the sale of the refunding bonds a present value savings is not realized, the commissioner may revoke the approval of the bonds for the guarantee.
  - (C) For issues that refund bonds previously guaranteed by the BGP, the charter holder must demonstrate that the refunding bond or bonds will not have a maturity date later than the final maturity date of the bonds being refunded.
  - (D) The refunding transaction must comply with the provisions of subsection (f)(5)(A)-(C) and (E) of this section.
- (3) If an open-enrollment charter holder files an application for a combination issue, the application will be treated as an application for a single issue for the purposes of eligibility for the guarantee. A guarantee for the combination issue will be awarded only if both the new money portion and the refunding portion meet all of the applicable eligibility requirements described in this section. As part of its application, the charter holder making the application must present data that demonstrate compliance for both the new money portion of the issue and the refunding portion of the issue.
- (4) If the commissioner determines that an applicant has deliberately misrepresented information related to a bond issue to secure a guarantee, the commissioner must revoke the approval of the bonds for the guarantee.

(d) Determination of Permanent School Fund (PSF) capacity to guarantee bonds for charter districts.

- (1) Each month the commissioner will estimate the available capacity of the PSF to guarantee bonds for charter districts. This capacity is determined by multiplying the net capacity determined under §33.6 of this title (relating to Bond Guarantee Program for School Districts) by the percentage of the number of students enrolled in open-enrollment charter schools in this state compared to the total number of students enrolled in all public schools in this state, as determined by the commissioner. The commissioner's determination of the number of students enrolled in open-enrollment charter schools in this state and the number of students enrolled in all public schools in this state is based on the enrollment data submitted by school districts and charter schools to the Public Education Information Management System (PEIMS) during the most recent fall PEIMS submission. Annually, the commissioner will post the applicable student enrollment numbers and

the percentage of students enrolled in open-enrollment charter schools on the Texas Education Agency (TEA) web page related to the BGP. The commissioner shall hold up to 5.0% of the charter school available capacity in reserve each month.

- (2) Up to half of the total capacity of the PSF to guarantee bonds for charter districts may be used to guarantee charter district refunding bonds.
- (e) Application process and application processing. An open-enrollment charter holder must apply to the commissioner for the guarantee of eligible bonds by submitting an application electronically through the website of the MAC of Texas or its successor. Before an application for the guarantee will be considered, a charter holder must first be determined by the commissioner to meet criteria for designation as a charter district for purposes of this section. The application submitted through the website of the MAC of Texas or its successor will serve as both a charter holder's application for designation as a charter district and its application for the guarantee.
  - (1) Application submission and fee. As part of its application, an open-enrollment charter holder must submit the information required under TEC, §45.055(b), and this section and any additional information the commissioner may require. The application and all additional information required by the commissioner must be received before the application will be processed. The open-enrollment charter holder may not submit an application for a guarantee before the governing body of the charter holder adopts a board resolution as defined in subsection (b)(4) of this section.
    - (A) The amount of the application fee is the amount specified in §33.6 of this title.
    - (B) The fee is due at the time the application for charter district designation and the guarantee is submitted. An application will not be processed until the fee has been remitted according to the directions provided on the website of the MAC of Texas or its successor and received by TEA.
    - (C) The fee will not be refunded to an applicant that:
      - (i) is designated a charter district but is not approved for the guarantee; or
      - (ii) receives approval for the guarantee but does not sell its bonds before the expiration of its approval for the guarantee.
    - (D) The fee may be transferred to a subsequent application for the guarantee by a charter district that has been approved for the guarantee if the charter district withdraws its application and submits the subsequent application before the expiration of its approval for the guarantee.
  - (2) Eligibility to be designated a charter district.
    - (A) To be designated a charter district and have its application for the guarantee considered by the commissioner, an open-enrollment charter holder must:
      - (i) have operated at least one open-enrollment charter school in the state of Texas for at least three years and have had students enrolled in the school for those three years;
      - (ii) identify in its application for which open-enrollment charter school and, if applicable, for which open-enrollment charter school campus the bond funds will be used;
      - (iii) in its application, agree that the bonded indebtedness for which the guarantee is sought will be undertaken as an obligation of all entities under common control of the open-enrollment charter holder and agree that all such entities will be liable for the obligation if the open-enrollment charter holder defaults on the bonded indebtedness, provided that an entity that does not operate a charter school in Texas is subject to this subparagraph only to the extent that it has received state funds from the open-enrollment charter holder;

- (iv) not have an unresolved corrective action that is more than one year old, unless the open-enrollment charter holder has taken appropriate steps, as determined by the commissioner, to begin resolving the action;
  - (v) have had, for the past three years, an audit as required by §100.1047 of this title (relating to Accounting for State and Federal Funds) that was completed with unqualified or unmodified opinions;
  - (vi) have received an investment grade credit rating from a nationally recognized investment rating firm as defined in subsection (b)(16) of this section as specified by TEC, §45.0541, within the last year; and
  - (vii) not have materially violated a covenant relating to debt obligation in the immediately preceding three years.
- (B) For an open-enrollment charter holder to be designated a charter district and have its application for the guarantee considered by the commissioner, each open-enrollment charter school operated under the charter must not have an accreditation rating of Not Accredited-Revoked and must have a rating of met standard or met alternative standard as its most recent state academic accountability rating. However, if an open-enrollment charter school operated under the charter is not yet rated because the school is in its first year of operation, that fact will not impact the charter holder's eligibility to be designated a charter district and apply for the guarantee.
- (3) Application processing. All applications received during a calendar month that were submitted by open-enrollment charter holders determined to meet the criteria in paragraph (2) of this subsection will be held until the 15th business day of the subsequent month. On the 15th business day of each month, the commissioner will announce the results of the pro rata allocation of available capacity, if pro rata allocation is necessary, and process applications for initial approval for the guarantee, up to the available capacity as of the application deadline, subject to the requirements of this section.
- (A) If the available capacity is insufficient to guarantee the total value of the bonds for all applicant charter districts, the commissioner will allocate the available capacity on a pro rata basis to each applicant charter district. For each applicant, the commissioner will determine the percentage of the total amount of all applicants' proposed bonds that the applicant's proposed bonds represent. The commissioner will then allocate to that applicant the same percentage of the available capacity, but in no event will an allocation be equal to an amount less than \$500,000.
- (B) The actual guarantee of the bonds is subject to the approval process prescribed in subsection (f) of this section.
- (C) An applicant charter district is ineligible for consideration for the guarantee if its lowest credit rating from any nationally recognized investment rating firm as defined in subsection (b)(16) of this section is the same as or higher than that of the PSF.
- (4) Late application. An application received after the application deadline will be considered a valid application for the subsequent month, unless withdrawn by the submitting open-enrollment charter holder before the end of the subsequent month.
- (5) Notice of application status. Each open-enrollment charter holder that submits a valid application will be notified of the application status within 15 business days of the application deadline.
- (6) Reapplication. If an open-enrollment charter holder does not receive designation as a charter district, does not receive approval for the guarantee, or for any reason does not receive approval of the bonds from the attorney general within the time period specified in subsection (f)(5) of this section, the charter holder may reapply in a subsequent month. An application that was denied approval for the guarantee or that was submitted by a charter holder that the commissioner determined did not meet the criteria for charter district designation will not be retained for



consideration in subsequent months. A reapplication fee will be required unless the conditions described in subsection (e)(1)(D) of this section apply to the charter holder.

(f) Approval for the guarantee; charter district responsibilities on receipt of approval.

(1) Approval for the guarantee and charter renewal or amendment.

(A) If an open-enrollment charter holder applies for the guarantee within the 12 months before the charter holder's charter is due to expire, application approval will be contingent on successful renewal of the charter, and the bonds for which the open-enrollment charter holder is applying for the guarantee may not be issued before the successful renewal of the charter.

(B) If an open-enrollment charter holder proposes to use the proceeds of the bonds for which it is applying for the guarantee for an expansion that requires a charter amendment, application approval will be contingent on approval of the amendment, and the bonds may not be issued before approval of the amendment.

(2) Initial and final approval provisions.

(A) The commissioner may require an applicant charter district to obtain final approval for the guarantee as described in paragraph (4) of this subsection if:

(i) during the monthly estimation of PSF capacity described in §33.6 of this title, the commissioner determines that the available capacity of the PSF as described in §33.6 of this title is 10% or less; or

(ii) during the monthly estimation of the available capacity of the PSF to guarantee bonds for charter districts described in subsection (d) of this section, the commissioner determines that the available capacity of the PSF to guarantee bonds for charter districts is 10% or less.

(B) If the commissioner has not made such a determination:

(i) the commissioner will consider the initial approval described in paragraph (3) of this subsection as both the initial and final approval; and

(ii) an applicant charter district that has received notification of initial approval for the guarantee, as described in paragraph (3) of this subsection, may consider that notification as notification of initial and final approval for the guarantee and may complete the sale of the applicable bonds.

(3) Initial approval.

(A) The following provisions apply to all applications for the guarantee, regardless of whether an application is for a new money, refunding, or combination issue. Under TEC, §45.056, the commissioner will investigate the financial status of the applicant charter district and the accreditation status of all open-enrollment charter schools operated under the charter. For the charter district's application to be eligible for initial approval by the commissioner, each open-enrollment charter school operated under the charter must be accredited, and the charter district must be financially sound. The commissioner's review will include review of the following:

(i) the purpose of the bond issue;

(ii) the accreditation status, as defined by §97.1055 of this title (relating to Accreditation Status), of all open-enrollment charter schools operated under the charter in accordance with the following, except that, if an open-enrollment charter school operated under the charter has not yet received an accreditation rating because it is in its first year of operation, that fact will not impact the charter district's eligibility for consideration for the guarantee:

- (I) if the accreditation status of all open-enrollment charter schools operated under the charter is Accredited, the charter district will be eligible for consideration for the guarantee;
- (II) if the accreditation status of any open-enrollment charter school operated under the charter is Accredited-Warning or Accredited-Probation, the commissioner will investigate the underlying reason for the accreditation rating to determine whether the accreditation rating is related to the open-enrollment charter school's financial soundness. If the accreditation rating is related to the open-enrollment charter school's financial soundness, the charter district will not be eligible for consideration for the guarantee; or
- (III) if the accreditation status of any open-enrollment charter school operated under the charter is Not Accredited-Revoked, the charter district will not be eligible for consideration for the guarantee;
- (iii) the charter district's financial status and stability, regardless of each open-enrollment charter school's accreditation rating, including approval of the bonds by the attorney general under the provisions of TEC, §53.40;
- (iv) whether TEA has required the charter district to submit a financial plan under §109.1101 of this title (relating to Financial Solvency Review) in the last three years;
- (v) the audit history of the charter district and of all open-enrollment charter schools operated under the charter;
- (vi) the charter district's compliance with statutes and rules of TEA and with applicable state and federal program requirements and the compliance of all open-enrollment charter schools operated under the charter with these statutes, rules, and requirements;
- (vii) any interventions and sanctions to which the charter district has been subject; to which any of the open-enrollment charter schools operated under the charter has been subject; and, if applicable, to which any of the open-enrollment charter school campuses operated under the charter has been subject;
- (viii) formal complaints received by TEA that have been made against the charter district, against any of the open-enrollment charter schools operated under the charter, or against any of the open-enrollment charter school campuses operated under the charter;
- (ix) the state academic accountability rating of all open-enrollment charter schools operated under the charter and the campus ratings of all open-enrollment charter school campuses operated under the charter;
- (x) any unresolved corrective actions that are less than one year old; and
- (xi) whether the charter district is considered a high-risk grantee by the TEA office responsible for planning, grants, and evaluation.
- (B) The commissioner will limit approval for the guarantee to a charter district with a historical debt service coverage ratio, based on annual debt service, of at least 1.1 for the most recently completed fiscal year and a projected debt service coverage ratio, based on projected revenues and expenses and maximum annual debt service, of at least 1.2. If the bond issuance for which an application has been submitted is the charter district's first bond issuance, the commissioner will evaluate only projected debt service coverage. Projections of revenues and expenses are subject to approval by the commissioner.
- (C) The commissioner will grant or deny initial approval for the guarantee based on the review described in subparagraph (A) of this paragraph and the limitation described in

subparagraph (B) of this paragraph and will provide an applicant charter district whose application has received initial approval for the guarantee written notice of initial approval.

(4) Final approval. The provisions of this paragraph apply only as described in paragraph (2) of this subsection. A charter district must receive final approval before completing the sale of the bonds for which the charter district has received notification of initial approval.

(A) A charter district that has received initial approval must provide a written notice to TEA two business days before issuing a preliminary official statement (POS) for the bonds that are eligible for the guarantee or two business days before soliciting investment offers, if the bonds will be privately placed without the use of a POS.

(i) The charter district must receive written confirmation from TEA that the capacity continues to be available and must continue to meet the requirements of subsection (e)(2) of this section before proceeding with the public or private offer to sell bonds.

(ii) TEA will provide this notification within one business day of receiving the notice of the POS or notice of other solicitation offers to sell the bonds.

(B) A charter district that received confirmation from TEA in accordance with subparagraph (A) of this paragraph must provide written notice to TEA of the placement of an item to approve the bond sale on the agenda of a meeting of the bond issuer's board of directors no later than two business days before the meeting. If the bond sale is completed pursuant to a delegation by the issuer to a pricing officer or committee, notice must be given to TEA no later than two business days before the execution of a bond purchase agreement by such pricing officer or committee.

(i) The charter district must receive written confirmation from TEA that the capacity continues to be available for the bond sale before the approval of the sale by the bond issuer or by the pricing officer or committee.

(ii) TEA will provide this notification within one business day before the date that the bond issuer expects to complete the sale by official action of the bond issuer or of a pricing officer or committee.

(C) TEA will process requests for final approval from charter districts that have received initial approval on a first come, first served basis. Requests for final approval must be received before the expiration of the initial approval.

(D) A charter district may provide written notification as required by this paragraph by facsimile transmission, by email, or in another manner prescribed by the commissioner.

(5) Charter district responsibilities on receipt of approval.

(A) Once a charter district is awarded initial approval for the guarantee, each issuance of the bonds must be approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee. The initial approval for the guarantee will expire at the end of the 180-day period. The commissioner may extend the 180-day period, based on extraordinary circumstances, on receiving a written request from the charter district or the attorney general before the expiration of the 180-day period.

(B) If applicable, the charter district must comply with the provisions for final approval described in paragraph (4) of this subsection to maintain approval for the guarantee.

(C) If the bonds are not approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee, the commissioner will consider the application withdrawn, and the charter district must reapply for a guarantee.

(D) A charter district may not represent bonds as guaranteed for the purpose of pricing or marketing the bonds before the date of the letter granting approval for the guarantee.

- (E) The charter district must provide evidence of the final investment grade rating of the bonds to TEA after receiving initial approval but before the distribution of the preliminary official statement for the bonds or, if the bonds are offered in a private placement, before approval of the bond sale by the governing body of the charter district.
- (F) A charter district must identify by legal description any educational facility purchased or improved with bond proceeds no later than 30 days after entering into a binding commitment to expend bond proceeds for that purpose. The charter district must identify at that time whether and to what extent debt service will be paid with any source of revenue other than state funds.
- (g) Allocation of specific holdings. If necessary to successfully operate the BGP, the commissioner may allocate specific holdings of the PSF to specific bond issues guaranteed under this section. This allocation will not prejudice the right of the State Board of Education (SBOE) to dispose of the holdings according to law and requirements applicable to the fund; however, the SBOE will ensure that holdings of the PSF are available for a substitute allocation sufficient to meet the purposes of the initial allocation. This allocation will not affect any rights of the bond holders under law.
- (h) Defeasance. The guarantee will be completely removed when bonds guaranteed by the BGP are defeased, and such a provision must be specifically stated in the bond resolution. If bonds guaranteed by the BGP are defeased, the charter district must notify the commissioner in writing within ten calendar days of the action.
- (i) Payments. For purposes of the provisions of TEC, Chapter 45, Subchapter C, matured principal and interest payments are limited to amounts due on guaranteed bonds at scheduled maturity, at scheduled interest payment dates, and at dates when bonds are subject to mandatory redemption, including extraordinary mandatory redemption, in accordance with their terms. All such payment dates, including mandatory redemption dates, must be specified in the bond order or other document pursuant to which the bonds initially are issued. Without limiting the provisions of this subsection, payments attributable to an optional redemption or a right granted to a bondholder to demand payment on a tender of such bonds according to the terms of the bonds do not constitute matured principal and interest payments.
- (j) Guarantee restrictions. The guarantee provided for eligible bonds under the provisions of TEC, Chapter 45, Subchapter C, is restricted to matured bond principal and interest. The guarantee applies to all matured interest on eligible bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond resolution provision requiring an interest rate change. The guarantee does not extend to any obligation of a charter district under any agreement with a third party relating to bonds that is defined or described in state law as a "bond enhancement agreement" or a "credit agreement," unless the right to payment of such third party is directly as a result of such third party being a bondholder.
- (k) Notice of default. A charter district that has determined that it is or will be unable to pay maturing or matured principal or interest on a guaranteed bond must immediately, but not later than the fifth business day before the maturing or matured principal or interest becomes due, notify the commissioner.
- (l) Charter District Bond Guarantee Reserve Fund. The Charter District Bond Guarantee Reserve Fund is a special fund in the state treasury outside the general revenue fund and is managed by the SBOE in the same manner that the PSF is managed by the SBOE.
- (m) Payment from Charter District Bond Guarantee Reserve Fund and PSF.
- (1) Immediately after the commissioner receives the notice described in subsection (k) of this section, the commissioner will notify the [Texas PSF Corporation](#) [[TEA division responsible for administering the PSF](#)] of the notice of default and instruct the comptroller to transfer from the Charter District Bond Guarantee Reserve Fund established under TEC, §45.0571, to the charter district's paying agent the amount necessary to pay the maturing or matured principal or interest.
- (2) If money in the reserve fund is insufficient to pay the amount due on a bond under paragraph (1) of this subsection, the commissioner will instruct the comptroller to transfer from the appropriate account in the PSF to the charter district's paying agent the amount necessary to pay the balance of the unpaid maturing or matured principal or interest.

- (3) Immediately after receipt of the funds for payment of the principal or interest, the paying agent must pay the amount due and forward the canceled bond or coupon to the comptroller. The comptroller will hold the canceled bond or coupon on behalf of the fund or funds from which payment was made.
- (4) To ensure that the charter district reimburses the reserve fund and the PSF, if applicable, the commissioner will withhold from state funds otherwise payable to the charter district the amount that the charter district owes in reimbursement.
- (5) Funds intercepted for reimbursement under paragraph (4) of this subsection will be used to fully reimburse the PSF before any funds reimburse the reserve fund. If the funds intercepted under paragraph (4) of this subsection are insufficient to fully reimburse the PSF with interest, subsequent payments into the reserve fund will first be applied to any outstanding obligation to the PSF.
- (6) Following full reimbursement to the reserve fund and the PSF, if applicable, with interest, the comptroller will further cancel the bond or coupon and forward it to the charter district for which payment was made. Interest will be charged at the rate determined under the Texas Government Code (TGC), §2251.025(b). Interest will accrue as specified in the TGC, §2251.025(a) and (c). For purposes of this section, the "date the payment becomes overdue" that is referred to in the TGC, §2251.025(a), is the date that the comptroller makes the payment to the charter district's paying agent.
- (n) Bonds not accelerated on default. If a charter district fails to pay principal or interest on a guaranteed bond when it matures, other amounts not yet mature are not accelerated and do not become due by virtue of the charter district's default.
- (o) Reimbursement of Charter District Bond Guarantee Reserve Fund or PSF. If payment from the Charter District Bond Guarantee Reserve Fund or the PSF is made on behalf of a charter district, the charter district must reimburse the amount of the payment, plus interest, in accordance with the requirements of TEC, §45.061.
- (p) Repeated failure to pay. If a total of two or more payments are made under the BGP on the bonds of a charter district, the commissioner may take action in accordance with the provisions of TEC, §45.062.
- (q) Report on the use of funds and confirmation of use of funds by independent auditor. A charter district that issues bonds approved for the guarantee must report to TEA annually in a form prescribed by the commissioner on the use of the bond funds until all bond proceeds have been spent. The charter district's independent auditor must confirm in the charter district's annual financial report that bond funds have been used in accordance with the purpose specified in the application for the guarantee.
- (r) Failure to comply with statute or this section. An open-enrollment charter holder's failure to comply with the requirements of TEC, Chapter 45, Subchapter C, or with the requirements of this section, including by making any material misrepresentations in the charter holder's application for charter district designation and the guarantee, constitutes a material violation of the open-enrollment charter holder's charter.

**§33.8. Compliance with Securities and Exchange Commission (SEC) Rule 15c2-12 Pertaining to Disclosure of Information Relating to the Bond Guarantee Program.**

- (a) Definitions. As used in this section, the following terms have the meanings ascribed to such terms below.
  - (1) Agency means the Texas Education Agency and any successors or assigns thereto with respect to the management and administration of the Program or the investment of the Permanent School Fund.
  - (2) Financial Obligation means, with respect to the Program, a:
    - (A) debt obligation;
    - (B) derivative instrument entered into in connection with, or pledged as security or a source of a payment for, an existing or planned debt obligation; or

(C) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

- (3) Guaranteed Bonds means obligations for which application is made and granted for a guarantee under the Program.
- (4) Issuing District means a school district or charter district which issues Guaranteed Bonds.
- (5) MSRB means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.
- (6) Official Statement means each offering document of an Issuing District used in the offering and/or sale of Guaranteed Bonds.
- (7) Order means the resolution, order, ordinance or other instrument or instruments of an Issuing District pursuant to which Guaranteed Bonds are issued and the rights of the holders and beneficial owners thereof are established.
- (8) Permanent School Fund means the perpetual school fund established by Article VII, Section 2 of the Texas Constitution.
- (9) Program means the program of bond guarantee by the Permanent School Fund, which program has been established by Article VII, Sections 2 and 5 of the Texas Constitution, and is administered in accordance with Subchapter C, Chapter 45, Texas Education Code, as amended, and the rules and regulations of the Agency. The term Program shall also include the rules, regulations and policies of the Agency with respect to the administration of such program of guarantee of school district bonds, as well as the rules, regulations, policies of the Agency with respect to the administration, and the operational and financial results, of the Permanent School Fund.
- (10) Program Regulation means this rule of the Agency which is promulgated for the purpose of establishing and undertaking with respect to the Program which satisfies the requirements of the Rule.
- (11) PSF Corporation means the Permanent School Fund Corporation created by the State Board of Education pursuant to, and having the powers set forth in, Subchapter B of Chapter 43, Texas Education Code, as amended.
- (12) Rule means SEC Rule 15c2-12, as amended from time to time.
- (13) SEC means the United States Securities and Exchange Commission.

(b) Annual Reports.

- (1) The Agency shall provide annually to the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to Program of the general type which describes the Program and which is included in an Official Statement for Guaranteed Bonds, which is prepared by the PSF Corporation. Any financial statements to be provided need not be audited. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.
- (2) If the Agency changes its fiscal year from the year ending August 31, it will file notice with the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Agency otherwise would be required to provide financial information and data pursuant to this section.
- (3) The financial information and operating data to be provided pursuant to this section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to either the MSRB or filed with the SEC.

(c) Event Notices.

- (1) The Agency shall notify the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event), of any of the following events with respect to the Program:
- (A) Principal and interest payment delinquencies;
  - (B) Non-payment related defaults if such event is material within the meaning of the federal securities laws;
  - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (E) Substitution of credit or liquidity providers, or their failure to perform;
  - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Program, or other material events affecting the tax status of the Program;
  - (G) Modifications to rights of holders of the Bonds, if such event is material within the meaning of the federal securities laws;
  - (H) Bond calls, if such event is material within the meaning of the federal securities laws, and tender offers;
  - (I) Defeasances;
  - (J) Release, substitution, or sale of property securing repayment of Guaranteed Bonds, if such event is material within the meaning of the federal securities laws;
  - (K) Rating changes of the Program;
  - (L) Bankruptcy, insolvency, receivership, or similar event of the Program, which shall occur as described below;
  - (M) The consummation of a merger, consolidation, or acquisition involving the Program or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if such event is material within the meaning of the federal securities laws;
  - (N) Appointment of a successor or additional trustee with respect to the Program or the change of name of a trustee, if such event is material within the meaning of the federal securities laws;
  - (O) The incurrence of a financial obligation of the Program, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Program, any of which affect security holders, if material; and
  - (P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Program, any of which reflect financial difficulties.
- (2) For these purposes, any event described in the immediately preceding paragraph (L) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Program in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Program, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Program.

- (3) The Agency shall notify the MSRB, in a timely manner, of any failure by the Agency to provide financial information or operating data in accordance with Section 1 of this Program Regulation by the time required by such Section.
- (4) Nothing in this Program Regulation shall obligate the Agency to make any filings or disclosures with respect to Guaranteed Bonds, as the obligations of the Agency hereunder pertain solely to the Program.
- (d) Limitations, Disclaimers, and Amendments.
- (1) With respect to a series of Guaranteed Bonds, the Agency shall be obligated to observe and perform the covenants specified in this Program Regulation for so long as, but only for so long as, the Agency remains an "obligated person" with respect to the Guaranteed Bonds within the meaning of the Rule.
- (2) The provisions of this Program Regulation are for the sole benefit of each Issuing District, as well as holders and beneficial owners of the Guaranteed Bonds; nothing in this Program Regulation, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Agency undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Program Regulation and does not hereby undertake to provide any other information, even if such information may be relevant or material to a complete presentation of the Program's financial results, condition, or prospects. The Agency does not undertake to update any information provided in accordance with this Program Regulation or otherwise, except as expressly provided herein. The Agency does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Guaranteed Bonds at any time.
- (3) Under no circumstances shall the Agency or the Program be liable to the holder or beneficial owner of any Guaranteed Bond, the Issuing District or any other person or entity, in contract or tort, for damages resulting in whole or in part from any breach by the Agency, whether negligent or without fault on its part, of any covenant specified in this Program Regulation, but every right and remedy of any such person, in contract or tort, for or on account of any such breach shall be limited to an action for mandamus or specific performance.
- (4) No default by the Agency in observing or performing its obligations under this Program Regulation shall comprise a breach of or default under the Order for purposes of any other provision of the Order. Nothing in this Program Regulation is intended or shall act to disclaim, waive, or otherwise limit the duties of the Agency under federal and state securities laws.
- (5) The provisions of this Program Regulation may be amended by the Agency from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Agency, but only if:
- (A) the provisions of this Program Regulation, as so amended, would have permitted an underwriter to purchase or sell Guaranteed Bonds in the primary offering of the Guaranteed Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances; and
- (B) either:
- (i) the holders of a majority in aggregate principal amount of the outstanding Guaranteed Bonds consent to such amendment, or
- (ii) a person that is unaffiliated with the Agency (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Guaranteed Bonds.
- (6) If the Agency so amends the provisions of this Program Regulation, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this section (relating to Compliance with SEC Rule 15c2-12 Pertaining to Disclosure of Information Relating to the Bond Guarantee Program) an explanation, in narrative form, of the



reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Agency may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Guaranteed Bonds in the primary offering of the Guaranteed Bonds.

## **Subchapter B. Texas Permanent School Fund Corporation Rules**

### **§33.21. Texas Permanent School Fund Corporation.**

Terms of directors. Any State Board of Education (SBOE) member who is appointed to the Texas Permanent School Fund (PSF) Corporation board of directors pursuant to SBOE policy under Texas Education Code, §43.053(a)(1), shall cease to be a Texas PSF Corporation director upon the expiration of his or her term of service on or upon other separation from the SBOE Committee on School Finance/Permanent School Fund in accordance with the SBOE's rules and policies.

## **Review of the Bond Guarantee Program Reserve**

**February 3, 2023**

### **COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND: ACTION STATE BOARD OF EDUCATION: CONSENT**

**SUMMARY:** This item provides an opportunity for the committee and board to review and consider an increase to the Bond Guarantee Program reserve.

**STATUTORY AUTHORITY:** Texas Constitution, [Article VII, §2](#) and [§5](#); Texas Education Code (TEC), [§45.053\(c\)](#).

The Texas Constitution, Article VII, §§2 and 5 establish the permanent school fund, the assets that comprise the permanent school fund, the bond guarantee program, the available school fund, and authorize the State Board of Education (SBOE) to manage and invest the permanent school fund in accordance with the prudent person standard.

TEC, §45.053(c) requires the SBOE to adopt an annual report on the status of the guaranteed bond program.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Texas Education Code (TEC), §45.053(c), states that “The commissioner shall prepare, and the board shall adopt an annual report on the status of the guaranteed bond program.”

**Staff Member Responsible:**

Holland Timmins, Executive Administrator and Chief Investment Officer, Texas Permanent School Fund

**Report of the Permanent School Fund Executive Administrator and  
Chief Investment Officer**

**February 2, 2023**

**COMMITTEE ON SCHOOL FINANCE/PERMANENT SCHOOL FUND: DISCUSSION  
STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** The Permanent School Fund (PSF) executive administrator will report to the committee on matters relating to the management of the PSF and the Charter District Reserve Fund. The report may present information on historical and current status of Fund holdings, current and proposed investment policies and procedures, and historical and current Fund performance and compliance. The administrator may update the board on the bond guarantee program, the status of requests for proposal or for qualifications and current contracts for services and other administrative activities undertaken on behalf of the board. The administrator may provide an update on the PSF distribution or on the effect of legislation impacting the PSF. The administrator may provide an analysis of current and future investment market conditions, focusing upon the impact on the holdings of the PSF.

**STATUTORY AUTHORITY:** Texas Constitution, [Article VII, §2](#) and [§5](#), and 19 Texas Administrative Code (TAC) Chapter 33.

The Texas Constitution, Article VII, §2 and §5 establish the permanent school fund, the assets that comprise the permanent school fund, the bond guarantee program, the available school fund, and authorize the State Board of Education (SBOE) to manage and invest the permanent school fund in accordance with the prudent person standard.

19 TAC Chapter 33 codifies administrative rules that provide a statement of investment objectives, policies, and guidelines of the Texas Permanent School Fund and Bond Guarantee Program as adopted by the SBOE.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**Staff Member Responsible:**

Holland Timmins, Executive Administrator and Chief Investment Officer, Texas Permanent School Fund

# **COMMITTEE ON SCHOOL INITIATIVES**

## Election of Chair

**February 2, 2023**

**COMMITTEE ON SCHOOL INITIATIVES: ACTION**  
**STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** State Board of Education (SBOE) operating rules call for each committee to elect a chair from among its members. This item provides an opportunity for the Committee on School Initiatives to elect a chair at this meeting if the SBOE retains the existing committee structure. The chair may then appoint a vice chair. If the board changes the committee structure, the committee may elect a member to preside over this first meeting only.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), [§7.107\(b\)](#).

TEC, §7.107(b) requires the SBOE to organize and adopt operating rules at the first meeting after an election and qualification of new members.

The full text of the statutory citation can be found in the statutory authority section of this agenda.

**PREVIOUS BOARD ACTION:** A committee chair was last elected on January 28, 2021.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The board is required to organize at the first meeting after the election and qualification of new members. Section 1.2(e) of the board's operating rules requires each standing committee to elect a chair from among its members and the chair may appoint a vice chair. An officer of the board is not eligible to serve as the chair of a standing committee.

**Staff Member Responsible:**

Yolanda M. Walker, Executive Director, State Board of Education Support Division

**Recommendation for One Appointment to the Boys Ranch  
Independent School District Board of Trustees**

**February 3, 2023**

**COMMITTEE ON SCHOOL INITIATIVES: ACTION  
STATE BOARD OF EDUCATION: CONSENT**

**SUMMARY:** This item provides an opportunity for the board to consider one appointment to the board of trustees of Boys Ranch Independent School District (ISD). The appointment is necessary due to the resignation of one board member.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §11.352.

TEC, §11.352 authorizes the State Board of Education (SBOE) to appoint school board members in special purpose school districts.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The SBOE is statutorily authorized to appoint board members for ISDs created under its authority to establish school districts. Trustees so appointed hold office until their successors are appointed and qualified. When a vacancy occurs, the chief executive officer (CEO) of Cal Farley’s Boys Ranch notifies the commissioner of education of the vacancy in compliance with TEC, §11.352. The CEO submits resumes and other documents verifying that the individuals are qualified to hold the position as well as a statement that the individual would accept the position if appointed. The CEO is required by 19 TAC §61.2 to provide one nomination to the SBOE. The nominee must be qualified under the general school laws of Texas.

Mr. Richard Nedelkoff, president and CEO of Cal Farley’s Boys Ranch, has notified the commissioner that one trustee has retired. Mr. Nedelkoff has requested that Mr. Tim Nation be appointed for a two-year term. Supporting documentation for the recommended candidate is attached.

**MOTION TO BE CONSIDERED:** The State Board of Education:

Based on Mr. Richard Nedelkoff’s recommendation, approve the appointment of Mr. Tim Nation to serve a two-year term of office, from February 3, 2023, to February 2, 2025, on the Boys Ranch ISD Board of Trustees.

**Staff Members Responsible:**

Steve Lecholop, Deputy Commissioner, Office of Governance  
Christopher Lucas, Director, Policy, Planning, and Operations, Office of Governance

**Attachment:**

Correspondence from Mr. Richard Nedelkoff, President and CEO of Cal Farley’s Boys Ranch ISD that includes supporting material for the nominee.



September 29, 2022

Mr. Mike Morath  
Commissioner  
Texas Education Agency  
1701 North Congress Avenue  
Austin, Texas 78701-1494

Dear Commissioner Morath,

In my capacity as President and Chief Executive Officer of Cal Farley's Boys Ranch, I request that the State Board of Education, at its January 2023 meeting, appoint **Tim Nation** to the Boys Ranch Independent School District (BRISD) Board of Trustees. Mr. Nation is qualified under Texas law and meets all requirements. He will replace George Owen who submitted his resignation on September 20, 2022.

The following documents are provided: resume, signed statement expressing willingness to accept appointment and serve in full adherence to the state-established standards for school board members and certifying that the biographical information is true and correct, and background check information.

I understand that the BRISD Board of Trustees has the power to govern and oversee management of the district, and my power as President and Chief Executive Officer of Cal Farley's Boys Ranch is limited to duty as defined by statutes relating to the process of appointing members to the BRISD Board of Trustees. I also certify that the membership composition of the BRISD Board of Trustees is in full compliance with the provisions of the Texas Education Code, section 11.352. I further certify that the role of the BRISD superintendent is in full compliance with the provisions of the Texas Education Code, section 11.201.

Should you have any questions, please contact me at 806-322-2609 or via email at [richardnedelkoff@calfarley.org](mailto:richardnedelkoff@calfarley.org).

I appreciate your consideration and look forward to confirmation of this appointment.

Sincerely,

Richard Nedelkoff  
President and Chief Executive Officer

STATEMENT TO ACCOMPANY  
BOYS RANCH INDEPENDENT SCHOOL DISTRICT  
SCHOOL BOARD TRUSTEE APPOINTMENT REQUEST  
FOR  
**TIMOTHY NATION**

I, **Timothy Nation**, verify that I am qualified under the general school laws of Texas to be a BRISD School Board Trustee. I certify that the attached biographical information is true and correct. I am willing to accept the appointment as BRISD School Board Trustee and serve in such capacity with full adherence to the state-established standards for the duties and responsibilities of school board members.



Timothy Nation (signature)



Date



# TIMOTHY NATION

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Canyon, Texas 79015 • 806-341-8109 • tsnation@hotmail.com

## Professional Summary

As a native Texan who has resided in the Panhandle for the last 22 years, I have a long history of working with youth. My wife of 31 years, Susan, and I have raised five children and have been blessed with 19 grandchildren.

## Work History

**Community as Labs Agricultural Coordinator, 06/2012 to 05/2021**

**Cal Farley's Boys Ranch - Boys Ranch, TX**

I mentored the youth of Cal Farley's using the format of the greenhouses, gardens, and an assortment of farm animals. I also taught a Wildlife Management class for several years at the Boys Ranch High School.

**Houseparent, 05/2004 to 05/2012**

**Cal Farley's Boys Ranch - Boys Ranch, TX**

I served as a primary houseparent at Romersi 5. We created an Independent Living Program which I taught for several years. I served under several supervisors including Suzanne Wright and Suzie Lynn.

**Christian Missionary, 08/2003 to 07/2004**

**Rio Bravo Ministries - Renenosa, Mexico**

I served as a host to American mission teams coming to Mexico to serve in various orphanages.

**House Parent, 05/2001 to 05/2003**

**Cal Farley's Boys Ranch - Boys Ranch, TX**

I served at Romersi 2 as an alternate houseparent couple and later as the primary houseparents. I served under Suzanne Wright.



**Background Screening Report**

JD Palatine dba/JDP  
10675 Perry Hwy  
#607  
Wexford, PA 15090  
Phone: 855-940-3232  
Fax: 724-799-8460

FILE NUMBER	9204263	REPORT DATE	09-28-2022
REPORT TO	Boys Ranch ISD (10051-002) P O Box 219 Boys Ranch, TX 79010 Phone: (806) 534-2221 Fax: -	ORDER DATE	09-28-2022 Laquitta Doak
		TYPE	Region 16 - National Database (Alias Names)

Application Information

APPLICANT	NATION, TIMOTHY EDWARD	SSN	XXX-XX-4569	DOB	03-05-XXXX
E-MAIL	TSTNATION@HOTMAIL.COM				
ADDRESS(ES)	12200 W HUNGATE RD PO BOX 66	CITY / STATE / ZIP	CANYON, TX 79015 BOYS RANCH, TX 79010		

Investigative

**SSNV/National Database/Sex Offender**

**RESULTS**            **No Reportable Records Found**

NAME SEARCHED	NATION, TIMOTHY EDWARD	SEARCH DATE	09-28-2022 9:39 AM MDT
DOB SEARCHED	03-05-XXXX		
JURISDICTION	NATIONWIDE		
JURISDICTION(S) SEARCHED			

The search you have selected is a search of our criminal database(s) and may not represent 100% coverage of all criminal records in all jurisdictions and/or sources. Coverage details available upon request.

**WARNING:** Based on the information provided JD Palatine dba/JDP searched for public records in the sources referenced herein for criminal history information as permitted by federal and state law. 'No Reportable Records Found' means that our researchers could not locate a record that matched at least two personal identifiers (i.e., Name, SSN, Date of Birth, Address) for the subject in that jurisdiction. JD Palatine dba/JDP does not guarantee the accuracy or truthfulness of the information as to the subject of the investigation, but only that it is accurately copied from public records. Information generated as a result of identity theft, including evidence of criminal activity, may be inaccurately associated with the consumer who is the subject of this report. Further investigation into additional jurisdictions, or utilization of additional identifying information, may be warranted. Please call for assistance.

**Disclaimer**

This report is furnished to you pursuant to the Agreement for Service between the parties and in compliance with the Fair Credit Reporting Act. This report is furnished based upon your certification that you have a permissible purpose to obtain the report. The information contained herein was obtained in good faith from sources deemed reliable, but the completeness or accuracy is not guaranteed.

**\*\*\* End Of Report \*\*\***

Clear

# DPS Computerized Criminal History (CCH) Verification

(AGENCY COPY)

I, TIMOTHY NATION, acknowledge that a Computerized Criminal

APPLICANT or EMPLOYEE NAME: (Please print)

History (CCH) check may be performed by accessing the Texas Department of Public Safety Secure Website and may be based on name and DOB identifiers. (This is not a consent form, but serves as information for the applicant.) Authority for this agency to access an individual's criminal history data may be found in Texas Government Code 411; Subchapter F.

Name-based information is not an exact search and only fingerprint record searches represent true identification to criminal history record information (CHRI), therefore the organization conducting the criminal history check is not allowed to discuss with me any CHRI obtained using the name and DOB method. The agency may request that I also have a fingerprint search performed to clear any misidentification based on the result of the name and DOB search.

In order to complete the fingerprint process I must make an appointment with the Fingerprint Applicant Services of Texas (FAST) as instructed online at www.txdps.state.tx.us /Crime Records/Review of Personal Criminal History or by calling the DPS Program Vendor at 1-888-467-2080. submit a full and complete set of fingerprints, request a copy be sent to the agency listed below, and pay a fee of \$25.00 to the fingerprinting services company.

Once this process is completed the information on my fingerprint criminal history record may be discussed with me.

**(This copy must remain on file by this agency. Required for future DPS Audits)**

Timothy Nation  
Signature of Applicant or Employee (optional)

9-27-2022  
Date

Boys Ranch ISD  
Agency Name (Please print)

Laquita Deak  
Agency Representative Name (Please print)

Laquita Deak  
Signature of Agency Representative

9-28-2022  
Date

<b>Please:</b>			
<b>Check and Initial each Applicable Space</b>			
CCH Report Printed:	YES	NO <input checked="" type="checkbox"/>	LD initial
Purpose of CCH:	Board of Trustee Appointment to Board		
Emp/ Vol/ Contractor	Board member	→	LD initial
Date Printed:	N/A		LD initial
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<b>Retain in your files</b>			

**Rule Review of 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**

February 2, 2023

**COMMITTEE ON SCHOOL INITIATIVES: DISCUSSION  
STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** Texas Government Code, §2001.039, establishes a four-year rule review cycle for all state agency rules, including State Board of Education (SBOE) rules. This item presents the review of 19 Texas Administrative Code (TAC) Chapter 157, Hearings and Appeals, Subchapter A, General Provisions for Hearings Before the State Board of Education, and Subchapter D, Independent Hearing Examiners. Subchapter A establishes the procedures for appeals heard by the SBOE regarding administrative penalties for violations of textbook requirements. Subchapter D sets forth the certification criteria for independent hearing examiners who conduct due process termination, nonrenewal, and suspension without pay hearings at the school district level.

**STATUTORY AUTHORITY:** The statutory authority for the rule review is Texas Government Code (TGC), §2001.039. The statutory authority for 19 TAC Chapter 157, Subchapter A, is Texas Education Code (TEC), §31.151 and TGC, §2001.004. The statutory authority for 19 TAC Chapter 157, Subchapter D, is TEC, §21.252.

TGC, §2001.039, requires all state agencies to review their rules at least once every four years.

TEC, §31.151, and TGC, §2001.004, authorize the adoption of procedural rules to govern SBOE administrative penalty hearings involving textbook publishers.

TEC, §21.252, requires the SBOE to establish certification criteria for independent hearing examiners.

**FUTURE ACTION EXPECTED:** The review of 19 TAC Chapter 157, Subchapter A and Subchapter D, will be presented to the SBOE for adoption at the April 2023 board meeting.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Chapter 157, Subchapter A, establishes the procedures for appeals heard by the SBOE regarding administrative penalties for violations of textbook requirements. Subchapter D addresses criteria for the certification of hearing examiners eligible to conduct hearings.

**ANTICIPATED REVISIONS TO RULES:** There are no anticipated revisions to the rules in 19 TAC Chapter 157, Subchapter A or Subchapter D.

**PUBLIC COMMENTS:** The Texas Education Agency (TEA) plans to file the review of 19 TAC Chapter 157, Subchapter A and Subchapter D, with the Texas Register following the February 2023 SBOE meeting. TEA will accept comments as to whether reasons for adopting 19 TAC Chapter 157, Subchapter A and Subchapter D, continue to exist. The public comment period on the proposed rule review begins March 3, 2023, and ends at 5:00 p.m. on April 7, 2023. The SBOE will take registered oral and written comments on this item at the appropriate committee meeting in April 2023 in accordance with the SBOE operating policies and procedures.

The filing of the notice of proposed review soliciting comments as to whether the reason for adoption continues to exist would not preclude any amendments that may be proposed at different dates through a separate rulemaking process.

**Staff Member Responsible:**

Christopher Maska, Director, Hearing and Appeals, Legal Services

**Attachment:**

Text of 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

**ATTACHMENT**  
**Text of 19 TAC**

**Chapter 157. Hearings and Appeals**

**Subchapter A. General Provisions for Hearings Before the State Board of Education**

*Statutory Authority: The provisions of this Subchapter A issued under the Texas Education Code, §31.151, and Texas Government Code, §2001.004, unless otherwise noted.*

**§157.1. Scope and Purpose.**

This subchapter shall govern the proceedings in all contested cases before the State Board of Education where:

- (1) notice and opportunity for hearing is expressly required by other law; and
- (2) the hearing is not exempted from the provisions of the Administrative Procedure Act (APA) (Texas Government Code, Chapter 2001).

*Source: The provisions of this §157.1 adopted to be effective March 31, 2004, 29 TexReg 3175.*

**§157.2. Request for Hearing; Transfer to State Office of Administrative Hearings.**

- (a) All proceedings under §157.1 of this title (relating to Scope and Purpose) shall be heard by the State Office of Administrative Hearings, pursuant to the procedures set forth in 1 TAC Chapter 155 (relating to Rules of Procedures).
- (b) In cases in which the Texas Education Agency is not the petitioner, petitions for review or requests for hearing shall be filed with the State Board of Education (SBOE) within 30 calendar days after the decision, order, or ruling complained of is first communicated to the petitioner, except as otherwise provided by law or SBOE rule.
- (c) At the time the petitioner files a request for hearing with the SBOE regarding administrative penalties pursuant to the Texas Education Code, §31.151, all parties to the hearing are prohibited from contacting members of the SBOE concerning the factual or legal issues presented in the hearing until a final decision is rendered.

*Source: The provisions of this §157.2 adopted to be effective March 31, 2004, 29 TexReg 3175; amended to be effective March 7, 2012, 37 TexReg 1513.*

**§157.3. Board Consideration and Adoption of Proposal for Decision.**

- (a) After the time for filing exceptions and replies to exceptions expires and the proposal for decision is forwarded to the Texas Education Agency, the State Board of Education (SBOE) shall consider the proposal for decision and any exceptions and replies in public session and shall enter a written decision adopting or modifying and adopting the proposed decision or remanding the matter to the State Office of Administrative Hearings for further proceedings.
- (b) No public testimony shall be heard on the question of adopting, modifying, or remanding the proposal for decision. No information other than the record of the proceedings conducted by the administrative law judge, the proposal for decision, and the exceptions and replies of the parties shall be heard, considered, or discussed by the SBOE concerning the contested case.
- (c) All final decisions or orders of the SBOE shall be in writing and signed by the chair, if voting in favor of the decision, or by a member selected by those voting in favor of the decision. A final decision shall include findings of fact and conclusions of law separately stated. Findings of fact, if set forth in statutory language, shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings.
- (d) The decision of the SBOE may incorporate by reference the proposal for decision in whole or in part, and such incorporation by reference may constitute compliance with subsection (c) of this section. If the

decision of the SBOE modifies the proposal for decision in any respect, the SBOE shall specify the portions modified and shall set out in full the affected language as modified by the decision of the SBOE.

- (e) Party representatives shall be simultaneously notified either personally, by facsimile transmission, or overnight courier of each decision or order. For purposes of §157.4 of this title (relating to Motions for Rehearing), a party present at a meeting of the SBOE at which a public vote is taken shall be deemed notified of the decision or order on the date of the vote.

*Source: The provisions of this §157.3 adopted to be effective March 31, 2004, 29 TexReg 3175; amended to be effective March 7, 2012, 37 TexReg 1513.*

#### **§157.4. Motions for Rehearing.**

- (a) In the absence of a finding of imminent peril, a motion for rehearing is a prerequisite to a judicial appeal.
- (b) Motions for rehearing will be in conformance with the Texas Government Code, §2001.146.

*Source: The provisions of this §157.4 adopted to be effective March 31, 2004, 29 TexReg 3175.*

### **Subchapter D. Independent Hearing Examiners**

#### **§157.41. Certification Criteria for Independent Hearing Examiners.**

- (a) License required. An individual who is certified as an independent hearing examiner must be licensed to practice law in the State of Texas.
- (b) Representations prohibited. An independent hearing examiner, and the law firm with which the independent hearing examiner is associated, must not serve as an agent or representative of:
  - (1) a school district;
  - (2) a teacher in any dispute with a school district; or
  - (3) an organization of school employees, school administrators, or school boards.
- (c) Moral character and criminal history. An independent hearing examiner must:
  - (1) possess good moral character; and
  - (2) as demonstrated by a criminal history report process required by the commissioner of education, not have been convicted, given probation (whether through deferred adjudication or otherwise), or fined for:
    - (A) a felony;
    - (B) a crime of moral turpitude; or
    - (C) a crime that directly relates to the duties of an independent hearing examiner in a public school setting.
- (d) Status as a licensed attorney. An independent hearing examiner must:
  - (1) currently be a member in good standing of the State Bar of Texas;
  - (2) within the last five years, not have had the independent hearing examiner's bar license:
    - (A) reprimanded, either privately or publicly;
    - (B) suspended, either probated or otherwise; or
    - (C) revoked;
  - (3) have been licensed to practice law in the State of Texas or any other state for at least five years prior to application; and
  - (4) have engaged in the actual practice of law on a full-time basis, as defined by the Texas Board of Legal Specialization, for at least five years.

- (e) Experience. During the three years immediately preceding certification, an independent hearing examiner must have devoted a minimum of 50% of the examiner's time practicing law in some combination of the following areas, with a total of at least one-tenth or 10% of the independent hearing examiner's practice involving substantial responsibility for taking part in a contested evidentiary proceeding convened pursuant to law in which the independent hearing examiner personally propounded and/or defended against questions put to a witness under oath while serving as an advocate, a hearing officer, or a presiding judicial officer:
  - (1) civil litigation;
  - (2) administrative law;
  - (3) school law; or
  - (4) labor law.
- (f) Continuing education. During each year of certification, an independent hearing examiner must receive credit for ten hours of continuing legal education, with three hours in the area of school law and seven hours in the area of civil trial advocacy and legal writing skills, which must include any combination of course work in evidence, civil procedure, and legal writing skills, during the period January 1 to December 31 of each year of certification.
- (g) Sworn application. In order to be certified as an independent hearing examiner, an applicant must submit a sworn application to the commissioner of education. The application shall contain the following acknowledgments, waivers, and releases.
  - (1) The applicant agrees to authorize appropriate institutions to furnish relevant documents and information necessary in the investigation of the application, including information regarding grievances maintained by the State Bar of Texas.
  - (2) If selected as an independent hearing examiner, the applicant has the continuing duty to disclose grievance matters under subsection (d)(2) of this section at any time during the certification period. Failure to report these matters constitutes grounds for rejecting an application or removal as an independent hearing examiner.
  - (3) If selected as an independent hearing examiner, the applicant has the continuing duty to disclose criminal matters under subsection (d)(2) of this section at any time during the certification period. Failure to report these matters constitutes grounds for rejecting an application or removal as an independent hearing examiner.
- (h) Assurances as to position requirements. In the sworn application, the applicant must:
  - (1) demonstrate that the applicant currently maintains an office or offices within the State of Texas;
  - (2) designate the office locations from which the applicant will accept appointments;
  - (3) demonstrate that the applicant provides telephone messaging and facsimile services during regular business hours;
  - (4) agree to attend meetings of independent hearing examiners in Austin, Texas, at the examiner's expense; and
  - (5) agree to comply with all reporting and procedural requirements established by the commissioner.
- (i) Voluntary evaluations. The commissioner may solicit voluntary evaluations from parties to a case regarding their observations of the independent hearings process.
- (j) Insufficient examiners in a region. In the event that insufficient numbers of independent hearing examiners are certified for any geographic region of the state, the commissioner may assign an independent hearing examiner whose office is within reasonable proximity to the school district.
- (k) Annual recertification.
  - (1) Certification expires on December 31 of each calendar year. All independent hearing examiners seeking recertification shall reapply on a date specified by the commissioner. Certification as a



hearing examiner is effective on a yearly basis only and does not confer any expectation of recertification in subsequent years.

- (2) The commissioner, in his discretion, after providing notice and an opportunity to respond, may decline to recertify an independent hearing examiner, if the commissioner determines that the independent hearing examiner has failed to perform the duties of an independent hearing examiner in a competent manner. The commissioner may consider, but is not limited to, the following factors:
  - (A) timeliness;
  - (B) accuracy and appropriateness of procedural and evidentiary rulings;
  - (C) decorum or control; or
  - (D) application of appropriate legal standards.
- (3) The commissioner's decision in regard to recertification is final and not appealable.
- (1) Action against certification. The commissioner, after providing notice and an opportunity to respond, may take action against the certificate of an independent hearing examiner if it is determined that the independent hearing examiner or the law firm with which the independent hearing examiner is associated, during the time the independent hearing examiner has been certified, has:
  - (1) served as an agent or representative of a school district;
  - (2) served as an agent or representative of a teacher in any dispute with a school district;
  - (3) served as an agent or representative of an organization of school employees, school administrators, or school boards; or
  - (4) failed to timely issue a recommendation.

*Statutory Authority: The provisions of this §157.41 issued under the Texas Education Code, §21.252(a).*

*Source: The provisions of this §157.41 adopted to be effective December 15, 1995, 20 TexReg 9695; amended to be effective September 1, 1997, 22 TexReg 7035; amended to be effective September 1, 1998, 24 TexReg 7783; amended to be effective April 27, 2008, 33 TexReg 3264; amended to be effective March 7, 2012, 37 TexReg 1513; amended to be effective August 27, 2018, 43 TexReg 1854; amended to be effective October 21, 2019, 44 TexReg 6030.*

## Discussion of Ongoing State Board for Educator Certification Activities

February 2, 2023

### COMMITTEE ON SCHOOL INITIATIVES: DISCUSSION STATE BOARD OF EDUCATION: NO ACTION

**SUMMARY:** This item provides an opportunity for the committee to receive updates on current and upcoming State Board for Educator Certification (SBEC) activities and proposed SBEC rules and amendments.

**STATUTORY AUTHORITY:** Texas Education Code (TEC), §§21.031, 21.035, 21.041, and 21.042.

TEC, §21.031, charges the SBEC with regulating and overseeing all aspects of the certification, continuing education, and standards of conduct of public school educators and ensuring that all candidates for certification demonstrate the knowledge and skills necessary to improve the performance of the diverse student population of the state.

TEC, §21.035, requires Texas Education Agency (TEA) staff to provide administrative functions and services to the SBEC.

TEC, §21.041(a), authorizes the SBEC to adopt rules necessary to implement its own procedures.

TEC, §21.041(b)(1)–(4), requires the SBEC to propose rules that provide for the regulation of educators and the general administration of the TEC, Chapter 21, Subchapter B, in a manner consistent with the TEC, Chapter 21, Subchapter B; and requires the SBEC to propose rules that specify the classes of educator certificates to be issued, including emergency certificates; the period for which each class of educator certificate is valid; and the requirements for the issuance and renewal of an educator certificate.

TEC, §21.041(c) and (d), authorizes the SBEC to adopt fees for the issuance and maintenance of an educator certificate and for the approval or renewal of an educator preparation program.

TEC, §21.042, requires the SBEC to submit a written copy of each rule it proposes to adopt to the State Board of Education (SBOE) for review.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**BACKGROUND INFORMATION AND JUSTIFICATION:** On May 30, 1995, the 74th Texas Legislature enacted Senate Bill 1, a revision of the TEC. The TEC, §21.031 and §21.041, establish and authorize the SBEC to adopt rules to regulate and oversee all aspects of the certification, continuing education, and standards of conduct of public school educators. In addition, the 79th Texas Legislature enacted House Bill 1116, continuing the SBEC following sunset review. This legislation amended TEC, §21.035 to require the TEA to provide all administrative services and functions required by the SBEC. Most of these functions have been assigned to TEA's Department of Educator Preparation, Certification, and Enforcement.

Under TEC, §21.042, the SBEC must submit a written copy of each rule it proposes to adopt to the SBOE for review. The SBOE may reject the proposal by a vote of at least two-thirds of the members of the SBOE present and voting. If the SBOE fails to reject the rules contained in the proposal before the 90th

day after the date on which it receives the rules, the rules take effect as rules of the SBEC as provided by Chapter 2001, Government Code. The SBOE may not modify a rule proposed by the SBEC. Since 1996, the SBEC has submitted a number of rules it proposed to the SBOE for review.

**Staff Member Responsible:**

Emily Garcia, Associate Commissioner, Educator Preparation, Certification, and Enforcement

## Open-Enrollment Charter School Generation 28 Application Updates

February 2, 2023

### **COMMITTEE ON SCHOOL INITIATIVES: DISCUSSION STATE BOARD OF EDUCATION: NO ACTION**

**SUMMARY:** This item provides an opportunity for the committee to receive updates regarding the Generation 28 Open-Enrollment Charter Application cycle.

**STATUTORY AUTHORITY:** Texas Education Code ([TEC](#)), [§12.101](#).

TEC, §12.101 requires the commissioner to notify the State Board of Education (SBOE) of each charter the commissioner proposes to grant. Unless, before the 90th day after the date on which the board receives the notice from the commissioner, a majority of the members of the board present and voting, vote against the grant of that charter, the commissioner's proposal to grant the charter takes effect.

The full text of statutory citations can be found in the statutory authority section of this agenda.

**FUTURE ACTION EXPECTED:** Following the conclusion of the application cycle, the board will have an opportunity to review and take action or no action on the commissioner's list of proposed Generation 28 Subchapter D Open-Enrollment Charter Schools.

**BACKGROUND INFORMATION AND JUSTIFICATION:** The SBOE is engaged in an ongoing effort to remain abreast of the evolving state-educational landscape and prepare to address areas that are within its jurisdiction. To that end, this item is for discussion of updates pertaining to the Generation 28 application.

Public information concerning open-enrollment charter schools is available at the division of Charter Schools – Subchapter D Charters page found on the Texas Education Agency's website (<https://tea.texas.gov/charterapp.aspx>). When complete, the Generation 28 application and required attachments will be accessible on that page.

#### **Staff Members Responsible:**

Kelvey Oeser, Deputy Commissioner, Educator Support  
Marian Schutte, Director, Charter School Authorizing

# **INFORMATION MATERIALS**

**STATE BOARD OF EDUCATION OPERATING RULES**  
(amended January 26, 2021)

**CHAPTER 1. BOARD ORGANIZATION**

*The statutory citation for this chapter is the Texas Education Code, §7.107.*

**§1.1. Officers of the Board.**

(a) Selection.

- (1) The vice chair and secretary of the board shall be elected by a majority vote in accordance with Texas Education Code, §7.107, to serve for a term of two years and until their successors are elected.
- (2) Either of these officers may be removed from office by a vote of not less than two-thirds of the membership of the board.
- (3) In case of death or resignation of the vice chair or the secretary of the board, the board shall elect by a majority vote a board member to fill the vacancy for the unexpired term of that officer at the next board meeting.

(b) Duties.

- (1) Chair. The chair shall preside at meetings and perform all other duties prescribed by law, by board rule, or by board direction.
- (2) Vice chair. The vice chair shall perform the duties of the chair in case of absence or disability of the chair and other duties as the chair may request. Should the office of the chair become vacant, the vice chair shall serve as chair until a successor has been appointed by the governor.
- (3) Secretary. The secretary shall perform all duties as required by law and such other duties as the chair may request.

**§1.2. Committees of the Board.**

- (a) The standing committees of the board and their areas of oversight are:

**Committee of the Full Board**

1. Public testimony
2. Establishment of essential knowledge and skills (TEKS)
3. Instructional materials proclamations and adoption of instructional materials
4. Consideration of the Commissioner of Education's open-enrollment charter school proposals

### **Committee on Instruction**

1. Establishment of curriculum and graduation requirements
2. Curriculum implementation (including credit by examination, Texas Advanced Placement Incentive Program, and procedures concerning dyslexia and related disorders)
3. Student assessment program implementation
4. General education
5. Education of individuals with disabilities
6. Gifted and talented education
7. Adult education
8. Library standards
9. Texas School for the Blind and Visually Impaired/Texas School for the Deaf

### **Committee on School Finance/Permanent School Fund**

1. State and federal funding issues
2. Financial budgeting, reporting, and regulation
3. Contract and grant approval
4. Instructional materials financing and operations
5. Community education funding
6. Oversight of the Bond Guarantee Program
7. Permanent School Fund management oversight, including audit responsibility, investment objectives, and investment decisions
8. Review of nominations for gubernatorial appointments: Teacher Retirement System, School Land Board

### **Committee on School Initiatives**

1. Long-range plans required by statute
  2. Educational technology and telecommunications
  3. Review and evaluation of charter school applications, revisions, and amendments the commissioner of education proposes to grant
  4. State Board for Educator Certification rules review
  5. School board member training policy
  6. Hearing examiners
  7. Military reservation and special purpose school districts
  8. Extracurricular activities
  9. Home-rule school district probation and revocation
- (b) Amendments to the areas of committee oversight reflecting new or changing board responsibilities may be made during the board's periodic operating rules review or by means of resolution addressing the change in responsibilities should such change occur between the operating rules review.
- (c) Committees may receive information, investigate, study and report to the board. The board may from time to time define by resolution the areas of oversight of each committee as may be necessary. Each committee shall review and make recommendations on the board agenda items falling under its areas of oversight; except that the chair of the board, in consultation with the respective committee chair, may designate any board agenda item for review and recommendation by the Committee of the Full Board.

- (d) The Committee of the Full Board shall be composed of all members of the board, and the chair of the board shall be the chair of the Committee of the Full Board.
- (e) The Committees on Instruction, School Finance/Permanent School Fund, and School Initiatives shall be composed of five members selected by the officers of the board. Each member will serve on one committee in addition to the Committee of the Full Board. The officers of the board shall request in writing the committee choices of the members ranked in order of preference and shall make committee assignments in the public view for terms of two years at the organizational meeting after the qualification of new members as the next order of business following election of board officers and adoption of rules. Vacancies shall be filled in a similar fashion. In addition to preference, the officers of the board shall also consider seniority (total years of service), ethnicity balance, gender balance, racial diversity, geographic balance, and relevant qualifications specific to a committee assignment in making committee assignments. Each committee shall elect a chair from among its members and the chair may appoint a vice chair. An officer of the board is not eligible to serve as the chair of a standing committee.
- (f) Ad hoc committees (i.e., task forces) may be constituted from time to time as directed by a vote of the board or by the chair to perform such duties as the board or chair may assign. The personnel and length of service of ad hoc committees shall be designated by the chair unless otherwise directed by a vote of the board. No action taken by any ad hoc committee shall be final or binding upon the board unless otherwise directed by a vote of the board.
- (g) Occasionally, committees may find it necessary to request legal opinions, comprehensive studies, or reports to be prepared by the staff to aid the committees in their deliberations. To ensure clarity and coordination, all such requests shall be directed to State Board of Education Support staff and shall be reflected in the minutes of the committee meeting. The Chair or the Commissioner may request that the Attorney General issue an opinion under Texas Government Code §402.042.

**§1.3. Board Member Seating Selection.**

With the exception of the chair, vice chair, and secretary, the seating of board members will be by State Board of Education districts. The seating for the remaining 12 members will be rotated annually at the first board meeting of the calendar year. Any member with a special need may exchange seats with another board member who is in agreement with that exchange.



## CHAPTER 2. MEETINGS

*The statutory citations for this chapter are the Texas Education Code, §§7.055, 7.106, 7.107, 7.110, and 39.030, and the Texas Government Code, Title 5, Open Government; Ethics, Subtitle A, Open Government, Chapter 551, Open Meetings.*

### **§2.1. Regular Meetings of the Board.**

In accordance with Texas Education Code, §7.106, four regular meetings of the board a year shall be held in Austin, Texas. If a quorum is not present for a meeting, the meeting shall be recessed or adjourned and all items on the agenda shall be heard at a subsequent meeting.

### **§2.2. Special Meetings of the Board.**

Special meetings of the board may be held at times and places as ordered by the chair during a regular meeting, or special meetings may be called by the chair of the board to be held at a time and place the chair shall designate.

### **§2.3. Open Meetings.**

Regular, special, and committee meetings of the board shall be open to the public; however, the board or board committees may meet in executive session in accordance with law and these rules. Open meetings of the board and standing committees shall be broadcast live over the Internet. The chair may limit in-person attendance at a meeting to ensure health and safety of board members and members of the public. In such instances, governor's orders shall be followed, and members of the public shall be given access to view all portions of the meetings virtually.

### **§2.4. Executive Sessions.**

Executive sessions of the board or of board committees are meetings with only board members and persons authorized by law. Executive sessions shall be held in accordance with Texas Government Code, Chapter 551, Open Meetings.

### **§2.5. Agendas.**

- (a) The chair has the primary responsibility for creating the SBOE meeting agendas. This includes the SBOE agenda, the Committee of the Full Board agenda, and all committee agendas. Other than as provided in this subsection and subsections (b) and (c) of this section, all agenda items are subject to the approval of the chair. If a member wishes an item to be placed on the agenda of the Committee of the Full Board, the member should request in writing that the chair place the item on the agenda. The chair will respond in writing whether or not the item will be placed on the agenda. If the chair declines in writing to place the item on the agenda, the member may make a motion during a board meeting to include the item on the agenda. If the board approves the request, it is placed on the agenda of the Committee of the Full Board for the next meeting.
- (b) The chairs of the Committee on Instruction, Committee on School Finance/Permanent School Fund, Committee on School Initiatives, and ad hoc committees shall collaborate with the board chair regarding items to be placed on their respective committee agendas. Committee agendas shall include statutorily mandated motions, items assigned to the

committee by the board chair, items posted at the discretion of the committee chair and items voted on as set out in subsection (c) below. Committee chairs may post discussion items per their discretion, but action items must be approved by the board chair, subject to the process set out in (c) below.

- (c) Any member of the board may request that a committee chair place an item on the agenda of that chair's committee, other than the Committee of the Full Board, as either a discussion item or an action item. If the committee chair agrees, the item is placed on the agenda of that chair's committee in accordance with the member's request, subject to the approval of the board chair. If the committee chair denies the member's request, the member may appeal the denial to the board chair. If the board chair denies the request, the member may appeal the denial to the board. If the board approves the request, it is placed on the agenda of the committee to which the request was made at the next meeting of that committee.
- (d) A subject on the agenda that is outside the scope of the board's authority may only be considered by the board or the Committee of the Full Board by a vote of a majority of the membership of the board. The chair, in consultation with Agency legal counsel, shall make a determination regarding whether an item is outside the scope of the board's authority when preparing the agenda. Any member may move to place an item determined by the chair to be outside the scope of the board's authority on the agenda for a subsequent meeting.
- (e) The commissioner of education shall prepare and submit to each member of the board, prior to each meeting, a draft agenda schedule listing item titles with short summaries of each item. Materials supplementing the agenda may be included. Official agendas will be available the day of the board meeting.

**§2.6. Official Transaction of Business.**

- (a) The board shall transact official business only when in session with a quorum present. Unless otherwise provided by law, in order for a board action to be final, it must be approved by a majority of the board members present and voting.
- (b) The chair may authorize the board to meet via remote video or web conference. As required by Government Code §551.127(c), if videoconference calling technology is used, the meeting location where the presiding officer of the meeting is present must be open to the public, except during executive sessions. The chair may limit the number of remote conference locations in the interest of decorum and capacity.
- (c) The chair may modify procedures for conducting meetings of the board if emergency protocols are enacted by the governor related to a pandemic or similar event. In such instances, governor's orders and emergency rules shall be followed.
- (d) If a board member participates in a meeting virtually, the board member must be visible by video and must have capabilities to be heard by other board members and members of the public. A member who is not present on camera during a vote of the board will be noted as absent for the vote.

- (e) No posters, props, or other visual displays are allowed by board members within the meeting rooms or at remote locations without permission from the presiding chair.

**§2.7. Rules of Order.**

- (a) The board shall observe *Robert's Rules of Order, Newly Revised*, except as otherwise provided by board rules or by statute.
- (b) The presiding chair shall preserve order and decorum during meetings. In case of disturbance or disorderly conduct in the public gallery, the chair may order that any disruptive individuals be cleared from the area.
- (c) No signs, placards, flags, noisemakers, or other objects of a similar nature shall be permitted in the audience gallery area.
- (d) No applause, outburst or other demonstration by any spectator shall be permitted during the public testimony, public hearing or debate portion of any State Board of Education meeting. After warnings to the audience to refrain from such demonstrations, the presiding chair may direct that disruptive individuals in the gallery area be removed as necessary to preserve decorum during meetings.
- (e) Supporters of a testifier may not gather behind the podiums used for testimony. Testifiers are free to use a portion of their testimony time to acknowledge supporters seated in the audience.

**§2.8. Minutes.**

The official minutes of the board shall be kept by the office of the commissioner of education or the commissioner's designee and shall be available to any citizen desiring to examine them. Official minutes are those which the board has approved, and which carry the original signature of the secretary of the board.

**§2.9. Resolutions.**

- (a) A member wishing to offer a resolution shall give notice of the resolution by submitting a copy to the chair and the State Board of Education Support staff not less than four weeks prior to the Monday of the week during which the meeting at which the resolution is to be considered. The board shall consider the resolution and any germane amendments at the next meeting following such notice.
- (b) Titles for congratulatory, commendatory or other non-substantive resolutions shall be submitted by the timelines prescribed in this section with resolution text following a date and time consistent with the staff's pre-meeting preparation timeline.
- (c) The board may consider a resolution which expresses an opinion related to specific instructional materials or which expresses concerns as to the appropriateness of specific instructional materials for certain ages or populations. Resolutions considered under this subsection must conform to the following:
  - (1) The resolution shall be submitted in compliance with subsection (a) of this section.

- (2) Board action on a resolution expressing an opinion related to specific instructional materials may only be considered after final action has been taken concerning placement of the specific instructional materials on the list of adopted instructional materials for use in the public schools of Texas. Board action relative to instructional materials resolutions must take place within 90 days of adoption of the specific instructional materials under 19 TAC Chapter 66, State Adoption and Distribution of Instructional Materials, §66.66(b).
- (3) Nothing in the resolution shall be construed to replace or modify any final action taken by the board under 19 TAC Chapter 66.
- (4) The board may adopt a resolution expressing an opinion related to instructional materials based on the following criteria:
  - (A) Instructional materials should present the most current factual information accurately and objectively without editorial opinion or bias by the authors. Theories should be clearly distinguished from fact and presented in an objective educational manner.
  - (B) Instructional materials should promote citizenship, patriotism, democracy, understanding of the essentials and benefits of the free enterprise system, respect for recognized authority, and respect for individual rights. The materials should not include selections or works that encourage or condone civil disorder, social strife, or disregard of the law. Violence, if it appears, should be treated in the context of its cause and consequence. It should not appear for reasons of unwholesome excitement or sensationalism.
    - (i) Instructional materials should present positive aspects of the United States and its heritage.
    - (ii) When significant political or social movements in history generate no clear consensus, instructional materials should present balanced and factual treatment of the positions.
    - (iii) Free enterprise means an economic system characterized by private or corporate ownership of capital goods; investments that are determined by private decision rather than by state control; and prices, production, and the distribution of goods that are determined in a free market.
  - (C) Instructional materials should not include blatantly offensive language or illustrations.
  - (D) Instructional materials should treat divergent groups fairly without stereotyping and reflect the positive contributions of all individuals and groups to the American way of life. Illustrations and written materials should avoid bias toward any particular group or individual and present a wide range of goal choices. Particular care should be taken in the treatment of ethnic groups, issues related to the aging and aged, roles of men and women, the dignity of workers, and respect for the work ethic.

- (i) Instructional materials should not encourage lifestyles deviating from generally accepted standards of society.
  - (ii) Instructional materials should provide an objective view of cultural confluence and include information needed to develop mutual understanding and respect among all elements of our population. Materials should reflect an awareness that culture and language variation does exist and can be used to promote successful learning.
  - (iii) Instructional materials should present examples of men and women participating in a variety of roles and activities and also shall present the economic, political, social, and cultural contributions of men and women, past and present.
  - (iv) Instructional materials that treat aspects of the world of work should reflect the positive contributions of all types of careers to the American economic system and way of life. People presented should reflect varieties of work and be treated without bias toward particular kinds of work.
  - (v) Instructional materials should present traditional and contemporary roles of men, women, boys, and girls.
  - (vi) Instructional materials should present balanced treatment of issues related to aging and the aged.
- (5) A representative of the publisher of the specific instructional material shall be given the opportunity to address the board prior to action by the board on such a resolution.
  - (6) A copy of any resolution passed by the board expressing an opinion related to specific instructional material shall be provided to the board president and superintendent of each school district in Texas.

**§2.10. Oral Public Testimony in Connection with Regular Board and Committee Meetings.**

- (a) General Provisions.
  - (1) In accordance with Texas Education Code, §7.110, the board shall provide opportunity for oral public testimony at regular committee meetings, special meetings, and at regularly scheduled meetings of the State Board of Education.
  - (2) Work session and ad hoc committee meetings are exempt from this requirement.
  - (3) The presiding chair shall take appropriate action to avoid unduly repetitious testimony.
  - (4) The presiding chair shall assure that members of the public with differing viewpoints have reasonable access to address the board and take steps to ensure that individuals will be given priority over registered lobbyists.

- (5) The presiding chair shall determine which speakers will be heard and the order in which they will be heard if the number exceeds that number which may reasonably be expected to testify in the allotted time for presentations. The presiding chair shall also determine whether speakers who did not register or who registered late will be heard and whether persons asking to testify as a substitute for a registered speaker may do so.
  - (6) The board, without debate, may allow a person to testify for clarification and informational purposes, whether or not he/she has registered or previously testified. The person is not required to honor the request.
- (b) Registration Procedures.
- (1) Individuals may register between the hours of 8 a.m. (Central Time) on the Thursday preceding the board meeting and 5 p.m. on the Friday preceding the board meeting on the agency website at <https://tea.texas.gov/PublicTestimonySBOE/>, or, during normal operating hours, by telephone at (512) 463-9007 or in person at the William B. Travis (WBT) State Office Building, 1701 N. Congress, room 1-109, Austin, Texas 78701.
  - (2) The speaker shall provide his or her name and organizational affiliation, if any, contact telephone number, mailing address, email address, and indicate which item or topic the speaker will address and viewpoint on the topic; and the speaker will disclose if he or she is a lobbyist registered with the Texas Ethics Commission.
  - (3) A person may register himself or herself, and one other person. Organizations may not register more than two persons per item.
  - (4) Those registering online will receive an email confirming the registration during the next business day.
  - (5) Registrations will be listed based upon registration date and time or alternating points of view in order of registration date and time.
  - (6) Late registration will be accepted until 30 minutes before the scheduled start of a meeting, however late registrants are not guaranteed an opportunity to testify due to time constraints.
  - (7) Speakers will be informed if it appears that time constraints will not permit all speakers to make their presentation within the allotted time.
  - (8) All speakers shall provide twenty (20) collated or stapled copies of their testimony. Registered speakers who are unable to make their presentations due to time constraints are encouraged to provide twenty (20) copies of their testimony for distribution to board members and agency executive staff. Written testimony will not be attached to committee minutes.
- (c) Oral Public Testimony to Committees.
- (1) Oral public testimony to committees is limited to the topics posted for action or discussion on committee agendas at that specific committee meeting.

- (2) In order to maximize the total number of testifiers who are able to provide oral testimony, two-minute time limits on individual oral testimony will be imposed unless modified by the presiding chair.
  - (3) The presiding chair shall designate whether oral public testimony shall be taken at the beginning of the meeting or at the time the related item is taken up by the committee.
  - (4) The presiding chair shall take steps to ensure that individuals will be given priority over registered lobbyists. The committee, without debate, may allow a person to testify for clarification and informational purposes, whether or not he/she has registered or previously testified. The person is not required to honor the request.
- (d) Oral Public Testimony to the General Meeting of the Board.
- (1) Oral public testimony at general meetings of the State Board of Education is limited to topics that are *not* posted for action or discussion at the corresponding regular committee meetings or information published in the information section of the agenda.
  - (2) Thirty (30) minutes shall be allotted for oral public testimony, excluding the questions and answers, at the beginning of each board meeting, unless modified by a majority vote of the board. Three-minute time limits on individual oral testimony will be imposed unless modified by the presiding chair. Testimony invited by board members shall not be counted against the time allotted for oral public testimony. Agency staff shall inform the presiding chair and any affected registered speakers prior to the meeting if time constraints may not allow some registered speakers to testify.
  - (3) The presiding chair shall take steps to ensure that individuals will be given priority over registered lobbyists. The board, without debate, may allow a person to testify for clarification and informational purposes, whether or not he/she has registered or previously testified. The person is not required to honor the request.

**§2.11. Written Testimony in Connection with Regular Board and Committee Meetings.**

- (a) Persons may file written testimony with regard to any committee or board agenda item. Any written testimony or comments shall identify the date of the meeting; the subject of the comments; the name of the author; the name of the author's organizational affiliation, if any; and indicate whether the author is a lobbyist registered with the Texas Ethics Commission.
- (b) If the written testimony is submitted at the regular board or committee meeting, twenty (20) collated or stapled copies shall be provided for distribution to board members and agency executive staff. Written testimony will not be attached to the board minutes.
- (c) Persons who were unable to attend or to testify at a committee or board meeting due to time constraints may provide twenty (20) collated or stapled copies of their testimony to agency staff for distribution to board members and agency executive staff.

**§2.12. Public Hearings.**

- (a) Types of Public Hearings.
  - (1) Hearings regarding proposed board rules. The board shall conduct a public hearing on a substantive rule if a hearing is requested by at least 25 persons, a governmental subdivision or agency, or an association having at least 25 members. Testimony is restricted to comments regarding the proposed action. The hearing must be set to take place before any action is adopted. The public hearing shall be conducted before the appropriate board committee as determined by the board chair in accordance with the areas of oversight defined in board operating rules.
  - (2) Other types of hearings. The board may also hold public hearings on proposed actions, such as those relating to adoption of Texas essential knowledge and skills and (TEKS) instructional materials issues. The public hearing shall be conducted before the appropriate board committee as determined by the board chair in accordance with the areas of oversight defined in board operating rules. Public hearings regarding the instructional materials adoption process are governed by 19 TAC §66.60. Public hearings regarding revision of the TEKS are governed by the SBOE-approved TEKS review and revision process.
- (b) Speakers shall preregister in accordance with the procedures set out in §2.10(b).
- (c) The presiding chair shall establish the procedures for conducting the public hearing. These procedures shall include, but are not limited to, the following:
  - (1) Providing for presentations from invited persons or an introduction from staff;
  - (2) Providing that preregistered speakers are heard in order of registration times and dates, or requiring alternating points of view in order of registration times and dates;
  - (3) Establishing time limits for speakers, generally two minutes each;
  - (4) Adjourning the hearing at the end of the allotted time period listed in the agenda item or any extension granted by a vote of the majority of the board or appropriate committee.
- (d) Persons who testify at a public hearing may bring twenty (20) collated or stapled copies of their testimony for distribution to board members and agency executive staff.
- (e) Persons who were unable to testify at a public hearing due to time constraints may provide twenty (20) members and agency executive staff.
- (f) Prior to the meeting, agency staff shall inform the presiding chair and shall attempt to inform any affected registered speakers if time constraints may not allow some registered speakers to testify.



**§2.13. Public Comments Regarding Proposed Rulemaking.**

All interested persons have a reasonable opportunity to submit data, views and arguments, prior to the board adoption of any rule. Public comments regarding proposed board rules may be submitted as provided in the notice of proposed rulemaking published in the *Texas Register*. The deadline for submitting public comments is 5:00 p.m. on Friday the week prior to the start of the board meeting. The board will also take registered oral and written comments on proposed rulemaking at the appropriate committee meeting.

## CHAPTER 3. TRAVEL AND EXPENSES

*The statutory citations for this chapter are the Texas Education Code, §7.105, Texas Government Code, Chapter 660, and the General Appropriations Act.*

### **§3.1. Reimbursement of Expenses.**

- (a) Members of the State Board of Education receive no salary but are reimbursed for all expenses incurred for attending regular and special meetings of the board and of board committees.
- (b) All reimbursements for expenditures shall be in accordance with Texas Education Code, §7.105(b), Texas Government Code, Chapter 660, the General Appropriations Act, and these rules.
- (c) Only expenses of board members may be reimbursed. Expenses for spouses, family, or other persons traveling with board members are not reimbursable.
- (d) Board members must submit receipts for the following expenses:
  - (1) public transportation (excluding receipts for bus, taxi, ride share services or limousine);
  - (2) car rental;
  - (3) lodging; and
  - (4) conference registration fees (which may not include banquets, books, or materials).
- (e) Lodging receipts must show the rate for single occupancy plus tax which will be the maximum reimbursable amount per day for lodging.
- (f) Receipts are not required to claim expenses for meals; however, the General Appropriations Act provides that "none of the funds appropriated under this act for travel expenses may be expended for alcoholic beverages" and no such expenses may be claimed for reimbursement.
- (g) Other official travel expenses which board members may claim include the following when the expenses are required for the conduct of state business:
  - (1) parking fees (including personal vehicles);
  - (3) notary fees for official documents; and
  - (4) wireless connection.

- (h) Board members may not claim reimbursement for expenses such as the following:
  - (1) laundry or other personal items;
  - (2) tips or gratuities of any kind; and
  - (3) alcoholic beverages.
- (i) All claims for reimbursement will be reviewed by agency accounting personnel to ensure compliance with the requirements of the appropriations act, and any appropriate adjustments to claims shall be made by staff.
- (j) A yearly budget shall be established for travel of board members. The budgeted amount would include an allotment of travel funds for board members to attend board meetings and committee meetings, and an allotment for in-district, out-of-district, and out-of-state meetings. An additional allotment shall be budgeted for travel of the chair when representing the State Board of Education at meetings. When there is a change in office during the fiscal year, the travel budget will be reassigned to the new board member.
- (k) A board member may be reimbursed for travel expenses for attending activities other than State Board of Education meetings and committee meetings provided that the board members are in compliance with the following procedures:
  - (1) In-District and Out-of-District Travel. In-district and out-of-district travel is at each member's discretion. Prior approval is not required; however, any travel for which reimbursement is requested must be directly related to the duties and responsibilities of the State Board of Education. Any requests for reimbursement, directly or indirectly related to seeking election to office, will not be allowed.
  - (2) Out-of-State Travel. Prior approval is required by the officers of the board (chair, vice chair, and secretary).
- (l) A board member may be reimbursed for travel expenses incurred while serving on any board, council, or commission or serving in any official board position as an appointee for specific administrative functions when appointed by the State Board of Education or its chair, or subject to approval of the board or its officers of the board.
- (m) None of the funds appropriated in the General Appropriations Act shall be used for influencing the outcome of any election, or the passage or defeat of any legislative measure.

**§3.2. Travel Arrangements and Hotel Reservations for State Board of Education Meetings.**

- (a) Board members shall be responsible for making their own arrangements for travel to and from board meetings. Agency travel coordinators are available for assistance.
- (b) A State Board of Education Support staff member or his/her designee will make guaranteed hotel reservations for each board member upon request.

- (c) Any change in or cancellation of reservations shall be the responsibility of the individual board member in whose name the reservations were made. Board members who wish to change or cancel their reservations must contact the hotel directly or call the State Board of Education support office. All bills received by the agency for unused or uncanceled reservations will be forwarded for payment to the board member in whose name the reservations were made.

**§3.3. Acceptance of Gifts and/or Grants for Charter School Evaluation.**

- (a) Purpose. The State Board of Education (SBOE) may accept a gift and/or grant for the limited purpose of expenses associated with evaluating an applicant for an open-enrollment charter school.

- (1) An entity making a gift and/or grant under this section may not:
  - (A) limit the use of the funds to any individual applicant, cycle or class of applicants;
  - (B) be a charter operator in this or any other state, a management company, service provider or vendor of any kind to charter schools in this or any other state;
  - (C) have common board members or corporate members with any entity operating a charter in Texas or applying to operate a charter in Texas;
  - (D) be an individual required to register as a lobbyist under Chapter 305, Government Code; or
  - (E) be an employee, attorney, contractor or other agent of any kind to charter schools in this or any other state.
- (2) An entity making a gift and/or grant under this section may not do so if the source of funds used for the gift and/or grant were received from an entity that could not make a gift and/or grant under this section.
- (3) For purposes of this section, a spouse or dependent child of an individual prohibited from making a gift and/or grant is also prohibited.
- (4) For purposes of this section, an entity includes any legal entity such as corporations, individuals and other business associations. An individual is limited to a natural person.
- (5) An entity making a gift and/or grant shall certify that it has complied with all requirements of this section in a format approved by the board chair.

- (b) Procedure. The SBOE may accept a gift and/or grant under this section only by an affirmative vote of the board.

- (1) A charter may not be evaluated using funds under this section unless the commissioner has:

- (A) proposed to award a charter to that applicant pursuant to Section 12.101(b); or
  - (B) requested the participation of individual board members in the agency's preliminary evaluation of an applicant.
- (2) The commissioner shall receive, disburse and account for funds accepted by the board.
  - (3) Funds accepted under this section may be used solely to pay reasonable travel expenses, including meals and accommodations, for SBOE members and TEA staff as necessary to evaluate applicants for open-enrollment under this section. Unless approved by the board chair and the commissioner, travel expenses are limited to those available for travel by SBOE members or state employees.
  - (4) In making decisions under this section, the board chair will consult with the board member acting as a liaison under Section 12.101(b). The board chair will also consult with the chair of the Committee on School Initiatives, unless doing so would create a quorum of a committee of the board. A decision by the board chair under this section is final.
  - (5) Board members evaluating a charter applicant under this section shall be selected by the board chair. The board chair will, to the extent possible, give preference to board members whose districts include proposed locations at which the charter would operate. Under no circumstances will a quorum of the board or a committee of the board participate in an evaluation under this section.
  - (6) The board chair may request that relevant TEA employees accompany board members in evaluating charter applicants under this section. The commissioner must approve participation of agency employees.
  - (7) Except as provided by this subsection, board members and TEA staff may not accept anything of value from an applicant and shall limit contact with the applicant and its employees and representatives to the actual investigation of the charter. The board chair may authorize acceptance of reasonable local transportation and meals from the applicant as necessary to facilitate the evaluation.
  - (8) In addition to board members and TEA staff, the board chair may authorize other professionals to participate in an evaluation under this section. Such a professional may not be an individual or entity unable to donate funds under subsection (a) and is subject to all conditions and limits imposed by this section on board members.
- (c) Evaluation. Each board member will individually report to the Committee on School Initiatives regarding his/her evaluation of a proposed charter prior to consideration of the charter by the board under §7.102(c)(9). The Committee on School Initiatives will develop a standard form for use by board members in evaluating a charter under this section.
  - (d) Reporting. Expenses reimbursed for each board member, TEA staff or other professionals shall be made publicly available and reported as appropriate on a board member's personal financial statement.

## CHAPTER 4. CONDUCT AND PUBLIC RELATIONS

*The statutory citations for this chapter are the Texas Education Code, §7.108; the Texas Government Code, §305.006, and Chapter 572, Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest; and the Texas Election Code, Chapter 251, General Provisions.*

### **§4.1. Standards of Conduct and Conflicts of Interest.**

- (a) Personal interest in board actions. Whenever a board member has a financial interest in any matter to be voted upon by the board, such a member shall state at an open meeting that he or she has such an interest in the matter and shall abstain from voting and discussion concerning the matter.
- (b) The Permanent School Fund ethics policy governs the conduct of State Board of Education members with respect to the investment and management of the Permanent School Fund.

### **§4.2. Press and Public Relations.**

- (a) Prior to each State Board of Education meeting, the agenda shall be made available by agency staff to the capitol press corps; governor's office; Legislative Budget Board; Legislative Reference Library; School Land Board; Texas Higher Education Coordinating Board; regional education service centers; and state offices of professional education organizations which have requested the agenda.
- (b) A press table shall be provided at meetings of the State Board of Education and press representatives shall be supplied with copies of the official agenda for the meeting and other materials relating to specific agenda items.
- (c) The State Board of Education shall seek to maintain open relations with the press by answering reporters' questions frankly and by providing official statements through press releases and answers to follow-up inquiries.

### **§4.3. Disclosure of Campaign Contributions and Gifts.**

- (a) Any person, corporation, or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant, or charter.

- (b) A person, corporation, or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose in the same manner any benefit conferred on a candidate for or member of the State Board of Education during the preceding four years. A benefit need not be disclosed if the aggregate value of benefits conferred on a candidate for or a member of the State Board of Education during the preceding four years does not exceed \$250, or a different limit set by §572.023(b)(7), Texas Government Code. This requirement applies whether or not the person, corporation, or other legal entity is required to report the expenditure to the Texas Ethics Commission. For purposes of this section, a benefit is not conferred if the candidate for or a member of the State Board of Education has paid for the member's own participation, as well as any participation by other persons for the direct benefit of any business in which the member has a substantial interest as defined under Texas Government Code §572.005 (1) - (7).
- (c) In this section:
- (1) "person, corporation, or other legal entity" includes:
    - (A) any individual who would have a "substantial interest" in the person, corporation, or other legal entity as that term is defined in Texas Government Code, §572.005 (1) - (6);
    - (B) an attorney, representative, registered lobbyist, employee, or other agent who receives payment for representing the interests of the person, firm, or corporation before the board or to board members, or whose duties are directly related to the contract, grant, or charter; or
    - (C) an individual related within the first degree by affinity or consanguinity, as determined under Chapter 573, Government Code, to the person covered by (c)(1).
  - (2) "contract, grant, or charter" means any application to enter into a contractual relationship with or otherwise receive funding from the State Board of Education, including without limitation contracts for investment advisors, consultants, or investment managers for the Permanent School Fund and applicants for charters to operate open enrollment charter schools.
  - (3) "campaign contribution" has the meaning defined in Texas Election Code, §251.001.
  - (4) "benefit" has the meaning defined in Texas Penal Code, §36.01.
  - (5) "candidate for or a member of the State Board of Education" includes a person related within the first degree of affinity or consanguinity, as determined under Chapter 573, Government Code, to a candidate for or a member of the State Board of Education.
- (d) A person, corporation, or other legal entity has a continuing duty to report contributions or expenditures made through the term of a contract, grant, or charter and shall within 21 calendar days notify the commissioner of education and the board chair upon making a contribution or expenditure covered by this section.

- (e) Failure to disclose a contribution or expenditure under this section shall be grounds for canceling or revoking the contract, grant, or charter in the discretion of the board. Only those contributions or expenditures made after the effective date of this rule are required to be disclosed.
- (f) This section does not affect the validity of contracts, grants, or charters existing on its effective date but does apply to the renewal or extension of any contract, grant, or charter.
- (g) Before distributing bids or applications for a contract with the board, staff will provide any disclosure made under subsection (a) or (b) to a board member to whom the disclosure applies. A board member shall have 10 calendar days to provide a written statement relating to the disclosure for distribution along with all disclosures.
- (h) An SBOE member shall on April 15 of each year submit a list of businesses that the SBOE member has a substantial interest in as defined in Texas Government Code §572.005 (1) - (7) and all DBAs or assumed names of any such businesses. If any change occurs in the identities of businesses that an SBOE member has a substantial interest in, the SBOE member shall submit an amendment within 30 calendar days of the date of such change. A person, corporation, or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter that may be granted by the State Board of Education shall be provided the combined list of all board members and shall disclose any campaign contribution or benefit under subsections (a) or (b) on behalf of any business in which an SBOE member has a substantial interest.

**§4.4. Instructional Materials Submitted to the Texas Resource Review.**

- (a) An SBOE member shall not nominate instructional materials for submittal to the Texas Resource Review without a majority vote of the board endorsing said nomination.



## CHAPTER 5. RULES AND THE RULEMAKING PROCESS

*The statutory citation for this chapter is the Texas Government Code, Chapter 2001, Subchapter B; Texas Government Code, Chapter 2002, Subchapter B; Texas Education Code, §7.102(e)-(f).*

### **§5.1. State Board of Education Rules.**

- (a) An action of the board to adopt a rule under the Texas Education Code is effective only if the rule's preamble published in the *Texas Register* includes a statement of the specified statutory authority contained in the Texas Education Code to adopt the rule.
- (b) Rules submitted to the Office of the Secretary of State for publication in the *Texas Register* shall conform to requirements promulgated by the Secretary of State.

### **§5.2. Adoption, Amendment, and Repeal of State Board of Education Rules.**

- (a) Proposed new rules, amendments, and repeals must appear on the agenda for discussion at one board meeting and for action at two subsequent board meetings as First Reading and Second Reading, unless a departure from this rulemaking process is approved by the board.
- (b) Each member of the board shall receive copies of the preliminary and official board meeting agendas containing all proposed new rules, amendments, or repeals to be considered.
- (c) The board can take action only if the rule is posted for action in the official notice of the meeting that is published in the *Texas Register*. The commissioner is authorized to file information with the Secretary of State to comply with the requirements of Texas Government Code, Chapter 2001, Subchapter B; and Texas Government Code, Chapter 2002, Subchapter B, regarding adoption of rules.
  - (1) **First Reading and Filing Authorization.** The board can authorize the commissioner to file a proposed new rule, amendment, or repeal with the Secretary of State for publication in the *Texas Register* as it appears in the agenda or with changes to the material presented in the agenda.
  - (2) **Second Reading and Final Adoption.** If the public comment period after filing the proposal with the Secretary of State has elapsed, the board can adopt a new rule, amendment, or repeal. If a board committee determines that a substantial revision of the material presented in the agenda shall be considered, the board shall not take final action before the next board meeting.
  - (3) **Withdrawal.** The board can authorize the commissioner to withdraw a proposed new rule, amendment, or repeal that was previously filed with the Secretary of State.
  - (4) **Refiling.** The board can authorize the commissioner to withdraw and refile a proposed new rule or amendment that was previously filed with the Secretary of State if there are substantive changes from the original filing.

- (d) The board can authorize the commissioner to conduct a public hearing on behalf of the State Board of Education concerning board rules. The public hearing shall be transcribed and the transcript made available for review by board members.
- (e) Except as otherwise provided by law, a rule does not take effect until the beginning of the school year that begins at least 90 days after the date of the rule adoption.
- (f) A rule may take effect earlier than the date set forth in subsection (e) if the rule's preamble specified an earlier date with the reason for the earlier date and:
  - (1) the earlier effective date is a requirement of:
    - (A) a federal law, or
    - (B) a state law that specifically refers to Texas Education Code §7.102 and expressly requires the adoption of an earlier effective date; or
  - (2) on an affirmative vote of two-thirds of the members of the board, the board makes a finding that an earlier effective date is necessary.

**§5.3. Emergency Rules.**

The board may adopt emergency rules without prior notice or hearing. Conditions under which emergency rules can be adopted and the periods for which they are effective are governed by Texas Government Code §2001.034. The board shall also comply with the requirements of Section 5.2(f) of these rules and the notice of emergency meeting requirements in Texas Government Code, §551.045. Emergency rules will be placed on a board agenda for adoption as a permanent rule.

**§5.4. Filing Non-Substantive Rule Corrections with the Secretary of State.**

The commissioner may approve and file with the Secretary of State non-substantive corrections to State Board of Education rules. Non-substantive rule corrections may only include typographical, grammatical, referencing, or spelling errors and technical edits to comply with *Texas Register* style and format requirements. The commissioner will provide a mark-up of any such corrections to the board.

**§5.5. Rulemaking Authority.**

Except for rules adopted under §5.4 of these rules (relating to Filing Non-Substantive Rule Corrections with the Secretary of State), or other exceptions specifically authorized by the board, all rules of the State Board of Education shall be approved by the State Board of Education.

**§5.6. Review of the State Board of Education Rules.**

In accordance with Texas Government Code, §2001.039, the State Board of Education shall review its rules every four years to assure that statutory authority for the rules continues to exist. If necessary, proposed amendments will be brought to the board following the procedure described in §5.2 of these rules

**§5.7. Filing of Amendments.**

A member wishing to amend any Texas Essential Knowledge and Skills (TEKS) being considered by the board for second reading and final adoption shall submit the amendment in writing to the staff no later than noon on the day prior to the final vote on the adoption of the TEKS. All amendments shall be made available to the public to the extent possible. This rule may be suspended by a two-thirds vote.

## CHAPTER 6. ADVISORY GROUPS

*The statutory citations for this chapter are the Texas Education Code, §§7.102(b), 29.254, 32.034, and 61.077.*

### **§6.1. General Provisions.**

- (a) The State Board of Education may establish a Committee of Investment Advisors (CIA) to the Permanent School Fund and approve all selected appointments. The CIA shall be composed of not more than 15 members, one appointed by each State Board of Education member, who each have considerable institutional investment expertise and are free from conflicts of interest. The CIA member will closely advise the individual State Board of Education member who appointed the member on all matters relative to the management of the Permanent School Fund as necessary. The CIA may meet in person or via conference call or telephone conference as needed. Duties and responsibilities of the CIA are within the *Texas Permanent School Fund - Investment Procedures Manual*, Section A.2.
- (b) If the board does not establish a CIA, nothing shall prevent a board member from selecting and working with an investment advisor in a manner consistent with federal and state laws and the Investment Procedures Manual.
- (c) Content advisors and work group members will be selected in accordance with the TEKS Review and Revision Process.

## CHAPTER 7. NOMINATIONS FOR GUBERNATORIAL APPOINTMENTS

*The statutory citations for this chapter are the Texas Government Code, §651.009(a) and §825.003, and Texas Natural Resources Code, §32.012.*

### **§7.1. Gubernatorial Appointments.**

Pursuant to statute, the State Board of Education shall submit to the Governor lists of citizens from which appointments are to be made for the boards described in this section: Teacher Retirement System Board of Trustees and School Land Board.

### **§7.2. Timelines.**

The Chair and/or his or her designee shall work collaboratively with staff and the Governor's Appointments Office to establish appropriate timelines for the placement on the agenda to meet appointment timelines and that proper criteria is applied by the State Board of Education.

### **§7.3. Nominee Selection.**

The board shall select nominees in such a manner as to facilitate adherence to diversity of appointments: "In each case in which the governing body of a state board, commission, or other state agency that has statewide jurisdiction is appointed by the governor or another appointing authority, the governor or appointing authority shall ensure that, to the extent possible, the membership of the governing body reflects the racial, ethnic, and geographic diversity of this state." (§651.009(a), Government Code)

### **§7.4. Teacher Retirement System.**

The Governor shall appoint two members of the TRS board of trustees, subject to confirmation by two-thirds of the senate, from lists of nominees submitted by the State Board of Education. These persons must be persons who have demonstrated financial expertise, have worked in private business or industry, and have broad investment experience preferably in investment of pension funds (Government Code §825.003). The board selection process shall be as follows:

- (a) Each member shall be entitled to nominate one person who meets the criteria described in this section.
- (b) The Committee on School Finance/Permanent School Fund shall adopt an evaluation process using the criteria described in this rule, subject to approval of the board, and engage an impartial third party to evaluate candidates submitted by members.
- (c) The Committee shall recommend to the full board a slate of candidates for adoption. The list of nominees is subject to amendment by the board, but the final list must comply with statutory requirements.

### **§7.5. School Land Board.**

The Governor shall appoint two members of the School Land Board, subject to confirmation by the senate, from lists of candidates submitted by the State Board of Education. One of the

members appointed by the governor must be a resident of a county with a population of less than 200,000.

- (a) The School Land Board duties as described in the Texas Natural Resources Code (§§32.061, 51.011, 51.413) are:
  - (1) manage and control any land, mineral or royalty interest, real estate investment, or other interest, including revenue received from those sources, that is set apart to the permanent school fund together with the mineral estate in riverbeds, channels, and the tidelands, including islands;
  - (2) acquire, sell, lease, trade, improve, maintain, protect, or otherwise manage, control, or use land, mineral and royalty interests, real estate investments, or other interests, including revenue received from those sources, that are set apart to the permanent school fund in any manner, at such prices, and under such terms and conditions as the board finds to be in the best interest of the fund;
  - (3) consult with the president, chairman, or other head of the department, board, or agency, as applicable, or with the representative of the head, on each matter before the board that affects land owned or held in trust for the use and benefit of a department, board, or agency of the state; and,
  - (4) make determinations as to the release of any funds to the available school fund or to the State Board of Education for investment in the permanent school fund.
- (b) Each member shall be entitled to nominate one person who meets the criteria described in this section.
- (c) The Committee on School Finance/Permanent School Fund shall adopt an evaluation process using the criteria described in this rule, subject to approval of the board, and engage an impartial third party to evaluate candidates submitted by members.
- (d) The Committee shall recommend to the full board a slate of candidates for adoption. The list of nominees is subject to amendment by the board, but the final list must comply with statutory requirements.

**§7.6. Rules and Procedures.**

The board may adopt additional rules and procedures related to these selection processes.

**Texas Permanent School Fund  
Asset Allocation Mix - SBOE  
October 31, 2022**

<u>Asset Class</u>	<u>Portfolio</u>	<u>Book Value</u>	<u>Mix</u>	<u>Fair Value</u>	<u>Mix</u>	
Equity	Domestic Small-Mid Cap	\$ 1,650,725,905	5.46%	\$ 2,183,294,411	6.00%	
	Domestic Large Cap	2,182,019,367	7.22%	4,667,625,060	12.77%	
	Total Domestic Equity	3,832,745,272	12.68%	6,850,919,471	18.77%	
	International Equity - Blackrock	4,121,758,443	13.64%	4,622,199,438	12.65%	
	Emerging Market Equity - Navarro	820,737,541	2.72%	864,135,556	2.36%	
	Total Public Market Equity	8,775,241,256	29.04%	12,337,254,465	33.78%	
	Fixed Income	Domestic Fixed Income	5,144,849,669	17.03%	4,317,291,202	11.81%
		Treasuries	1,593,236,173	5.27%	1,001,769,702	2.74%
		Chisos1 High Yield	615,302,477	2.04%	561,746,144	1.54%
		Chisos2 High Yield	618,673,662	2.05%	565,996,250	1.55%
Total High Yield		1,233,976,139	4.09%	1,127,742,394	3.09%	
Investec Emerging Market Debt		585,613,125	1.94%	520,913,489	1.43%	
Ashmore Emerging Market Debt		547,593,016	1.81%	449,257,959	1.23%	
Total Emerging Market Debt		1,133,206,141	3.75%	970,171,448	2.66%	
Total Fixed Income		9,105,268,122	30.14%	7,416,974,746	20.30%	
Absolute Return		Raven 1	609,920,655	2.02%	1,028,347,869	2.81%
	Raven 4	114,410,127	0.38%	204,573,112	0.56%	
	Raven 6	281,564,719	0.93%	434,192,188	1.19%	
	Raven 7	82,190,244	0.27%	133,711,723	0.37%	
	Raven 8	1,001,150,013	3.31%	1,166,358,603	3.19%	
	Total Absolute Return	2,089,235,758	6.91%	2,967,183,495	8.12%	
	Private Equity	Columbia NB Crossroads Fund L.P.	182,413,533	0.60%	201,764,552	0.55%
Columbia NB Crossroads Fund II L.P.		279,312,880	0.92%	336,856,582	0.92%	
Columbia NB Crossroads Fund II Tranche C		632,443,056	2.09%	1,098,321,726	3.01%	
Columbia NB Crossroads Fund II Tranche D		1,206,137,578	3.99%	1,740,935,135	4.76%	
TPSF NB PE Program		720,135,637	2.38%	1,336,419,112	3.66%	
Private Equity Direct		2,069,679,006	6.85%	2,953,928,270	8.08%	
Columbia CS Fund, L.P.		151,603,053	0.50%	180,880,504	0.49%	
Total Private Equity		5,241,724,743	17.33%	7,849,105,881	21.47%	
Emerging Managers	Private Equity Emerging Manager	26,660,163	0.09%	30,524,719	0.08%	
	Real Estate Emerging Manager	22,863,108	0.08%	23,216,108	0.06%	
	Total Emerging Managers	49,523,271	0.17%	53,740,827	0.14%	
Real Estate	Direct Real Estate Investments	3,330,220,605	11.02%	4,394,963,318	12.03%	
	Total Real Estate	3,330,220,605	11.02%	4,394,963,318	12.03%	
Real Return	Real Return - TIPS	804,170,759	2.66%	720,471,002	1.97%	
	Real Return Commodities - Terlingua 3	620,564,477	2.05%	608,016,987	1.66%	
	Total Real Return	1,424,735,236	4.71%	1,328,487,989	3.63%	
Total Unallocated Cash		200,224,041	0.64%	200,224,041	0.53%	
Fund Total		30,216,173,032	100.00%	36,547,934,762	100.00%	

**Notes:** The asset classes include cash that has been allocated to the investment portfolios. Exposure includes fair value of funded investments plus unfunded commitments.

<b>Exposure:</b>	Total Private Equity Exposure and Percentage of Fund Total Fair Value	10,518,968,805	28.78%
	Total Real Estate Exposure and Percentage of Fund Total Fair Value	6,643,985,354	18.18%
	Total Emerging Manager Private Equity and Percentage of Fund Total Fair Value	302,656,219	0.83%
	Total Emerging Manager Real Estate and Percentage of Fund Total Fair Value	149,278,831	0.408%

Current State Board of Education approved Strategic Asset Allocation Mix (approved June, 2022)

Large Cap U.S. Equity	14.00%	U.S. Treasuries	3.00%
Small/Mid Cap U.S. Equity	6.00%	Absolute Return	7.00%
Developed and Emerging Market International Large Cap Equit	14.00%	Private Equity	18.00%
Emerging Market Equity	3.00%	Real Estate	11.00%
Core Bonds	12.00%	Emerging Manager Program	1.00%
High Yield Bonds	4.00%	Real Return (Commodities)	2.00%
Emerging Market Debt (Local Currency)	3.00%	Real Return (TIPS)	2.00%
			100.00%

## 2021-2025 Rule Review Plan for State Board of Education Rules

### STATE BOARD OF EDUCATION: INFORMATION

**SUMMARY:** This item outlines the rule review plan for State Board of Education (SBOE) rules during the period of September 2021 through August 2025. Texas Government Code (TGC), §2001.039, requires an ongoing four-year rule review of existing state agency rules, including SBOE rules. The rule review requirement in TGC, §2001.039, is designed to ensure that the reason for initially adopting or readopting a rule continues to exist.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Senate Bill 178, 76th Texas Legislature, 1999, amended the TGC by adding §2001.039, which requires the review of existing state agency rules. The rule review requirement in TGC, §2001.039, is designed to ensure that the reason for adopting or readopting the rule continues to exist.

The 2021-2025 SBOE rule review plan reflected in Attachment I repeats the cycle of review that was conducted during the 2017-2021 SBOE rule review period with the addition of new rules that took effect subsequent to the adoption of that plan and the removal of rules that were repealed. The 2021-2025 plan, approved by the SBOE in June 2021, is the seventh rule review cycle of SBOE rules. In accordance with Texas Education Code, §28.002(m), and as was the case with previous rule review plans, the Texas Essential Knowledge and Skills (TEKS) are exempt from the rule review requirement and are not included in the 2021-2025 rule review plan. Although the TEKS will not be reviewed as part of the rule review process, the SBOE conducts a review of the curriculum content on a schedule determined by the SBOE.

The 2021-2025 rule review plan for SBOE rules will appear on an ongoing basis in the information pages of the SBOE agenda. Any necessary modifications to the plan will also appear in the information pages of the SBOE agenda. The rule review plan will also be posted on the agency's website and updated if necessary.

*Rule Review Procedures.* Secretary of State rules specify the following two-step review process to implement the rule review requirement in TGC, §2001.039:

1. a Notice of Proposed Review (Intention to review) that announces a public comment period for comments on whether the reason for adopting or readopting the rules continues to exist (see example in Attachment II); and
2. a Notice of Adopted Review (Readoption) that summarizes the public comments received, if any, in response to the notice of proposed review and provides a response to each comment (see examples in Attachment II).

The rule review process for SBOE rules is illustrated in this item using three examples that present the following points: (1) if no amendments are recommended to rules under review, the item presenting the adoption of the review will complete the rule review process and no further action will be necessary; and (2) if amendments are recommended to rules under review, the item presenting the adoption of the review will complete the rule review process and the amendments will be presented as a separate item under the standard rulemaking process.



**Example 1. Rule Review with No Changes**

January SBOE Meeting	SBOE Committee (discussion)	Discussion item that briefly describes the rule and specifies that no changes are being recommended.
	Texas Register	After the SBOE meeting, staff files Notice of Proposed Review (see Attachment II).
April SBOE Meeting	SBOE Committee and Full SBOE	Action item that presents a summary of comments received, if any, from Notice of Proposed Review. The SBOE authorizes filing the Notice of Adopted Review, noting that no changes are being proposed to the rule as a result of the review.
	Texas Register	After the SBOE meeting, staff files Notice of Adopted Review that states the rule will continue to exist without changes (see Attachment II).
END OF REVIEW PROCESS (no item at June SBOE Meeting)		

**Example 2. Rule Review with Changes**

January SBOE Meeting	SBOE Committee (discussion)	Discussion item that briefly describes the rule, outlines issues to be considered, and specifies anticipated changes to the rule.
	Texas Register	After the SBOE meeting, staff files Notice of Proposed Review (see Attachment II).
April SBOE Meeting	SBOE Committee and Full SBOE (first reading)	Separate action items are included in the agenda: one that presents comments received, if any, from Notice of Proposed Review and one that provides the SBOE the opportunity to propose amendments. The SBOE authorizes filing the Notice of Adopted Review and approves the proposed amendments for first reading and filing authorization.
	Texas Register	After the SBOE meeting, staff files proposed amendments and the Notice of Adopted Review that states the rule will continue to exist and changes are being proposed (see Attachment II).
END OF REVIEW PROCESS		
June SBOE Meeting	SBOE Committee and Full SBOE (second reading)	Action item that presents the proposed amendments for second reading and final adoption. Item includes a summary of comments, if any, on proposed amendments.
	Texas Register	After the SBOE meeting, staff files adopted amendments.
END OF AMENDMENT PROCESS		

**Example 3. Repeal of Rule under Review**

January SBOE Meeting	SBOE Committee (first reading)	Action item that presents the proposed repeal of rule. SBOE approves proposed repeal for first reading and filing authorization.
	Texas Register	After the SBOE meeting, staff files proposed repeal. No Notice of Proposed Review required for repeals.
April SBOE Meeting	SBOE Committee and Full SBOE (second reading)	Action item that presents the proposed repeal of rule for second reading and final adoption.
	Texas Register	After the SBOE meeting, staff files adopted repeal.
END OF REPEAL PROCESS		

**Staff Members Responsible:**

Cristina De La Fuente-Valadez, Director, Rulemaking

Lynette Smith, Program Specialist, Rulemaking

**Attachment I:**

2021-2025 Rule Review Plan for State Board of Education Rules

**Attachment II:**

Sample Notices of Proposed Review and Adopted Review

**ATTACHMENT I**

**2021-2025 Rule Review Plan for State Board of Education Rules**  
*(Approved June 25, 2021)*

*Texas Government Code, §2001.039, requires a four-year rule review cycle for all state agency rules, including State Board of Education (SBOE) rules. The rule review is designed to ensure that the reason for adopting or readopting the rule continues to exist. It only includes rules currently in effect at the time the plan is adopted.*

*Texas Education Code, §28.002(m), exempts the Texas Essential Knowledge and Skills (TEKS) from the rule review requirement; accordingly, this rule review plan does not include the rule chapters for the TEKS. Although the rules will not be reviewed as part of the rule review process, the SBOE conducts a review of the TEKS on a schedule determined by the SBOE.*

<b>Review Period: September 2021–August 2022</b>			
<b>Chapter Title</b>	<b>Subchapter Title</b>	<b>Topic</b>	<b>Begin Review</b>
<b>Chapter 74. Curriculum Requirements</b>	<i>Subchapter A. Required Curriculum</i>	Curriculum	September 2021
	<i>Subchapter B. Graduation Requirements</i>		
	<i>Subchapter C. Other Provisions</i>		
	<i>Subchapter D. Graduation Requirements, Beginning with School Year 2001-2002</i>		
	<i>Subchapter E. Graduation Requirements, Beginning with School Year 2004-2005</i>		
	<i>Subchapter F. Graduation Requirements, Beginning with School Year 2007-2008</i>		
	<i>Subchapter G. Graduation Requirements, Beginning with School Year 2012-2013</i>		
<b>Chapter 89. Adaptations for Special Populations</b>	<i>Subchapter A. Gifted/Talented Education</i>	Special Populations	January 2022
	<i>Subchapter C. Texas Certificate of High School Equivalency</i>		
	<i>Subchapter D. Special Education Services and Settings</i>		
<b>Chapter 61. School Districts</b>	<i>Subchapter A. Board of Trustees Relationship</i>	Administration	April 2022
	<i>Subchapter B. Special Purpose School Districts</i>		

<b>Review Period: September 2022–August 2023</b>			
<b>Chapter Title</b>	<b>Subchapter Title</b>	<b>Topic</b>	<b>Begin Review</b>
<b>Chapter 129. Student Attendance</b>	<i>Subchapter A. Student Attendance Allowed</i>	Finance	January 2023
	<i>Subchapter B. Student Attendance Accounting</i>		
<b>Chapter 157. Hearings and Appeals</b>	<i>Subchapter A. General Provisions for Hearings Before the State Board of Education</i>	Personnel	January 2023
	<i>Subchapter D. Independent Hearing Examiners</i>		

<b>Review Period: September 2023–August 2024</b>			
<b>Chapter Title</b>	<b>Subchapter Title</b>	<b>Topic</b>	<b>Begin Review</b>
<b>Chapter 33. Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund</b>	<i>Subchapter A. State Board of Education Rules</i>	Finance	September 2023
<b>Chapter 66. State Adoption and Distribution of Instructional Materials</b>	<i>Subchapter A. General Provisions</i>	Instructional Materials	November 2023
	<i>Subchapter B. State Adoption of Instructional Materials</i>		
	<i>Subchapter C. Local Operations</i>		
<b>Chapter 100. Charters</b>	<i>Subchapter A. Open-Enrollment Charter Schools</i>	Charter Schools	January 2024
	<i>Subchapter B. Home-Rule School District Charters</i>		

<b>Review Period: September 2024–August 2025</b>			
<b>Chapter Title</b>	<b>Subchapter Title</b>	<b>Topic</b>	<b>Begin Review</b>
<b>Chapter 30. Administration</b>	<i>Subchapter A. State Board of Education: General Provisions</i>	Administration	November 2024
	<i>Subchapter B. State Board of Education: Purchasing and Contracts</i>		
<b>Chapter 101. Assessment</b>	<i>Subchapter A. General Provisions</i>	Assessment	January 2025
	<i>Subchapter B. Implementation of Assessments</i>		
	<i>Subchapter C. Local Option</i>		
<b>Chapter 109. Budgeting, Accounting, and Auditing</b>	<i>Subchapter A. Budgeting, Accounting, Financial Reporting, and Auditing for School Districts</i>	Finance	January 2025
	<i>Subchapter B. Texas Education Agency Audit Functions</i>		
	<i>Subchapter C. Adoptions by Reference</i>		
	<i>Subchapter D. Uniform Bank Bid or Request for Proposal and Depository Contract</i>		

## SAMPLES

### Attachment II

#### **Notice of Proposed Review (Intention to review)**

The State Board of Education (SBOE) proposes the review of 19 Texas Administrative Code (TAC) Chapter 30, Administration, pursuant to Texas Government Code (TGC), §2001.039. The rules being reviewed by the SBOE in 19 TAC Chapter 30 are organized under the following subchapters: Subchapter A, State Board of Education: General Provisions, and Subchapter B, State Board of Education: Purchasing and Contracts.

As required by TGC, §2001.039, the SBOE will accept comments as to whether the reasons for adopting 19 TAC Chapter 30, Subchapters A and B, continue to exist.

The public comment period on the review begins December 18, 2020, and ends at 5:00 p.m. on January 22, 2021. A form for submitting public comments on the proposed rule review is available on the TEA website at [https://tea.texas.gov/About\\_TEA/Laws\\_and\\_Rules/SBOE\\_Rules\\_\(TAC\)/State\\_Board\\_of\\_Education\\_Rule\\_Review](https://tea.texas.gov/About_TEA/Laws_and_Rules/SBOE_Rules_(TAC)/State_Board_of_Education_Rule_Review). The SBOE will take registered oral and written comments on the review at the appropriate committee meeting in January 2021 in accordance with the SBOE board operating policies and procedures.

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#### **Notice of Adopted Review (with no changes to rule) (Readoption)**

The State Board of Education (SBOE) adopts the review of 19 Texas Administrative Code (TAC) Chapter 30, Administration, pursuant to Texas Government Code, §2001.039. The rules in 19 TAC Chapter 30 are organized under the following subchapters: Subchapter A, State Board of Education: General Provisions, and Subchapter B, State Board of Education: Purchasing and Contracts. The SBOE proposed the review of 19 TAC Chapter 30, Subchapters A and B, in the December 18, 2020 issue of the *Texas Register* (45 TexReg 9253).

The SBOE finds that the reasons for adopting 19 TAC Chapter 30, Subchapters A and B, continue to exist and readopts the rules. The SBOE received no comments related to the review.

No changes are necessary as a result of the review.

**Notice of Adopted Review (with changes to rule)  
(Readoption with changes)**

The State Board of Education (SBOE) adopts the review of 19 Texas Administrative Code (TAC) Chapter 30, Administration, pursuant to Texas Government Code (TGC), §2001.039. The rules in 19 TAC Chapter 30 are organized under the following subchapters: Subchapter A, State Board of Education: General Provisions, and Subchapter B, State Board of Education: Purchasing and Contracts. The SBOE proposed the review of 19 TAC Chapter 30, Subchapters A and B, in the December 18, 2020 issue of the *Texas Register* (45 TexReg 9253).

Relating to the review of 19 TAC Chapter 30, Subchapter A, the SBOE finds that the reasons for adopting Subchapter A continue to exist and readopts the rule. The SBOE received no comments related to the review of Subchapter A. As a result of the review, the SBOE approved a proposed amendment to 19 TAC §30.1, which can be found in the Proposed Rules section of this issue. The proposed amendment would update the SBOE petition procedures to allow for electronic submission of a petition authorized under TGC, §2001.021.

Relating to the review of 19 TAC Chapter 30, Subchapter B, the SBOE finds that the reasons for adopting Subchapter B continue to exist and readopts the rules. The SBOE received no comments related to the review of Subchapter B. No changes are necessary as a result of the review.

## **Annual Report of the Division of Financial Compliance**

**February 3, 2023**

### **STATE BOARD OF EDUCATION: INFORMATION**

**SUMMARY:** This item provides the board with an annual review of the work accomplished by the division responsible for state financial reviews. The report describes the division's organization and legal responsibilities, deviations from the 2021-2022 audit plan, and the status of reports on the division's reviews.

**BACKGROUND INFORMATION AND JUSTIFICATION:** Title 19 Texas Administrative Code §109.21 requires the commissioner of education to report to the State Board of Education at least annually on the progress of each fiscal year's audit plan. The 2021-2022 audit plan was submitted to the Committee on School Finance/Permanent School Fund for review and comment in July 2021.

**PUBLIC AND STUDENT BENEFIT:** Communicates the results of the Financial Compliance Division's efforts to ensure public funds are being spent efficiently.

**Staff Member Responsible:**

David Marx, Director of Financial Compliance

**Attachment:**

Annual Report of the Division of Financial Compliance



February 3, 2023

The Honorable Members of the State Board of Education  
1701 North Congress Avenue  
Austin, TX 78701-1494

Dear State Board of Education Members:

Under 19 Texas Administrative Code (TAC) §109.21, the commissioner of education is required to report to the State Board of Education at least annually on the progress of each fiscal year's audit plan. In accordance with that section, the following is a description of the status of audit reports and related activities for the agency's 2022 fiscal year, which ended on August 31, 2022.

### **Organization and Personnel**

The Financial Compliance Division continues to oversee student attendance reviews, annual financial and compliance report (AFR) reviews, special allotment reviews, SHARS (School Health and Related Services) reviews, all aspects of the State Compensatory Education (SCE) program, and financial accountability ratings. In addition, the division continued to update financial management reviews to support struggling charters and districts who have been issued the same audit findings for a number of years and/or who have failed FIRST indicators for multiple years, and/or have other identified financial concerns.

In fiscal 2022, the division continued to advise and partner with districts and charters to ensure that accurate financial and student records were maintained and that they remained in compliance with laws and regulations. Other tasks of the division included reviewing the proper coding of financial data and student data, district depository contracts, work papers of certified public accountants (CPA) who audit school district and charter schools, superintendent severance payments, and financial exigency. The team processed district's fiscal year changes updated the *Student Attendance Accounting Handbook* and completed a rewrite of the *Financial Accountability System Resource Guide* (FASRG) as well.

The division was impacted by the pandemic again for fiscal year 2022. Certain division staff had to turn their focus onto finding ways to fund student attendance in non-traditional ways in a virtual environment. Additionally, the 87<sup>th</sup> legislature made changes to laws related to school districts and charter schools, that includes adding charter schools to the provisions of superintendent buyout rules and it made changes to student attendance accounting and in the 3<sup>rd</sup> special session it added allowing virtual instruction as way to provide instruction for students at home and to receive ADA funding for it.

## Annual Audit Plan and Division Activities

The Financial Compliance Division adhered to the annual audit plan that was provided to the Committee on School Finance/Permanent School Fund in June 2021, with a few exceptions due to limited resources and a continuing pandemic. The division had turnover in personnel in key positions that are currently being replaced. The division continued to prioritize reviewing and investigating student attendance compliance, reviewing AFRs, issuing financial accountability ratings, providing training, updating guidance documents, and answering customer questions daily.

The following table summarizes the review activities of the division for the 2022 fiscal year by type. Additional details and a list of other work performed by the division are provided in the attachment.

Activity	Status						
Student Attendance <table border="1" data-bbox="690 877 1084 1115"> <tr> <td data-bbox="690 877 1084 955">--Reviews</td> <td data-bbox="1084 877 1422 955">126 <i>Completed</i> 29 <i>in progress</i></td> </tr> <tr> <td data-bbox="690 955 1084 1033">--Correspondence Investigations</td> <td data-bbox="1084 955 1422 1033">8 <i>Completed</i> 5 <i>in progress</i></td> </tr> <tr> <td data-bbox="690 1033 1084 1115">--Charter School Closeout Reviews</td> <td data-bbox="1084 1033 1422 1115">0 <i>Completed</i> 0 <i>in progress</i></td> </tr> </table>	--Reviews	126 <i>Completed</i> 29 <i>in progress</i>	--Correspondence Investigations	8 <i>Completed</i> 5 <i>in progress</i>	--Charter School Closeout Reviews	0 <i>Completed</i> 0 <i>in progress</i>	
--Reviews	126 <i>Completed</i> 29 <i>in progress</i>						
--Correspondence Investigations	8 <i>Completed</i> 5 <i>in progress</i>						
--Charter School Closeout Reviews	0 <i>Completed</i> 0 <i>in progress</i>						
SHARS (School Health and Related Services) <table border="1" data-bbox="690 1192 1084 1346"> <tr> <td data-bbox="690 1192 1084 1270">--Audits/Reviews</td> <td data-bbox="1084 1192 1422 1270">28 <i>Completed</i> 9 <i>in progress</i></td> </tr> <tr> <td data-bbox="690 1270 1084 1346">--Compliant Investigations</td> <td data-bbox="1084 1270 1422 1346">0 <i>Completed</i> 0 <i>in progress</i></td> </tr> </table>	--Audits/Reviews	28 <i>Completed</i> 9 <i>in progress</i>	--Compliant Investigations	0 <i>Completed</i> 0 <i>in progress</i>			
--Audits/Reviews	28 <i>Completed</i> 9 <i>in progress</i>						
--Compliant Investigations	0 <i>Completed</i> 0 <i>in progress</i>						
Annual Financial and Compliance Report Reviews	990 <i>Completed</i>						
CPA Work Paper Reviews	0 <i>Completed</i> 0 <i>in progress</i>						
Superintendent Severance Payments	34 <i>Completed</i> 7 <i>in progress</i>						
TEA Mailbox Questions/Research/Answer	1100+ <i>Completed</i>						
Fiscal Management Reviews	9 <i>Completed</i> 4 <i>in progress</i>						

School First Ratings Issued	1,201 <i>Completed</i>
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The division completed reviews of student attendance data, including both desk and compliance reviews. These reviews resulted in the recovery of \$608,742 of taxpayer funds because of the reported errors. In addition, eight student attendance investigations were also completed, resulting in the recovery of \$42,617 in funds.

The Texas Education Code (TEC), §44.008(e), requires division staff members to review every public school AFR that has been audited by certified independent auditors. In the reviews, the division uses financial statement data to verify year-end financial data submitted through the Texas Student Data System Public Education Information Management System (TSDS PEIMS). Division staff members identify problems such as inaccurate PEIMS data, noncompliance with laws or rules, insolvency, and potential default on bonded indebtedness. They then communicate with local education agencies regarding required corrective action. In addition, the division reviews electronically submitted AFR information to verify that no sensitive or confidential information was included. During the 2022 fiscal year, the division reviewed and issued letters or reports on 990 AFRs.

The division's responsibility for SHARS includes on-site reviews, desk reviews, complaints investigations, trainings, and coordination with the Texas Health and Human Services Commission (HHSC). The division completed 28 SHARS audit/reviews and nine were in progress at the end of the fiscal year.

The division is beginning to look at LEAs that did not spend the statutorily minimum amount on the special allotments. A requirement from HB 3 was incorporated into the data feed that required districts and charters to disclose certain information related to state comp ed and bilingual in their AFR that were subject to audit procedures performed by the school's external auditor.

The division's audit plan for fiscal management reviews of school districts and charter schools changed to be completed by desk reviews. The reviews will focus on the division's key purpose of compliance and supporting schools to correct the struggles in financial operations to ensure resources can be focused on students. By the end of fiscal year 2022, the division performed thirteen reviews.

The division completed desk reviews of superintendent severance payment disclosures submitted by school districts. These reviews resulted in \$14,761 in reductions in Foundation School Program (FSP) funding. Other severance payments followed the statutorily required amounts.

The division did not perform work paper reviews on any CPA firms. However, division staff members checked Texas State Board of Public Accountancy records to determine if each CPA performing audits of school districts and charter schools held a valid license and if the CPA's

firm had an unexpired firm license and reviewed the membership list of the AICPA Governmental Audit Quality Center to determine if they are in compliance with the statutes.

TEC, §45.208, which relates to school district depository contracts information was repealed, therefore the division no longer reviews school district depository contract files but reviews charter depository renewals and addresses inquiries regarding district depository contracts.

The division completed an update to FASRG to reflect the changes mandated by the 87th Legislature and GASB and FASB accounting updates. The update also includes changes to fund codes that were created to account for the ESSER funding that went to help LEAs during the pandemic.

The division staff continued to assist newly approved charter schools by reviewing the operations of the charter school in the areas of student attendance, business office operations, and highlighting key areas in the SAAH, FASRG, and going through the FIRST indicators in detail.

Division staff members held and participated in several workshops that provided guidance to school district and charter school personnel. Topics covered included supplemental allotment programs, changes to financial reporting standards, changes to student attendance accounting, SHARS compliance, State Comp ED requirements, and new laws on the horizon. Several staff members from the division participated in training districts on the changes to student attendance because of the pandemic and changes to allow for funding virtual instruction. Division staff also supported two workgroups that were created by the legislature to make recommendations for the 88<sup>th</sup> legislative session.

Division staff members also spent hundreds of hours providing information on statutory and regulatory requirements to charter school officials, district officials, and other individuals by phone and correspondence. Staff members researched and responded to over 1,000 requests for information received through the division's four mailboxes (financial accountability, school audits, state compensatory education, and student attendance accounting).

Additionally, the division updated the Financial Integrity Rating System of Texas (FIRST).

### **Status of Division Reviews and Related Activities**

The attached document presents the status of division activities conducted during the 2022 fiscal year. As of August 31, 2022, the adjustments resulting from attendance reviews and correspondence investigations, reviews of charter closeouts, and superintendent buyout reviews resulted in \$666,120 owed to the state.

Respectfully submitted,

David Marx  
Director, Financial Compliance Division

Attachment

# ATTACHMENT

Item No.	Review No.	County District Number	District Name	Final Mailed	Final Adjustment
1	CR21-004	161-801	Waco Charter School	9/10/2021	\$ -
2	DA21-036	011-905	McDade ISD	9/10/2021	\$ (435)
3	DA21-099	075-902	La Grange ISD	9/10/2021	\$ (1,190)
4	DA21-138	071-901	Clint ISD	9/10/2021	\$ (1,416)
5	DA21-139	101-804	George I Sanchez Charter	9/10/2021	\$ (1,526)
6	F21-001	220-920	White Settlement ISD	9/10/2021	\$ -
7	F21-008	093-904	Navasota ISD	9/10/2021	\$ -
8	DA21-049	220-914	Kennedale ISD	9/17/2021	\$ (4,845)
9	CR21-014	035-903	Nazareth ISD	10/1/2021	\$ -
10	CR21-018	108-808	Vanguard Academy	10/1/2021	\$ -
11	CR21-045	003-905	Diboll ISD	10/1/2021	\$ -
12	DA21-011	205-906	Sinton ISD	10/1/2021	\$ 361
13	DA21-035	171-901	Dumas ISD	10/1/2021	\$ (13,995)
14	DA21-050	254-902	La Pryor ISD	10/1/2021	\$ (3,954)
15	DA21-086	234-907	Wills Point ISD	10/1/2021	\$ (1,852)
16	DA21-098	014-905	Holland ISD	10/1/2021	\$ (3,296)
17	DA21-100	107-901	Athens ISD	10/1/2021	\$ (14,446)
18	DA21-107	182-905	Strawn ISD	10/1/2021	\$ (3,796)
19	DA21-110	221-911	Jim Ned CISD	10/1/2021	\$ (412)
20	CR21-008	071-908	Tornillo ISD	10/8/2021	\$ -
21	DA21-024	015-828	Harmony Science Academy (San Antonio)	10/8/2021	\$ (4,985)
22	DA21-065	251-901	Denver City ISD	10/8/2021	\$ (341)
23	DA21-088	126-901	Alvarado ISD	10/8/2021	\$ (7,989)
24	DA21-123	091-909	Whitesboro ISD	10/8/2021	\$ -
25	CR21-009	071-904	San Elizario ISD	10/22/2021	\$ -
26	CR21-037	242-902	Shamrock ISD	10/22/2021	\$ -
27	DA21-004	205-904	Mathis ISD	10/22/2021	\$ (6,584)
28	DA21-046	167-904	Priddy ISD	10/22/2021	\$ 2
29	DA21-047	189-902	Presidio ISD	10/22/2021	\$ (1,594)
30	DA21-074	123-913	Sabine Pass ISD	10/22/2021	\$ (3,709)
31	DA21-101	109-904	Hillsboro ISD	10/22/2021	\$ (2,329)
32	F21-002	158-901	Bay City ISD	10/22/2021	\$ -
33	F21-006	133-903	Kerrville ISD	10/22/2021	\$ -
34	CR21-050	007-905	Pleasanton ISD	10/29/2021	\$ -
35	CR21-001	152-806	Betty M. Condra School for Education Innovation	11/5/2021	\$ -
36	DA21-008	246-801	Meridian World School LLC	11/5/2021	\$ -
37	DA21-122	084-911	Friendswood ISD	11/5/2021	\$ -
38	CR21-005	057-906	Desoto ISD	11/12/2021	\$ -
39	CR21-030	003-906	Zavalla ISD	11/12/2021	\$ -
40	DA21-009	178-903	Calallen ISD	11/12/2021	\$ -
41	DA21-014	102-904	Hallsville ISD	11/12/2021	\$ (732)
42	DA21-071	212-903	Lindale ISD	11/12/2021	\$ (1,745)
43	DA21-076	123-908	Port Neches-Groves ISD	11/12/2021	\$ (653)
44	DA21-108	194-904	Clarksville ISD	11/12/2021	\$ (7,356)

Item No.	Review No.	County District Number	District Name	Final Mailed	Final Adjustment
45	DA21-130	123-914	Hamshire-Fannett ISD	11/12/2021	\$ (5,822)
46	DA21-148	028-902	Lockhart ISD	11/12/2021	\$ (747)
47	DA21-017	123-807	Bob Hope School	11/19/2021	\$ (1,347)
48	DA21-045	146-904	Hardin ISD	11/19/2021	\$ (39)
49	DA21-059	247-903	La Vernia ISD	11/19/2021	\$ (2,790)
50	DA21-082	249-904	Chico ISD	11/19/2021	\$ (5,350)
51	DA21-030	014-903	Belton ISD	12/3/2021	\$ (2,783)
52	DA21-031	205-903	Ingleside ISD	12/3/2021	\$ (18,656)
53	DA21-033	043-918	Community ISD	12/3/2021	\$ (1,480)
54	DA21-119	184-902	Springtown ISD	12/3/2021	\$ (3,043)
55	CR21-032	015-809	Bexar County Academy	1/7/2022	\$ -
56	DA21-105	161-901	Crawford ISD	1/7/2022	\$ (2,001)
57	DA21-113	057-911	Highland Park ISD	1/7/2022	\$ -
58	DA21-115	015-908	South San Antonio ISD	1/7/2022	\$ (4,644)
59	DA21-117	061-906	Ponder ISD	1/7/2022	\$ (6,211)
60	DA21-124	184-909	Brock ISD	1/7/2022	\$ (1,736)
61	DA21-127	161-903	Midway ISD	1/7/2022	\$ (823)
62	DA21-136	108-906	McAllen ISD	1/7/2022	\$ (1,083)
63	DA21-140	070-912	Waxahachie ISD	1/7/2022	\$ (213)
64	DA21-143	175-903	Corsicana ISD	1/7/2022	\$ (2,885)
65	DA21-058	126-902	Burleson ISD	1/14/2022	\$ (3,386)
66	DA21-079	030-901	Cross Plains ISD	1/14/2022	\$ -
67	DA21-137	146-901	Cleveland ISD	1/14/2022	\$ (60)
68	DA21-060	123-910	Beaumont ISD	1/21/2022	\$ (11,820)
69	DA21-129	114-901	Big Spring ISD	1/21/2022	\$ 179
70	CR21-041	003-801	Pineywoods Community Academy	2/11/2022	\$ -
71	DA21-025	220-817	Newman International Academy of Arlington	2/11/2022	\$ (3,733)
72	DA21-057	191-901	Canyon ISD	2/11/2022	\$ (493)
73	DA21-069	019-905	New Boston ISD	2/11/2022	\$ -
74	DA21-087	246-907	Jarrell ISD	2/11/2022	\$ (3,210)
75	DA21-114	043-902	Anna ISD	2/11/2022	\$ (2,184)
76	DA21-142	208-902	Snyder ISD	2/11/2022	\$ (10,255)
77	DA21-015	178-915	West Oso ISD	3/4/2022	\$ (7,707)
78	DA21-064	043-908	Melissa ISD	3/4/2022	\$ (5,367)
79	DA21-084	246-908	Liberty Hill ISD	3/4/2022	\$ (2,637)
80	DA21-053	105-905	Wimberley ISD	4/1/2022	\$ (321)
81	DA21-063	227-909	Eanes ISD	4/1/2022	\$ (15,002)
82	DA21-066	101-906	Crosby ISD	4/1/2022	\$ (282)
83	DA21-077	092-903	Longview ISD	4/1/2022	\$ (7,843)
84	DA21-080	094-903	Navarro ISD	4/1/2022	\$ (10,534)
85	DA21-093	246-906	Hutto ISD	4/1/2022	\$ (989)
86	DA21-128	057-904	Cedar Hill ISD	4/1/2022	\$ (16,613)
87	DA21-135	015-904	Harlandale ISD	4/1/2022	\$ (2,991)
88	DA21-141	241-903	El Campo ISD	4/1/2022	\$ (1,712)
89	DA21-089	075-903	Schulenburg ISD	4/8/2022	\$ (5,036)

Item No.	Review No.	County District Number	District Name	Final Mailed	Final Adjustment
90	DA21-112	170-904	Willis ISD	4/8/2022	\$ (1,827)
91	DA21-041	064-903	Carrizo Springs CISD	4/15/2022	\$ (3,198)
92	DA21-062	220-912	Crowley ISD	4/15/2022	\$ (14,114)
93	DA21-061	212-909	Chapel Hill ISD	4/22/2022	\$ (18,013)
94	CR22-050	046-802	Trinity Charter School	5/13/2022	\$ -
95	DA21-006	015-807	Southwest Preparatory School	5/13/2022	\$ (4,731)
96	DA21-013	094-901	Seguin ISD	5/13/2022	\$ (7,878)
97	DA21-023	084-902	Galveston ISD	5/13/2022	\$ (10,745)
98	DA21-055	129-902	Forney ISD	5/13/2022	\$ (6,958)
99	DA21-085	221-912	Wylie ISD	5/13/2022	\$ (6,865)
100	DA21-118	021-901	College Station ISD	5/13/2022	\$ (1,885)
101	DA21-120	079-910	Stafford MSD	5/13/2022	\$ (294)
102	CR22-016	015-906	Randolph Field ISD	5/20/2022	\$ -
103	DA21-001	227-806	University of Texas University Charter School	5/20/2022	\$ (12,069)
104	DA21-075	233-901	San Felipe-Del Rio CISD	5/20/2022	\$ (15,305)
105	DA21-144	101-845	YES Prep Public Schools Inc	5/20/2022	\$ (10,040)
106	DA21-078	011-902	Elgin ISD	5/27/2022	\$ (968)
107	DA21-051	220-918	Eagle Mountain-Saginaw ISD	6/10/2022	\$ (103,546)
108	DA22-052	057-805	Lumin Education	6/10/2022	\$ -
109	DA21-010	221-901	Abilene ISD	6/24/2022	\$ (4,165)
110	DA21-019	091-906	Sherman ISD	6/24/2022	\$ (65,035)
111	DA21-021	178-914	Flour Bluff ISD	6/24/2022	\$ (2,241)
112	DA21-067	101-924	Sheldon ISD	6/24/2022	\$ (2,321)
113	DA21-145	108-903	Edcouch-Elsa ISD	6/24/2022	\$ (8,365)
114	DA21-020	246-904	Georgetown ISD	7/1/2022	\$ (5,628)
115	DA21-090	187-907	Livingston ISD	7/1/2022	\$ (1,270)
116	DA21-131	108-909	Pharr-San Juan-Alamo ISD	7/8/2022	\$ (16,194)
117	DA21-134	240-801	Triumph Public High Schools-Laredo	7/8/2022	\$ (2,662)
118	DA21-018	014-906	Killeen ISD	7/22/2022	\$ (9,913)
119	DA21-132	101-920	Spring Branch ISD	7/22/2022	\$ (3,699)
120	DA21-022	214-901	Rio Grande City CISD	7/29/2022	\$ (3,077)
121	DA21-052	165-901	Midland ISD	7/29/2022	\$ (2,122)
122	DA21-133	108-804	Triumph Public High Schools-Rio Grande Valley	7/29/2022	\$ (1,148)
123	F22-011	046-902	Comal ISD	7/29/2022	\$ -
124	F22-004	101-907	Cypress-Fairbanks ISD	8/12/2022	\$ -
125	CR22-042	102-901	Karnack ISD	8/19/2022	\$ -
126	F22-005	184-903	Weatherford ISD	8/26/2022	\$ -
<b>Total</b>		<b>126</b>	<b>Student Attendance Reviews Completed</b>		<b>\$ (608,742)</b>



<b>Item No.</b>	<b>Review No.</b>	<b>County District Number</b>	<b>District Name</b>
1	CR22-009	057-809	Nova Academy
2	CR22-026	113-903	Lovelady ISD
3	CR22-008	015-841	The Gathering Place
4	F22-007	101-917	Pasadena ISD
5	CR22-017	140-904	Littlefield ISD
6	CR22-004	049-905	Callisburg ISD
7	CR22-006	101-878	Houston Classical Charter School
8	CR22-019	053-001	Crockett County CCSD
9	CR22-020	174-911	Douglass ISD
10	CR22-024	108-802	Horizon Montessori Public Schools
11	CR22-038	102-903	Waskom ISD
12	F22-002	101-912	Houston ISD
13	CR22-040	193-902	Leakey ISD
14	CR22-047	065-901	Clarendon ISD
15	F22-010	057-903	Carrollton-Farmers Branch ISD
16	F22-006	101-919	Spring ISD
17	F22-008	043-905	Frisco ISD
18	CR22-034	049-909	Sivells Bend ISD
19	CR22-049	113-902	Grapeland ISD
20	DA21-054	101-911	Goose Creek CISD
21	F22-003	015-905	Edgewood ISD
22	CR22-003	072-904	Bluff Dale ISD
23	CR22-021	067-903	Eastland ISD
24	CR22-045	138-902	Knox City-O'Brien CISD
25	CR22-027	127-905	Lueders-Avoca ISD
26	CR22-046	185-903	Friona ISD
27	CR22-037	107-907	Trinidad ISD
28	CR22-041	184-901	Poolville ISD
29	CR22-044	091-910	Whitewright ISD
<b>Total</b>		<b>29</b>	<b>Student Attendance Reviews -- In Progress</b>

<b>Item No.</b>	<b>Review No.</b>	<b>County District Number</b>	<b>District Name</b>	<b>Final Mailed</b>	<b>Final Adjustment</b>
1	CC21-013	108-807	IDEA Public Schools	10/22/2021	\$ -
2	CC21-003	220-905	Fort Worth ISD	11/5/2021	\$ (33,295)
3	CC21-005	015-809	Bexar County Academy	11/5/2021	\$ (709)
4	CC21-008	015-802	George Gervin Academy	11/5/2021	\$ 27
5	CC21-006	015-801	Por Vida Academy	1/14/2022	\$ -
6	CC21-014	108-807	IDEA Public Schools	2/11/2022	\$ (26)
7	CC21-012	108-807	IDEA Public Schools	3/4/2022	\$ (320)
8	CC21-010	057-819	Jean Massieu Academy	4/1/2022	\$ (8,294)
<b>Total</b>		<b>8</b>	<b>Student Attendance Complaint Investigations Completed</b>		<b>\$ (42,617)</b>

<b>Item No.</b>	<b>Review No.</b>	<b>County District Number</b>	<b>District Name</b>
1	CC21-017	101-870	Beta Academy
2	CC21-015	240-901	Laredo ISD
3	CC21-009	178-909	Robstown ISD
4	CC21-011	108-902	Donna ISD
5	CC21-016	156-902	Stanton ISD
<b>Total</b>		<b>5</b>	<b>Student Attendance Investigations -- In Progress</b>

<b>Item No.</b>	<b>County District Number</b>	<b>District Name</b>
1	003-903	Lufkin ISD
2	015-806	School of Excellence in Education
3	062-903	Yoakum ISD
4	084-804	Ambassadors Prep
5	230-904	Union Hill ISD
6	057-816	A.W. Brown Leadership
7	020-904	Danbury ISD
8	118-902	Irion ISD
9	153-907	Wilson ISD
<b>Total</b>	<b>9</b>	<b>Fiscal Management Reviews Completed</b>

<b>Item No.</b>	<b>County District Number</b>	<b>District Name</b>
1	064-903	Carrizo Springs ISD
2	124-901	Jim Hogg County ISD
3	128-901	Karnes City ISD
4	031-914	Santa Rosa ISD
<b>Total</b>	<b>4</b>	<b>Fiscal Management Reviews--In Progress</b>

Item No.	County District Number	District Name	Review Date	Statutory Adjustment
1	254-901	Crystal City ISD	9/21/2021	
2	048-903	Paint Rock ISD	9/21/2021	
3	126-907	Rio Vista ISD	9/21/2021	
4	176-903	Deweyville ISD	9/22/2021	
5	110-902	Levelland ISD	9/22/2021	
6	249-905	Decatur ISD	9/24/2021	
7	078-901	Crowell ISD	2/18/2022	\$ 4,937
8	246-909	Round Rock ISD	2/23/2022	
9	105-904	Dripping Springs ISD	2/23/2022	
10	143-905	Sweet Home ISD	2/23/2022	
11	046-901	New Braunfels ISD	2/28/2022	
12	072-902	Dublin ISD	9/24/2021	
13	037-904	Jacksonville ISD	2/28/2022	
14	133-905	Divide ISD	3/2/2022	
15	182-905	Strawn ISD	4/14/2022	\$ 900
16	071-902	El Paso ISD	2/23/2022	
17	071-909	Socorro ISD	3/3/2022	
18	146-901	Cleveland ISD	4/14/2022	\$ 8,925
19	220-917	Castleberry ISD	3/3/2022	
20	237-902	Hempstead ISD	5/17/2022	
21	143-902	Moulton ISD	3/2/2022	
<b>Total</b>	<b>21</b>	<b>Superintendent's Severance Reviews Completed</b>		<b>\$ 14,762</b>

<b>Item No.</b>	<b>County District Number</b>	<b>District Name</b>
1	078-901	Crowell ISD
2	241-601	Rio Grande City CISD
3	089-901	Gonzales ISD
4	117-907	Spring Creek ISD
5	220-905	Fort Worth ISD
6	120-902	Ganado ISD
7	158-901	Bay City ISD
8	126-905	Joshua ISD
9	240-904	Webb CISD
10	247-904	Poth ISD
11	094-904	Marion ISD
12	243-905	Wichita Falls ISD
13	026-902	Somerville ISD
<b>Total</b>	<b>13</b>	<b>Superintendent's Severance Reviews -- In Progress</b>

<b>Item No.</b>	<b>County District Number</b>	<b>District Name</b>	<b>Review Date</b>
1	101-907	Plano ISD	9/22/2021
2	178-914	Flour Bluff ISD	11/30/2021
3	079-901	Lamar CISD	1/11/2022
4	015-915	Northside ISD	1/23/2022
5	221-912	Wylie ISD	2/11/2022
6	101-912	Houston ISD	3/9/2022
7	225-902	Mt. Pleasant ISD	4/27/2022
8	235-902	Victoria ISD	6/3/2022
9	170-902	Conroe ISD	6/13/2022
10	043-905	Frisco ISD	7/21/2022
11	184-904	Millsap ISD	8/18/2022
12	227-901	Austin ISD	8/18/2022
13	152-907	Frenship ISD	8/19/2022
14	175-902	Blooming Grove ISD	8/26/2022
15	247-903	La Vernia ISD	8/26/2022
16	220-910	Lake Worth ISD	8/26/2022
17	034-905	Linden-Kildare CISD	8/26/2022
18	123-905	Nederland ISD	8/26/2022
19	161-914	Waco ISD	8/26/2022
20	201-914	West Rusk County CISD	8/26/2022
21	045-903	Rice CISD	8/26/2022
22	057-922	Coppell ISD	8/29/2022
23	227-910	Del Valle ISD	8/29/2022
24	246-906	Hutto ISD	8/29/2022
25	101-916	La Porte ISD	8/29/2022
26	152-902	New Deal ISD	8/29/2022
27	140-905	Olton ISD	8/29/2022
28	152-909	Shallowater ISD	8/29/2022
<b>Total</b>	<b>28</b>	<b>SHARS Audit Reviews (onsite/desk) -COMPLETED</b>	



<b>Item No.</b>	<b>County District Number</b>	<b>District Name</b>
1	057-834	Evolution Academy
2	043-904	Farmersville ISD
3	108-912	La Joya ISD
4	011-905	McDade ISD
5	238-902	Monahans-Wickette-Pyote ISD
6	043-911	Princeton ISD
7	014-910	Troy ISD
8	108-910	Progreso ISD
9	108-913	Weslaco ISD
<b>Total</b>	<b>9</b>	<b>SHARS Audit Reviews (onsite/desk) -In Progress</b>

Item No.	Activities	Counts
1	New Charter School First Year Visits	4
2	Responses to TEA's Q&A Mailboxes (School audits, financial accountability, and Attendance)	1100+
3	CPA Workpaper Reviews --	0
4	Review of Annual Financial and Compliance Reports	990
5	Research for funding pandemic related issues	multi
6	School First Ratings for FYE 2020	1201
7	Presentations and Trainings throughout Texas covering FASRG, SAAH, SHARS, Comp Ed etc.	70+
8	Financial Exigency Reviewed	0
9	Fiscal Year Changes	11
10	New Charters Schools Applications Reviewed	9
11	Depository Contracts and/or Extensions Reviews	184

**STATUTORY AUTHORITY REFERENCE SECTION:**

TEXAS CONSTITUTION ARTICLE VII

TEXAS EDUCATION CODE (TEC)

TEXAS GOVERNMENT CODE (TGC)

TEXAS OCCUPATIONS CODE (TOC)

NATURAL RESOURCES CODE (NRC)

THE TEXAS CONSTITUTION  
ARTICLE 7. EDUCATION  
SECTION 2

**Sec. 2. PERMANENT SCHOOL FUND.**

All funds, lands and other property heretofore set apart and appropriated for the support of public schools; all the alternate sections of land reserved by the State out of grants heretofore made or that may hereafter be made to railroads or other corporations of any nature whatsoever; one half of the public domain of the State; and all sums of money that may come to the State from the sale of any portion of the same, shall constitute a permanent school fund.

**Sec. 2A. RELEASE OF STATE CLAIM TO CERTAIN LANDS AND MINERALS WITHIN SHELBY, FRAZIER, AND MCCORMICK LEAGUE AND IN BASTROP COUNTY.**

- (a) The State of Texas hereby relinquishes and releases any claim of sovereign ownership or title to an undivided one-third interest in and to the lands and minerals within the Shelby, Frazier, and McCormick League (now located in Fort Bend and Austin counties) arising out of the interest in that league originally granted under the Mexican Colonization Law of 1823 to John McCormick on or about July 24, 1824, and subsequently voided by the governing body of Austin's Original Colony on or about December 15, 1830.
- (b) The State of Texas relinquishes and releases any claim of sovereign ownership or title to an interest in and to the lands, excluding the minerals, in Tracts 2-5, 13, 15-17, 19-20, 23-26, 29-32, and 34-37, in the A. P. Nance Survey, Bastrop County, as said tracts are:
  - (1) shown on Bastrop County Rolled Sketch No. 4, recorded in the General Land Office on December 15, 1999; and
  - (2) further described by the field notes prepared by a licensed state land surveyor of Travis County in September through November 1999 and May 2000.
- (c) Title to such interest in the lands and minerals described by Subsection (a) is confirmed to the owners of the remaining interests in such lands and minerals. Title to the lands, excluding the minerals, described by Subsection (b) is confirmed to the holder of record title to each tract. Any outstanding land award or land payment obligation owed to the state for lands described by Subsection (b) is canceled, and any funds previously paid related to an outstanding land award or land payment obligation may not be refunded.
- (d) The General Land Office shall issue a patent to the holder of record title to each tract described by Subsection (b). The patent shall be issued in the same manner as other patents except that no filing fee or patent fee may be required.
- (e) A patent issued under Subsection (d) shall include a provision reserving all mineral interest in the land to the state.
- (f) This section is self-executing.

**Sec. 2B. AUTHORITY TO RELEASE STATE'S INTEREST IN CERTAIN PERMANENT SCHOOL FUND LAND HELD BY PERSON UNDER COLOR OF TITLE.**

- (a) The legislature by law may provide for the release of all or part of the state's interest in land, excluding mineral rights, if:
  - (1) the land is surveyed, unsold, permanent school fund land according to the records of the General Land Office;
  - (2) the land is not patentable under the law in effect before January 1, 2002; and
  - (3) the person claiming title to the land:

THE TEXAS CONSTITUTION  
ARTICLE 7. EDUCATION  
SECTION 2

- (A) holds the land under color of title;
  - (B) holds the land under a chain of title that originated on or before January 1, 1952;
  - (C) acquired the land without actual knowledge that title to the land was vested in the State of Texas;
  - (D) has a deed to the land recorded in the appropriate county; and
  - (E) has paid all taxes assessed on the land and any interest and penalties associated with any period of tax delinquency.
- (b) This section does not apply to:
- (1) beach land, submerged or filled land, or islands; or
  - (2) land that has been determined to be state-owned by judicial decree.
- (c) This section may not be used to:
- (1) resolve boundary disputes; or
  - (2) change the mineral reservation in an existing patent.

**Sec. 2C. RELEASE OF STATE CLAIM TO CERTAIN LANDS IN UPSHUR AND SMITH COUNTIES.**

- (a) Except as provided by Subsection (b) of this section, the State of Texas relinquishes and releases any claim of sovereign ownership or title to an interest in and to the tracts of land, including mineral rights, described as follows:

Tract 1:

The first tract of land is situated in Upshur County, Texas, about 14 miles South 30 degrees east from Gilmer, the county seat, and is bounded as follows: Bound on the North by the J. Manning Survey, A-314 the S.W. Beasley Survey A-66 and the David Meredith Survey A-315 and bound on the East by the M. Mann Survey, A-302 and by the M. Chandler Survey, A-84 and bound on the South by the G. W. Hooper Survey, A-657 and by the D. Ferguson Survey, A-158 and bound on the West by the J. R. Wadkins Survey, A-562 and the H. Alsup Survey, A-20, and by the W. Bratton Survey, A-57 and the G. H. Burroughs Survey, A-30 and the M. Tidwell Survey, A-498 of Upshur County, Texas.

Tract 2:

The second tract of land is situated in Smith County, Texas, north of Tyler and is bounded as follows: on the north and west by the S. Leeper A-559, the Frost Thorn Four League Grant A-3, A-9, A-7, A-19, and the H. Jacobs A-504 and on the south and east by the following surveys: John Carver A-247, A. Loverly A-609, J. Gimble A-408, R. Conner A-239, N.J. Blythe A-88, N.J. Blythe A-89, J. Choate A-195, Daniel Minor A-644, William Keys A-527, James H. Thomas A-971, Seaborn Smith A-899, and Samuel Leeper A-559.

- (b) This section does not apply to:
- (1) any public right-of-way, including a public road right-of-way, or related interest owned by a governmental entity;
  - (2) any navigable waterway or related interest owned by a governmental entity; or
  - (3) any land owned by a governmental entity and reserved for public use, including a park, recreation area, wildlife area, scientific area, or historic site.
- (c) This section is self-executing.

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ARTICLE 7. EDUCATION  
SECTION 5

**Sec. 5. PERMANENT SCHOOL FUND AND AVAILABLE SCHOOL FUND: COMPOSITION, MANAGEMENT, USE, AND DISTRIBUTION.**

- (a) The permanent school fund consists of all land appropriated for public schools by this constitution or the other laws of this state, other properties belonging to the permanent school fund, and all revenue derived from the land or other properties. The available school fund consists of the distributions made to it from the total return on all investment assets of the permanent school fund, the taxes authorized by this constitution or general law to be part of the available school fund, and appropriations made to the available school fund by the legislature. The total amount distributed from the permanent school fund to the available school fund:
- (1) in each year of a state fiscal biennium must be an amount that is not more than six percent of the average of the market value of the permanent school fund, excluding real property belonging to the fund that is managed, sold, or acquired under Section 4 of this article, but including discretionary real assets investments and cash in the state treasury derived from property belonging to the fund, on the last day of each of the 16 state fiscal quarters preceding the regular session of the legislature that begins before that state fiscal biennium, in accordance with the rate adopted by:
- (A) a vote of two-thirds of the total membership of the State Board of Education, taken before the regular session of the legislature convenes; or
- (B) the legislature by general law or appropriation, if the State Board of Education does not adopt a rate as provided by Paragraph (A) of this subdivision; and
- (2) over the 10-year period consisting of the current state fiscal year and the nine preceding state fiscal years may not exceed the total return on all investment assets of the permanent school fund over the same 10-year period.
- (b) The expenses of managing permanent school fund land and investments shall be paid by appropriation from the permanent school fund.
- (c) The available school fund shall be applied annually to the support of the public free schools. Except as provided by this section, the legislature may not enact a law appropriating any part of the permanent school fund or available school fund to any other purpose. The permanent school fund and the available school fund may not be appropriated to or used for the support of any sectarian school. The available school fund shall be distributed to the several counties according to their scholastic population and applied in the manner provided by law.

- (d) The legislature by law may provide for using the permanent school fund to guarantee bonds issued by school districts or by the state for the purpose of making loans to or purchasing the bonds of school districts for the purpose of acquisition, construction, or improvement of instructional facilities including all furnishings thereto. If any payment is required to be made by the permanent school fund as a result of its guarantee of bonds issued by the state, an amount equal to this payment shall be immediately paid by the state from the treasury to the permanent school fund. An amount owed by the state to the permanent school fund under this section shall be a general obligation of the state until paid. The amount of bonds authorized hereunder shall not exceed \$750 million or a higher amount authorized by a two-thirds record vote of both houses of the legislature. If the proceeds of bonds issued by the state are used to provide a loan to a school district and the district becomes delinquent on the loan payments, the amount of the delinquent payments shall be offset against state aid to which the district is otherwise entitled.
- (e) The legislature may appropriate part of the available school fund for administration of a bond guarantee program established under this section.
- (f) Notwithstanding any other provision of this constitution, in managing the assets of the permanent school fund, the State Board of Education may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment, including investments in the Texas growth fund created by Article XVI, Section [70](#), of this constitution, that persons of ordinary prudence, discretion, and intelligence, exercising the judgment and care under the circumstances then prevailing, acquire or retain for their own account in the management of their affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.
- (g) Notwithstanding any other provision of this constitution or of a statute, the State Board of Education, the General Land Office, or another entity that has responsibility for the management of revenues derived from permanent school fund land or other properties may, in its sole discretion and in addition to other distributions authorized under this constitution or a statute, distribute to the available school fund each year revenue derived during that year from the land or properties, not to exceed \$600 million by each entity each year.

(Amended Aug. 11, 1891, and Nov. 3, 1964; Subsec. (a) amended and (b) and (c) added Nov. 8, 1983; Subsec. (d) added Nov. 8, 1988; Subsec. (b) amended Nov. 7, 1989; Subsec. (a) amended, a new (b) added, a portion of (a) redesignated as (c), former (b) and (c) amended, former (b)-(d) redesignated as (d)-(f), and (g) and (h) added Sept. 13, 2003; former Subsec. (g) and Subsec. (h) expired Dec. 1, 2006; Subsec. (a) amended and current Subsec. (g) added Nov. 8, 2011; Subsec. (g) amended Nov. 5, 2019.)

NATURAL RESOURCES CODE  
TITLE 2. PUBLIC DOMAIN  
SUBTITLE D. DISPOSITION OF THE PUBLIC DOMAIN  
CHAPTER 51. LAND, TIMBER, AND SURFACE RESOURCES  
SUBCHAPTER I. ACQUISITION OF PUBLIC SCHOOL LAND

**NRC, §51.414. PERMANENT SCHOOL FUND LIQUID ACCOUNT.**

- (a) The permanent school fund liquid account is established as an account in the permanent school fund in the State Treasury to be used by the board and the State Board of Education as provided by this section.
- (b) Each quarter, the board shall hold a meeting and adopt a resolution to release from the real estate special fund account funds designated under Section [51.401](#) that are not being used for a purpose listed in Section [51.402\(a\)](#) and are not required for the board's anticipated cash needs for the 90-day period following the date of the meeting, to be deposited to the credit of the permanent school fund liquid account in the State Treasury.
- (c) The State Board of Education may invest funds in the permanent school fund liquid account. The investments may be made only in liquid assets, in the same manner that the permanent school fund is managed by the State Board of Education.
- (d) Investment income and realized capital gains derived from funds in the permanent school fund liquid account shall be deposited in the State Treasury to the credit of the State Board of Education for investment in the permanent school fund. This subsection does not require a deposit if the market value of the assets held in the permanent school fund liquid account is below cost.
- (e) The State Board of Education may use funds in the permanent school fund liquid account to pay for administrative costs associated with implementing this section, including costs associated with contracts for professional investment management, investment advisory services, or custodial services.
- (f) The board shall provide to the State Board of Education in each quarterly report required by Section [32.068](#) the board's anticipated cash needs for the six-month period following the date of the report, to allow the State Board of Education to ensure that the board's cash needs may be met as provided by Subsection (g).
- (g) Not later than the fifth business day after the date of a request of the board, the State Board of Education shall release from the permanent school fund liquid account funds to be deposited to the credit of the real estate special fund account in the State Treasury in an amount requested by the board.

Added by Acts 2019, 86th Leg., R.S., Ch. 493 (H.B. [4388](#)), Sec. 4, eff. September 1, 2019.

Repealed by Acts 2021, 87th Leg., R.S., Ch. 875 (S.B. [1232](#)), Sec. 2.10(4), eff. December 31, 2022.



TEXAS EDUCATION CODE  
CHAPTER 7. STATE ORGANIZATION  
SUBCHAPTER C. COMMISSIONER OF EDUCATION

**TEC, §7.055. COMMISSIONER OF EDUCATION POWERS AND DUTIES.**

- (a) The commissioner has the powers and duties provided by Subsection (b).
- (b)(1) The commissioner shall serve as the educational leader of the state.
  - (2) The commissioner shall serve as executive officer of the agency and as executive secretary of the board.
  - (3) The commissioner shall carry out the duties imposed on the commissioner by the board or the legislature.
  - (4) The commissioner shall prescribe a uniform system of forms, reports, and records necessary to fulfill the reporting and recordkeeping requirements of this title.
  - (5) The commissioner may delegate ministerial and executive functions to agency staff and may employ division heads and any other employees and clerks to perform the duties of the agency.
  - (6) The commissioner shall adopt an annual budget for operating the Foundation School Program as prescribed by Subsection (c).
  - (7) The commissioner may issue vouchers for the expenditures of the agency and shall examine and must approve any account to be paid out of the school funds before the comptroller may issue a warrant.
  - (8) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1083, Sec. 25(7), eff. June 17, 2011.
  - (9) The commissioner shall have a manual published at least once every two years that contains Title 1 and this title, any other provisions of this code relating specifically to public primary or secondary education, and an appendix of all other state laws relating to public primary or secondary education and shall provide for the distribution of the manual as determined by the board.
  - (10) The commissioner may visit different areas of this state, address teachers' associations and educational gatherings, instruct teachers, and promote all aspects of education and may be reimbursed for necessary travel expenses incurred under this subdivision to the extent authorized by the General Appropriations Act.
  - (11) The commissioner may appoint advisory committees, in accordance with Chapter [2110](#), Government Code, as necessary to advise the commissioner in carrying out the duties and mission of the agency.
  - (12) The commissioner shall appoint an agency auditor.
  - (13) The commissioner may provide for reductions in the number of agency employees.
  - (14) The commissioner shall carry out duties relating to the investment capital fund under Section [7.024](#).
  - (15) The commissioner shall review and act, if necessary, on applications for waivers under Section [7.056](#).
  - (16) The commissioner shall carry out duties relating to regional education service centers as specified under Chapter [8](#).
  - (17) The commissioner shall distribute funds to open-enrollment charter schools as required under Subchapter [D](#), Chapter [12](#).

- (18) The commissioner shall adopt a recommended appraisal process and criteria on which to appraise the performance of teachers, a recommended appraisal process and criteria on which to appraise the performance of administrators, and a job description and evaluation form for use in evaluating school counselors, as provided by Subchapter [H](#), Chapter [21](#).
- (19) The commissioner shall coordinate and implement teacher recruitment programs under Section [21.004](#).
- (20) The commissioner shall perform duties in connection with the certification and assignment of hearing examiners as provided by Subchapter [E](#), Chapter [21](#).
- (21) The commissioner shall carry out duties under the Texas Advanced Placement Incentive Program under Subchapter [C](#), Chapter [28](#).
- (22) The commissioner may adopt rules for optional extended year programs under Section [29.082](#).
- (23) The commissioner shall monitor and evaluate prekindergarten programs and other child-care programs as required under Section [29.154](#).
- (24) The commissioner, with the approval of the board, shall develop and implement a plan for the coordination of services to children with disabilities as required under Section [30.001](#).
- (25) The commissioner shall develop a system to distribute to school districts or regional education service centers a special supplemental allowance for students with visual impairments as required under Section [30.002](#).
- (26) The commissioner, with the assistance of the comptroller, shall determine amounts to be distributed to the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf as provided by Section [30.003](#) and to the Texas Juvenile Justice Department as provided by Section [30.102](#).
- (27) The commissioner shall establish a procedure for resolution of disputes between a school district and the Texas School for the Blind and Visually Impaired under Section [30.021](#).
- (28) The commissioner shall perform duties relating to the funding, adoption, and purchase of instructional materials under Chapter [31](#).
- (29) The commissioner may enter into contracts concerning technology in the public school system as authorized under Chapter [32](#).
- (30) The commissioner shall adopt a recommended contract form for the use, acquisition, or lease with option to purchase of school buses under Section [34.009](#).
- (31) The commissioner shall ensure that the cost of using school buses for a purpose other than the transportation of students to or from school is properly identified in the Public Education Information Management System (PEIMS) under Section [34.010](#).
- (32) The commissioner shall perform duties in connection with the public school accountability system as prescribed by Chapters [39](#) and [39A](#).
- (33) Repealed by Acts 1999, 76th Leg., ch. 397, Sec. 8, eff. Sept. 1, 1999.
- (34) The commissioner shall perform duties in connection with the options for local revenue levels in excess of entitlement under Chapter [49](#).
- (35) The commissioner shall perform duties in connection with the Foundation School Program as prescribed by Chapter [48](#).

- (36) The commissioner shall establish advisory guidelines relating to the fiscal management of a school district and report annually to the board on the status of school district fiscal management as required under Section [44.001](#).
  - (37) The commissioner shall review school district audit reports as required under Section [44.008](#).
  - (38) The commissioner shall perform duties in connection with the guaranteed bond program as prescribed by Subchapter [C](#), Chapter [45](#).
  - (39) The commissioner shall cooperate with the Texas Higher Education Coordinating Board in connection with the Texas partnership and scholarship program under Subchapter [Q](#), Chapter [61](#).
  - (40) The commissioner shall suspend the certificate of an educator or permit of a teacher who violates Chapter [617](#), Government Code.
  - (41) The commissioner shall adopt rules relating to extracurricular activities under Section [33.081](#) and approve or disapprove University Interscholastic League rules and procedures under Section [33.083](#).
- (c) The budget the commissioner adopts under Subsection (b) for operating the Foundation School Program must be in accordance with legislative appropriations and provide funds for the administration and operation of the agency and any other necessary expense. The budget must designate any expense of operating the agency or operating a program for which the board has responsibility that is paid from the Foundation School Program. The budget must designate program expenses that may be paid out of the foundation school fund, other state funds, fees, federal funds, or funds earned under interagency contract. Before adopting the budget, the commissioner must submit the budget to the board for review and, after receiving any comments of the board, present the operating budget to the governor and the Legislative Budget Board. The commissioner shall provide appropriate information on proposed budget expenditures to the comptroller to assure that all payments are paid from the appropriate funds in a timely and efficient manner.
- (d) Notwithstanding any other law, the commissioner's power to delegate ministerial and executive functions under Subsection (b)(5) is a valid delegation of authority.

TEXAS EDUCATION CODE  
CHAPTER 7. STATE ORGANIZATION  
SUBCHAPTER D. STATE BOARD OF EDUCATION

**TEC, §7.102. STATE BOARD OF EDUCATION POWERS AND DUTIES.**

- (a) The board may perform only those duties relating to school districts or regional education service centers assigned to the board by the constitution of this state or by this subchapter or another provision of this code.
- (b) The board has the powers and duties provided by Subsection (c), which shall be carried out with the advice and assistance of the commissioner.
- (c)
  - (1) The board shall develop and update a long-range plan for public education.
  - (2) The board may enter into contracts relating to or accept grants for the improvement of educational programs specifically authorized by statute.
  - (3) The board may accept a gift, donation, or other contribution on behalf of the public school system or agency and, unless otherwise specified by the donor, may use the contribution in the manner the board determines.
  - (4) The board shall establish curriculum and graduation requirements.
  - ~~(5) The board shall establish a standard of performance considered satisfactory on student assessment instruments.~~
  - (6) The board may create special-purpose school districts under Chapter [11](#).
  - (7) The board shall provide for a training course for school district trustees under Section [11.159](#).
  - (8) The board shall adopt a procedure to be used for placing on probation or revoking a home-rule school district charter as required by Subchapter B, Chapter [12](#), and may place on probation or revoke a home-rule school district charter as provided by that subchapter.
  - ~~(9) The board may grant an open enrollment charter or approve a charter revision as provided by Subchapter D, Chapter [12](#).~~
  - (10) The board shall adopt rules establishing criteria for certifying hearing examiners as provided by Section [21.252](#).
  - (11) The board shall adopt rules to carry out the curriculum required or authorized under Section [28.002](#).
  - (12) The board shall establish guidelines for credit by examination under Section [28.023](#).
  - (13) The board shall adopt transcript forms and standards for differentiating high school programs for purposes of reporting academic achievement under Section [28.025](#).
  - (14) The board shall adopt guidelines for determining financial need for purposes of the Texas Advanced Placement Incentive Program under Subchapter C, Chapter [28](#), and may approve payments as provided by that subchapter.
  - (15) The board shall adopt criteria for identifying gifted and talented students and shall develop and update a state plan for the education of gifted and talented students as required under Subchapter D, Chapter [29](#).
  - (16) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 73, Sec. 2.06(a)(1), eff. September 1, 2013.
  - (17) The board shall adopt rules relating to community education development projects as required under Section [29.257](#).
  - (18) The board may approve the plan to be developed and implemented by the commissioner for the coordination of services to children with disabilities as required under Section [30.001](#).
  - (19) The board shall establish a date by which each school district and state institution shall provide to the commissioner the necessary information to determine the district's share of the cost of the education of a student enrolled in the Texas School for the Blind and Visually Impaired or the Texas School for the Deaf as required under Section [30.003](#) and may adopt other rules concerning funding of the education of students enrolled in the Texas School for the Blind and Visually Impaired or the Texas School for the Deaf as authorized under Section [30.003](#).
  - (20) The board shall adopt rules prescribing the form and content of information school districts are required to provide concerning programs offered by state institutions as required under Section [30.004](#).
  - (21) The board shall adopt rules concerning admission of students to the Texas School for the Deaf as required under Section [30.057](#).

- (22) The board shall carry out powers and duties related to regional day school programs for the deaf as provided under Subchapter D, Chapter [30](#).
  - (23) The board shall adopt and purchase or license instructional materials as provided by Chapter [31](#) and adopt rules required by that chapter.
  - (24) The board shall develop and update a long-range plan concerning technology in the public school system as required under Section [32.001](#) and shall adopt rules and policies concerning technology in public schools as provided by Chapter [32](#).
  - (25) The board shall conduct feasibility studies related to the telecommunications capabilities of school districts and regional education service centers as provided by Section [32.033](#).
  - (26) The board shall appoint a board of directors of the center for educational technology under Section [32.034](#).
  - (27) Repealed by Acts 2001, 77th Leg., ch. 1420, Sec. 4.001(b), eff. Sept. 1, 2001.
  - (28) The board shall approve a program for testing students for dyslexia and related disorders as provided by Section [38.003](#).
  - (29) The board shall perform duties in connection with the public school accountability system as prescribed by Chapters [39](#) and [39A](#).
  - (30) The board shall perform duties in connection with the Foundation School Program as prescribed by Chapter [48](#) [42].
  - (31) The board may invest the permanent school fund within the limits of the authority granted by Section [5](#), Article VII, Texas Constitution, and Chapter 43.
  - (32) The board shall adopt rules concerning school district budgets and audits of school district fiscal accounts as required under Subchapter A, Chapter [44](#).
  - (33) The board shall adopt an annual report on the status of the guaranteed bond program and may adopt rules as necessary for the administration of the program as provided under Subchapter C, Chapter [45](#).
  - (34) The board shall prescribe uniform bid blanks for school districts to use in selecting a depository bank as required under Section [45.206](#).
- (d) The board may adopt rules relating to school districts or regional education service centers only as required to carry out the specific duties assigned to the board by the constitution or under Subsection (c).
  - (e) An action of the board to adopt a rule under this section is effective only if the board includes in the rule's preamble a statement of the specific authority under Subsection (c) to adopt the rule.
  - (f) Except as otherwise provided by this subsection, a rule adopted by the board under this section does not take effect until the beginning of the school year that begins at least 90 days after the date on which the rule was adopted. The rule takes effect earlier if the rule's preamble specifies an earlier effective date and the reason for that earlier date and:
    - (1) the earlier effective date is a requirement of:
      - (A) a federal law; or
      - (B) a state law that specifically refers to this section and expressly requires the adoption of an earlier effective date; or
    - (2) on the affirmative vote of two-thirds of the members of the board, the board makes a finding that an earlier effective date is necessary.

TEXAS EDUCATION CODE  
CHAPTER 7. STATE ORGANIZATION  
SUBCHAPTER D. STATE BOARD OF EDUCATION

**TEC, §7.104. TERMS.**

- (a) At each general election immediately following a decennial reapportionment of districts, one member shall be elected to the board from each district. Except as provided by Subsection (b), members of the board serve staggered terms of four years with the terms of eight members expiring on January 1 of one odd-numbered year and the terms of seven members expiring on January 1 of the next odd-numbered year.
- (b) Seven members of the board elected at each general election following a decennial reapportionment of districts shall serve two-year terms and eight members shall serve four-year terms. Members shall draw lots to determine who serves which terms.
- (c) If a position on the board becomes vacant, the governor shall fill the vacancy as soon as possible by appointing a qualified person from the affected district with the advice and consent of the senate.
- (d) A vacancy that occurs at a time when it is impossible to place the name of a candidate for the unexpired term on the general election ballot is filled by appointment, as prescribed by Subsection (c).
- (e) An appointment to a vacancy on the board shall be made without regard to the race, creed, sex, religion, or national origin of the appointed member.

TEXAS EDUCATION CODE  
CHAPTER 7. STATE ORGANIZATION  
SUBCHAPTER D. STATE BOARD OF EDUCATION

**TEC, § 7.107. OFFICERS (excerpt):**

- (b) At the board's first regular meeting after the election and qualification of new members, the board shall organize, adopt rules of procedure, and elect by separate votes a vice chair and a secretary.

TEXAS EDUCATION CODE  
TITLE 2. PUBLIC EDUCATION  
SUBTITLE B. STATE AND REGIONAL ORGANIZATION AND GOVERNANCE  
CHAPTER 7. STATE ORGANIZATION  
SUBCHAPTER D. STATE BOARD OF EDUCATION

**TEC, §7.111. HIGH SCHOOL EQUIVALENCY EXAMINATIONS.**

- (a) The board shall provide for the administration of high school equivalency examinations.
- (a-1) A person who does not have a high school diploma may take the examination in accordance with rules adopted by the board if the person is:
  - (1) over 17 years of age;
  - (2) 16 years of age or older and:
    - (A) is enrolled in a Job Corps training program under the Workforce Investment Act of 1998 (29 U.S.C. Section 2801 et seq.), and its subsequent amendments;
    - (B) a public agency providing supervision of the person or having custody of the person under a court order recommends that the person take the examination; or
    - (C) is enrolled in the Texas Military Department's Seaborne Challenge Corps; or
  - (3) required to take the examination under a court order issued under Section 65.103(a)(3), Family Code.
- (b) The board by rule shall establish and require payment of a fee as a condition to the issuance of a high school equivalency certificate and a copy of the scores of the examinations. The fee must be reasonable and designed to cover the administrative costs of issuing the certificate and a copy of the scores. The board may not require a waiting period between the date a person withdraws from school and the date the person takes the examination unless the period relates to the time between administrations of the examination.
- (c) The board by rule shall develop and deliver high school equivalency examinations and provide for the administration of the examinations online. The rules must provide a procedure for verifying the identity of the person taking the examination.



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CHAPTER 11. SCHOOL DISTRICTS  
SUBCHAPTER D. POWERS AND DUTIES OF BOARD OF TRUSTEES OF  
INDEPENDENT SCHOOL DISTRICT

**TEC, §11.159. MEMBER TRAINING AND ORIENTATION.**

- (a) The State Board of Education shall provide a training course for independent school district trustees to be offered by the regional education service centers. Registration for a course must be open to any interested person, including current and prospective board members, and the state board may prescribe a registration fee designed to offset the costs of providing that course.
- (b) A trustee must complete any training required by the State Board of Education. The minutes of the last regular meeting of the board of trustees held before an election of trustees must reflect whether each trustee has met or is deficient in meeting the training required for the trustee as of the first anniversary of the date of the trustee's election or appointment. If the minutes reflect that a trustee is deficient, the district shall post the minutes on the district's Internet website within 10 business days of the meeting and maintain the posting until the trustee meets the requirements.
- (b-1) The State Board of Education shall require a trustee to complete training on school safety. The state board, in coordination with the Texas School Safety Center, shall develop the curriculum and materials for the training.
- (c) The State Board of Education shall require a trustee to complete every two years at least:
  - (1) three hours of training on evaluating student academic performance; and
  - (2) one hour of training on identifying and reporting potential victims of sexual abuse, human trafficking, and other maltreatment of children.
- (c-1) The training required by Subsection (c)(1) must be research-based and designed to support the oversight role of the board of trustees under Section [11.1515](#).
- (c-2) A candidate for trustee may complete the training required by Subsection (c) up to one year before the candidate is elected. A new trustee shall complete the training within 120 days after the date of the trustee's election or appointment. A returning trustee shall complete the training by the second anniversary of the completion of the trustee's previous training.
- (d) A trustee or candidate for trustee may complete training required under Subsection (c) at a regional education service center or through another authorized provider. A provider must certify the completion of the training by a trustee or candidate.

(e) For purposes of this section, "other maltreatment" has the meaning assigned by Section [42.002](#), Human Resources Code.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1244 (H.B. [2563](#)), Sec. 5, eff. September 1, 2007.

Acts 2017, 85th Leg., R.S., Ch. 925 (S.B. [1566](#)), Sec. 5, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 214 (H.B. [403](#)), Sec. 1, eff. September 1, 2019.

Acts 2021, 87th Leg., R.S., Ch. 313 (H.B. [690](#)), Sec. 1, eff. September 1, 2021.

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CHAPTER 11. SCHOOL DISTRICTS  
SUBCHAPTER H. SPECIAL-PURPOSE SCHOOL DISTRICTS

**TEC, §11.352. GOVERNANCE OF SPECIAL-PURPOSE DISTRICT.**

- (a) The State Board of Education shall appoint for each district established under Section 11.351 a board of three, five, or seven trustees, as determined by the State Board of Education. A trustee is not required to be a resident of the district.
- (b) For each military reservation school district, the State Board of Education may appoint a board of three or five trustees. Enlisted military personnel and military officers may be appointed to the school board. A majority of the trustees appointed for the district must be civilians and all may be civilians. The trustees shall be selected from a list of persons who are qualified to serve as members of a school district board of trustees under Section 11.061 and who live or are employed on the military reservation. The list shall be furnished to the board by the commanding officer of the military reservation. The trustees appointed serve terms of two years.
- (c) The State Board of Education may adopt rules for the governance of a special-purpose district. In the absence of a rule adopted under this subsection, the laws applicable to independent school districts apply to a special-purpose district.

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TITLE 2. PUBLIC EDUCATION  
SUBTITLE C. LOCAL ORGANIZATION AND GOVERNANCE  
CHAPTER 12. CHARTERS  
SUBCHAPTER D. OPEN-ENROLLMENT CHARTER SCHOOL

**TEC, §12.101. AUTHORIZATION.**

- (a) In accordance with this subchapter, the commissioner may grant a charter on the application of an eligible entity for an open-enrollment charter school to operate in a facility of a commercial or nonprofit entity, an eligible entity, or a school district, including a home-rule school district. In this subsection, "eligible entity" means:
- (1) an institution of higher education as defined under Section [61.003](#);
  - (2) a private or independent institution of higher education as defined under Section [61.003](#);
  - (3) an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)); or
  - (4) a governmental entity.
- (b) After thoroughly investigating and evaluating an applicant, the commissioner, in coordination with a member of the State Board of Education designated for the purpose by the chair of the board, may grant a charter for an open-enrollment charter school only to an applicant that meets any financial, governing, educational, and operational standards adopted by the commissioner under this subchapter, that the commissioner determines is capable of carrying out the responsibilities provided by the charter and likely to operate a school of high quality, and that:
- (1) has not within the preceding 10 years had a charter under this chapter or a similar charter issued under the laws of another state surrendered under a settlement agreement, revoked, denied renewal, or returned; or
  - (2) is not, under rules adopted by the commissioner, considered to be a corporate affiliate of or substantially related to an entity that has within the preceding 10 years had a charter under this chapter or a similar charter issued under the laws of another state surrendered under a settlement agreement, revoked, denied renewal, or returned.
- (b-0) The commissioner shall notify the State Board of Education of each charter the commissioner proposes to grant under this subchapter. Unless, before the 90th day after the date on which the board receives the notice from the commissioner, a majority of the members of the board present and voting vote against the grant of that charter, the commissioner's proposal to grant the charter takes effect. The board may not deliberate or vote on any grant of a charter that is not proposed by the commissioner.
- (b-1) In granting charters for open-enrollment charter schools, the commissioner may not grant a total of more than:

- (1) 215 charters through the fiscal year ending August 31, 2014;
  - (2) 225 charters beginning September 1, 2014;
  - (3) 240 charters beginning September 1, 2015;
  - (4) 255 charters beginning September 1, 2016;
  - (5) 270 charters beginning September 1, 2017; and
  - (6) 285 charters beginning September 1, 2018.
- (b-2) Beginning September 1, 2019, the total number of charters for open-enrollment charter schools that may be granted is 305 charters.
- (b-3) The commissioner may not grant more than one charter for an open-enrollment charter school to any charter holder. The commissioner may consolidate charters for an open-enrollment charter school held by multiple charter holders into a single charter held by a single charter holder with the written consent to the terms of consolidation by or at the request of each charter holder affected by the consolidation.
- (b-4) Notwithstanding Section [12.114](#), approval of the commissioner under that section is not required for establishment of a new open-enrollment charter school campus if the requirements of this subsection are satisfied. A charter holder having an accreditation status of accredited and at least 50 percent of its student population in grades assessed under Subchapter B, Chapter [39](#), or at least 50 percent of the students in the grades assessed having been enrolled in the school for at least three school years may establish one or more new campuses under an existing charter held by the charter holder if:
- (1) the charter holder is currently evaluated under the standard accountability procedures for evaluation under Chapter [39](#) and received a district rating in the highest or second highest performance rating category under Subchapter C, Chapter [39](#), for three of the last five years with at least 75 percent of the campuses rated under the charter also receiving a rating in the highest or second highest performance rating category and with no campus with a rating in the lowest performance rating category in the most recent ratings;
  - (2) the charter holder provides written notice to the commissioner of the establishment of any campus under this subsection in the time, manner, and form provided by rule of the commissioner; and
  - (3) not later than the 60th day after the date the charter holder provides written notice under Subdivision (2), the commissioner does not provide written notice to the charter holder that the commissioner has determined that the charter holder does not satisfy the requirements of this section.
- (b-5) The initial term of a charter granted under this section is five years.

- (b-6) The commissioner shall adopt rules to modify criteria for granting a charter for an open-enrollment charter school under this section to the extent necessary to address changes in performance rating categories or in the financial accountability system under Chapter [39](#).
- (b-7) A charter granted under this section for a dropout recovery school is not considered for purposes of the limit on the number of charters for open-enrollment charter schools imposed by this section. For purposes of this subsection, an open-enrollment charter school is considered to be a dropout recovery school if the school meets the criteria for designation as a dropout recovery school under Section [12.1141\(c\)](#).
- (b-8) In adopting any financial standards under this subchapter that an applicant for a charter for an open-enrollment charter school must meet, the commissioner shall not:
  - (1) exclude any loan or line of credit in determining an applicant's available funding; or
  - (2) exclude an applicant from the grant of a charter solely because the applicant fails to demonstrate having a certain amount of current assets in cash.
- (b-10) The commissioner by rule shall allow a charter holder to provide written notice of the establishment of a new open-enrollment charter school under Subsection (b-4)(2) up to 18 months before the date on which the campus is anticipated to open. Notice provided to the commissioner under this section does not obligate the charter holder to open a new campus.
- (c) If the facility to be used for an open-enrollment charter school is a school district facility, the school must be operated in the facility in accordance with the terms established by the board of trustees or other governing body of the district in an agreement governing the relationship between the school and the district.
- (d) An educator employed by a school district before the effective date of a charter for an open-enrollment charter school operated at a school district facility may not be transferred to or employed by the open-enrollment charter school over the educator's objection.

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TITLE 2. PUBLIC EDUCATION  
SUBTITLE D. EDUCATORS AND SCHOOL DISTRICT EMPLOYEES AND VOLUNTEERS  
CHAPTER 21. EDUCATORS  
SUBCHAPTER B. CERTIFICATION OF EDUCATORS

**TEC, §21.031. PURPOSE.**

- (a) The State Board for Educator Certification is established to recognize public school educators as professionals and to grant educators the authority to govern the standards of their profession. The board shall regulate and oversee all aspects of the certification, continuing education, and standards of conduct of public school educators.
  
- (b) In proposing rules under this subchapter, the board shall ensure that all candidates for certification or renewal of certification demonstrate the knowledge and skills necessary to improve the performance of the diverse student population of this state.

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**TEC, §21.035. DELEGATION AUTHORITY; ADMINISTRATION BY AGENCY.**

- (a) The board is permitted to make a written delegation of authority to the commissioner or the agency to informally dispose of a contested case involving educator certification.
- (b) The agency shall provide the board's administrative functions and services.



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CHAPTER 21. EDUCATORS  
SUBCHAPTER B. CERTIFICATION OF EDUCATORS

**TEC, §21.041. RULES; FEES.**

- (a) The board may adopt rules as necessary for its own procedures.
- (b) The board shall propose rules that:
  - (1) provide for the regulation of educators and the general administration of this subchapter in a manner consistent with this subchapter;
  - (2) specify the classes of educator certificates to be issued, including emergency certificates;
  - (3) specify the period for which each class of educator certificate is valid;
  - (4) specify the requirements for the issuance and renewal of an educator certificate;
  - (5) provide for the issuance of an educator certificate to a person who holds a similar certificate issued by another state or foreign country, subject to Section 21.052;
  - (6) provide for special or restricted certification of educators, including certification of instructors of American Sign Language;
  - (7) provide for disciplinary proceedings, including the suspension or revocation of an educator certificate, as provided by Chapter 2001, Government Code;
  - (8) provide for the adoption, amendment, and enforcement of an educator's code of ethics;
  - (9) provide for continuing education requirements; and
  - (10) provide for certification of persons performing appraisals under Subchapter H.
- (c) The board shall propose a rule adopting a fee for the issuance and maintenance of an educator certificate that, when combined with any fees imposed under Subsection (d), is adequate to cover the cost of administration of this subchapter.
- (d) The board may propose a rule adopting a fee for the approval or renewal of approval of an educator preparation program, or for the addition of a certificate or field of certification to the scope of a program's approval. A fee imposed under this subsection may not exceed the amount necessary, as determined by the board, to provide for the administrative cost of approving, renewing the approval of, and appropriately ensuring the accountability of educator preparation programs under this subchapter.

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**TEC, §21.042. APPROVAL OF RULES.**

The State Board for Educator Certification must submit a written copy of each rule it proposes to adopt to the State Board of Education for review. The State Board of Education may reject a proposed rule by a vote of at least two-thirds of the members of the board present and voting. If the State Board of Education fails to reject a proposal before the 90th day after the date on which it receives the proposal, the proposal takes effect as a rule of the State Board for Educator Certification as provided by Chapter 2001, Government Code. The State Board of Education may not modify a rule proposed by the State Board for Educator Certification.

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CHAPTER 21. EDUCATORS  
SUBCHAPTER F. HEARING BEFORE HEARING EXAMINERS

**TEC, §21.252. CERTIFICATION OF HEARING EXAMINERS.**

- (a) The State Board of Education, in consultation with the State Office of Administrative Hearings, by rule shall establish criteria for the certification of hearing examiners eligible to conduct hearings under this subchapter. A hearing examiner certified under this subchapter must be licensed to practice law in this state.
  
- (b) The commissioner shall certify hearing examiners according to the criteria established under Subsection (a). A person certified as a hearing examiner or the law firm with which the person is associated may not serve as an agent or representative of:
  - (1) a school district;
  - (2) a teacher in any dispute with a school district; or
  - (3) an organization of school employees, school administrators, or school boards.
  
- (c) The commissioner shall set hourly rates of compensation for a hearing examiner and shall set maximum amount of compensation a hearing examiner may receive for a hearing.

TEXAS EDUCATION CODE  
CHAPTER 28. COURSES OF STUDY; ADVANCEMENT  
SUBCHAPTER A. ESSENTIAL KNOWLEDGE AND SKILLS; CURRICULUM

**TEC, §28.002. REQUIRED CURRICULUM.**

- (a) Each school district that offers kindergarten through grade 12 shall offer, as a required curriculum:
  - (1) a foundation curriculum that includes:
    - (A) English language arts;
    - (B) mathematics;
    - (C) science; and
    - (D) social studies, consisting of Texas, United States, and world history, government, economics, with emphasis on the free enterprise system and its benefits, and geography; and
  - (2) an enrichment curriculum that includes:
    - (A) to the extent possible, languages other than English;
    - (B) health, with emphasis on:
      - (i) physical health, including the importance of proper nutrition and exercise;
      - (ii) mental health, including instruction about mental health conditions, substance abuse, skills to manage emotions, establishing and maintaining positive relationships, and responsible decision-making; and
      - (iii) suicide prevention, including recognizing suicide-related risk factors and warning signs;
    - (C) physical education;
    - (D) fine arts;
    - (E) career and technology education;
    - (F) technology applications;
    - (G) religious literature, including the Hebrew Scriptures (Old Testament) and New Testament, and its impact on history and literature; and
    - (H) personal financial literacy.
- (b) The State Board of Education by rule shall designate subjects constituting a well-balanced curriculum to be offered by a school district that does not offer kindergarten through grade 12.
- (b-1) In this section, "common core state standards" means the national curriculum standards developed by the Common Core State Standards Initiative.
- (b-2) The State Board of Education may not adopt common core state standards to comply with a duty imposed under this chapter.

- (b-3) A school district may not use common core state standards to comply with the requirement to provide instruction in the essential knowledge and skills at appropriate grade levels under Subsection (c).
- (b-4) Notwithstanding any other provision of this code, a school district or open-enrollment charter school may not be required to offer any aspect of a common core state standards curriculum.
- (c) The State Board of Education, with the direct participation of educators, parents, business and industry representatives, and employers shall by rule identify the essential knowledge and skills of each subject of the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials under Chapter [31](#) and addressed on the assessment instruments required under Subchapter [B](#), Chapter [39](#). As a condition of accreditation, the board shall require each district to provide instruction in the essential knowledge and skills at appropriate grade levels and to make available to each high school student in the district an Algebra II course.
  - (c-1) The State Board of Education shall adopt rules requiring students enrolled in grade levels six, seven, and eight to complete at least one fine arts course during those grade levels as part of a district's fine arts curriculum.
  - (c-2) Each time the Texas Higher Education Coordinating Board revises the Internet database of the coordinating board's official statewide inventory of workforce education courses, the State Board of Education shall by rule revise the essential knowledge and skills of any corresponding career and technology education curriculum as provided by Subsection (c).
  - (c-3) In adopting the essential knowledge and skills for the technology applications curriculum for kindergarten through grade eight, the State Board of Education shall adopt essential knowledge and skills that include coding, computer programming, computational thinking, and cybersecurity. The State Board of Education shall review and revise, as needed, the essential knowledge and skills of the technology applications curriculum every five years to ensure the curriculum:
    - (1) is relevant to student education; and
    - (2) aligns with current or emerging professions.
- (d) The physical education curriculum required under Subsection (a)(2)(C) must be sequential, developmentally appropriate, and designed, implemented, and evaluated to enable students to develop the motor, self-management, and other skills, knowledge, attitudes, and confidence necessary to participate in physical activity throughout life. Each school district shall establish specific objectives and goals the district intends to accomplish through the physical education curriculum. In identifying the essential knowledge and skills of physical education, the State Board of Education shall ensure that the curriculum:
  - (1) emphasizes the knowledge and skills capable of being used during a lifetime of regular physical activity;
  - (2) is consistent with national physical education standards for:
    - (A) the information that students should learn about physical activity; and
    - (B) the physical activities that students should be able to perform;

- (3) requires that, on a weekly basis, at least 50 percent of the physical education class be used for actual student physical activity and that the activity be, to the extent practicable, at a moderate or vigorous level;
  - (4) offers students an opportunity to choose among many types of physical activity in which to participate;
  - (5) offers students both cooperative and competitive games;
  - (6) meets the needs of students of all physical ability levels, including students who have a chronic health problem, disability, including a student who is a person with a disability described under Section [29.003\(b\)](#) or criteria developed by the agency in accordance with that section, or other special need that precludes the student from participating in regular physical education instruction but who might be able to participate in physical education that is suitably adapted and, if applicable, included in the student's individualized education program;
  - (7) takes into account the effect that gender and cultural differences might have on the degree of student interest in physical activity or on the types of physical activity in which a student is interested;
  - (8) teaches self-management and movement skills;
  - (9) teaches cooperation, fair play, and responsible participation in physical activity;
  - (10) promotes student participation in physical activity outside of school; and
  - (11) allows physical education classes to be an enjoyable experience for students.
- (e) American Sign Language is a language for purposes of Subsection (a)(2)(A). A public school may offer an elective course in the language.
- (f) A school district may offer courses for local credit in addition to those in the required curriculum. The State Board of Education shall:
- (1) be flexible in approving a course for credit for high school graduation under this subsection; and
  - (2) approve courses in cybersecurity for credit for high school graduation under this subsection.
- (g) A local instructional plan may draw on state curriculum frameworks and program standards as appropriate. Each district is encouraged to exceed minimum requirements of law and State Board of Education rule. Each district shall ensure that all children in the district participate actively in a balanced curriculum designed to meet individual needs. Before the adoption of a major curriculum initiative, including the use of a curriculum management system, a district must use a process that:
- (1) includes teacher input;
  - (2) provides district employees with the opportunity to express opinions regarding the initiative; and
  - (3) includes a meeting of the board of trustees of the district at which:

- (A) information regarding the initiative is presented, including the cost of the initiative and any alternatives that were considered; and
  - (B) members of the public and district employees are given the opportunity to comment regarding the initiative.
- (g-1) A district may also offer a course or other activity, including an apprenticeship or training hours needed to obtain an industry-recognized credential or certificate, that is approved by the board of trustees for credit without obtaining State Board of Education approval if:
  - (1) the district develops a program under which the district partners with a public or private institution of higher education and local business, labor, and community leaders to develop and provide the courses; and
  - (2) the course or other activity allows students to enter:
    - (A) a career or technology training program in the district's region of the state;
    - (B) an institution of higher education without remediation;
    - (C) an apprenticeship training program; or
    - (D) an internship required as part of accreditation toward an industry-recognized credential or certificate for course credit.
- (g-2) Each school district shall annually report to the agency the names of the courses, programs, institutions of higher education, and internships in which the district's students have enrolled under Subsection (g-1) and the names of the courses and institutions of higher education in which the district's students have enrolled under Subsection (g-3). The agency shall make available information provided under this subsection to other districts.
- (g-3) A district may also offer a course in cybersecurity that is approved by the board of trustees for credit without obtaining State Board of Education approval if the district partners with a public or private institution of higher education that offers an undergraduate degree program in cybersecurity to develop and provide the course.
- (h) The State Board of Education and each school district shall require the teaching of informed American patriotism, Texas history, and the free enterprise system in the adoption of instructional materials for kindergarten through grade 12, including the founding documents of the United States. A primary purpose of the public school curriculum is to prepare thoughtful, informed citizens who understand the importance of patriotism and can function productively in a free enterprise society with appreciation for the fundamental democratic principles of our state and national heritage.
- (h-1) In adopting the essential knowledge and skills for the foundation curriculum under Subsection (a)(1), the State Board of Education shall, as appropriate, adopt essential knowledge and skills that develop each student's civic knowledge, including an understanding of:
  - (1) the fundamental moral, political, and intellectual foundations of the American experiment in self-government;
  - (2) the history, qualities, traditions, and features of civic engagement in the United States;

- (3) the structure, function, and processes of government institutions at the federal, state, and local levels; and
  - (4) the founding documents of the United States, including:
    - (A) the entirety of the Declaration of Independence;
    - (B) the entirety of the United States Constitution;
    - (C) the Federalist Papers, including the entirety of Essays 10 and 51;
    - (D) excerpts from Alexis de Tocqueville's *Democracy in America*;
    - (E) the transcript of the first Lincoln-Douglas debate;
    - (F) the writings of the founding fathers of the United States;
    - (G) the entirety of Frederick Douglass's speeches "The Meaning of July Fourth for the Negro" and "What the Black Man Wants"; and
    - (H) the entirety of Martin Luther King Jr.'s speech "I Have a Dream."
- (h-2) In adopting the essential knowledge and skills for the social studies curriculum for each grade level from kindergarten through grade 12, the State Board of Education shall adopt essential knowledge and skills that develop each student's civic knowledge, including:
- (1) an understanding of:
    - (A) the fundamental moral, political, entrepreneurial, and intellectual foundations of the American experiment in self-government;
    - (B) the history, qualities, traditions, and features of civic engagement in the United States;
    - (C) the structure, function, and processes of government institutions at the federal, state, and local levels; and
    - (D) the founding documents of the United States;
  - (2) the ability to:
    - (A) analyze and determine the reliability of information sources;
    - (B) formulate and articulate reasoned positions;
    - (C) understand the manner in which local, state, and federal government works and operates through the use of simulations and models of governmental and democratic processes;
    - (D) actively listen and engage in civil discourse, including discourse with those with different viewpoints; and
    - (E) participate as a citizen in a constitutional democracy by voting; and
  - (3) an appreciation of:
    - (A) the importance and responsibility of participating in civic life;
    - (B) a commitment to the United States and its form of government; and



(C) a commitment to free speech and civil discourse.

- (h-3) Repealed by Acts 2021, 87th Leg., 2nd C.S., Ch. 9 (S.B. 3), Sec. 6, eff. December 2, 2021.
- (h-4) Repealed by Acts 2021, 87th Leg., 2nd C.S., Ch. 9 (S.B. [3](#)), Sec. 6, eff. December 2, 2021.
- (h-5) Repealed by Acts 2021, 87th Leg., 2nd C.S., Ch. 9 (S.B. [3](#)), Sec. 6, eff. December 2, 2021.
- (h-6) In providing instruction regarding the founding documents of the United States as described by Subsection (h-1)(4), a school district or open-enrollment charter school shall use those documents as part of the instructional materials for the instruction.
- (h-7) The agency shall ensure that each school district or open-enrollment charter school teaches civics education as part of the district's social studies curriculum in a manner consistent with the essential knowledge and skills adopted under Subsection (h-2).
- (h-8) Nothing in Subsection (h-2) or (h-7) may be construed as limiting the teaching of or instruction in the essential knowledge and skills adopted under this subchapter.
  - (i) The State Board of Education shall adopt rules for the implementation of this subchapter. Except as provided by Subsection (j), the board may not adopt rules that designate the methodology used by a teacher or the time spent by a teacher or a student on a particular task or subject.
  - (j) The State Board of Education by rule may require laboratory instruction in secondary science courses and may require a specific amount or percentage of time in a secondary science course that must be laboratory instruction.
  - (k) The State Board of Education, in consultation with the Department of State Health Services and the Texas Diabetes Council, shall develop a diabetes education program that a school district may use in the health curriculum under Subsection (a)(2)(B).
  - (l) A school district shall require a student enrolled in full-day prekindergarten, in kindergarten, or in a grade level below grade six to participate in moderate or vigorous daily physical activity for at least 30 minutes throughout the school year as part of the district's physical education curriculum or through structured activity during a school campus's daily recess. To the extent practicable, a school district shall require a student enrolled in prekindergarten on less than a full-day basis to participate in the same type and amount of physical activity as a student enrolled in full-day prekindergarten. A school district shall require students enrolled in grade levels six, seven, and eight to participate in moderate or vigorous daily physical activity for at least 30 minutes for at least four semesters during those grade levels as part of the district's physical education curriculum. If a school district determines, for any particular grade level below grade six, that requiring moderate or vigorous daily physical activity is impractical due to scheduling concerns or other factors, the district may as an alternative require a student in that grade level to participate in moderate or vigorous physical activity for at least 135 minutes during each school week. Additionally, a school district may as an alternative require a student enrolled in a grade level for which the district uses block scheduling to participate in moderate or vigorous physical activity for at least 225 minutes during each period of two school weeks. A school district must provide for an exemption for:

- (1) any student who is unable to participate in the required physical activity because of illness or disability; and
  - (2) a middle school or junior high school student who participates in an extracurricular activity with a moderate or vigorous physical activity component that is considered a structured activity under rules adopted by the commissioner.
- (l-1) In adopting rules relating to an activity described by Subsection (l)(2), the commissioner may permit an exemption for a student who participates in a school-related activity or an activity sponsored by a private league or club only if the student provides proof of participation in the activity.
- (l-2) To encourage school districts to promote physical activity for children through classroom curricula for health and physical education, the agency, in consultation with the Department of State Health Services, shall designate nationally recognized health and physical education program guidelines that a school district may use in the health curriculum under Subsection (a)(2)(B) or the physical education curriculum under Subsection (a)(2)(C).
- (l-3) (1) This subsection may be cited as "Lauren's Law."  
 (2) The State Board of Education, the Department of State Health Services, or a school district may not adopt any rule, policy, or program under Subsections (a), (k), (l), (l-1), or (l-2) that would prohibit a parent or grandparent of a student from providing any food product of the parent's or grandparent's choice to:
- (A) children in the classroom of the child of the parent or grandparent on the occasion of the child's birthday; or
  - (B) children at a school-designated function.
- (m) Section [2001.039](#), Government Code, as added by Chapter 1499, Acts of the 76th Legislature, Regular Session, 1999, does not apply to a rule adopted by the State Board of Education under Subsection (c) or (d).
- (n) The State Board of Education may by rule develop and implement a plan designed to incorporate foundation curriculum requirements into the career and technology education curriculum under Subsection (a)(2)(E).
- (o) In approving career and technology courses, the State Board of Education must determine that at least 50 percent of the approved courses are cost-effective for a school district to implement.
- (p) The State Board of Education, in conjunction with the office of the attorney general, shall develop a parenting and paternity awareness program that a school district shall use in the district's high school health curriculum. A school district may use the program developed under this subsection in the district's middle or junior high school curriculum. At the discretion of the district, a teacher may modify the suggested sequence and pace of the program at any grade level. The program must:
- (1) address parenting skills and responsibilities, including child support and other legal rights and responsibilities that come with parenthood;

- (2) address relationship skills, including money management, communication skills, and marriage preparation; and
  - (3) in district middle, junior high, or high schools that do not have a family violence prevention program, address skills relating to the prevention of family violence.
- (p-2) A school district may develop or adopt research-based programs and curriculum materials for use in conjunction with the program developed under Subsection (p). The programs and curriculum materials may provide instruction in:
- (1) child development;
  - (2) parenting skills, including child abuse and neglect prevention; and
  - (3) assertiveness skills to prevent teenage pregnancy, abusive relationships, and family violence.
- (p-3) The agency shall evaluate programs and curriculum materials developed under Subsection (p-2) and distribute to other school districts information regarding those programs and materials.
- (p-4) A student under 14 years of age may not participate in a program developed under Subsection (p) without the permission of the student's parent or person standing in parental relation to the student.
- (q) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 211, Sec. 78(b)(1), eff. September 1, 2014.
- (r) In adopting the essential knowledge and skills for the health curriculum under Subsection (a)(2)(B), the State Board of Education shall adopt essential knowledge and skills that address the science, risk factors, causes, dangers, consequences, signs, symptoms, and treatment of substance abuse, including the use of illegal drugs, abuse of prescription drugs, abuse of alcohol such as by binge drinking or other excessive drinking resulting in alcohol poisoning, inhaling solvents, and other forms of substance abuse. The agency shall compile a list of evidence-based substance abuse awareness programs from which a school district shall choose a program to use in the district's middle school, junior high school, and high school health curriculum. In this subsection, "evidence-based substance abuse awareness program" means a program, practice, or strategy that has been proven to effectively prevent substance abuse among students, as determined by evaluations that are evidence-based.
- (s) In this subsection, "bullying" has the meaning assigned by Section [37.0832](#) and "harassment" has the meaning assigned by Section [37.001](#). In addition to any other essential knowledge and skills the State Board of Education adopts for the health curriculum under Subsection (a)(2)(B), the board shall adopt for the health curriculum, in consultation with the Texas School Safety Center, essential knowledge and skills that include evidence-based practices that will effectively address awareness, prevention, identification, self-defense in response to, and resolution of and intervention in bullying and harassment.
- (t) The State Board of Education, in consultation with the commissioner of higher education and business and industry leaders, shall develop an advanced language course that a school district may use in the curriculum under Subsection (a)(2)(A) to provide students with instruction in industry-related terminology that prepares students to communicate in a language other than English in a specific professional, business, or industry environment.

- (w) Repealed by Acts 2019, 86th Leg., R.S., Ch. 352 (H.B. [18](#)), Sec. 4.01(2), eff. December 1, 2019.
- (z) The State Board of Education by rule shall require each school district to incorporate instruction in digital citizenship into the district's curriculum, including information regarding the potential criminal consequences of cyberbullying. In this subsection:
  - (1) "Cyberbullying" has the meaning assigned by Section [37.0832](#).
  - (2) "Digital citizenship" means the standards of appropriate, responsible, and healthy online behavior, including the ability to access, analyze, evaluate, create, and act on all forms of digital communication.

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TEXAS EDUCATION CODE  
TITLE 2. PUBLIC EDUCATION  
SUBTITLE F. CURRICULUM, PROGRAMS, AND SERVICES  
CHAPTER 28. COURSES OF STUDY; ADVANCEMENT  
SUBCHAPTER A. ESSENTIAL KNOWLEDGE AND SKILLS; CURRICULUM

**TEC, §28.016. INSTRUCTION IN HIGH SCHOOL, COLLEGE, AND CAREER PREPARATION.**

- (a) Each school district shall provide instruction to students in grade seven or eight in preparing for high school, college, and a career.
- (b) The instruction must include information regarding:
  - (1) the creation of a high school personal graduation plan under Section [28.02121](#);
  - (2) the distinguished level of achievement described by Section [28.025](#)(b-15);
  - (3) each endorsement described by Section [28.025](#)(c-1);
  - (4) college readiness standards; and
  - (5) potential career choices and the education needed to enter those careers.
- (c) A school district may:
  - (1) provide the instruction as part of an existing course in the required curriculum;
  - (2) provide the instruction as part of an existing career and technology course designated by the State Board of Education as appropriate for that purpose; or
  - (3) establish a new elective course through which to provide the instruction.
- (d) Each school district shall ensure that at least once in grade seven or eight each student receives the instruction under this section.



TEXAS EDUCATION CODE  
CHAPTER 28. COURSES OF STUDY; ADVANCEMENT  
SUBCHAPTER B. ADVANCEMENT, PLACEMENT, CREDIT, AND  
ACADEMIC ACHIEVEMENT RECORD

**TEC, §28.025. HIGH SCHOOL DIPLOMA AND CERTIFICATE; ACADEMIC ACHIEVEMENT RECORD.**

- (a) The State Board of Education by rule shall determine curriculum requirements for the foundation high school program that are consistent with the required curriculum under Section [28.002](#). The State Board of Education shall designate the specific courses in the foundation curriculum under Section [28.002\(a\)\(1\)](#) required under the foundation high school program. Except as provided by this section, the State Board of Education may not designate a specific course or a specific number of credits in the enrichment curriculum as requirements for the program.
- (b) A school district shall ensure that each student, on entering ninth grade, indicates in writing an endorsement under Subsection (c-1) that the student intends to earn. A district shall permit a student to choose, at any time, to earn an endorsement other than the endorsement the student previously indicated. A student may graduate under the foundation high school program without earning an endorsement if, after the student's sophomore year:
  - (1) the student and the student's parent or person standing in parental relation to the student are advised by a school counselor of the specific benefits of graduating from high school with one or more endorsements; and
  - (2) the student's parent or person standing in parental relation to the student files with a school counselor written permission, on a form adopted by the agency, allowing the student to graduate under the foundation high school program without earning an endorsement.
- (b-1) The State Board of Education by rule shall require that the curriculum requirements for the foundation high school program under Subsection (a) include a requirement that students successfully complete:
  - (1) four credits in English language arts under Section [28.002\(a\)\(1\)\(A\)](#), including one credit in English I, one credit in English II, one credit in English III, and one credit in an advanced English course authorized under Subsection (b-2);
  - (2) three credits in mathematics under Section [28.002\(a\)\(1\)\(B\)](#), including one credit in Algebra I, one credit in geometry, and one credit in any advanced mathematics course authorized under Subsection (b-2);
  - (3) three credits in science under Section [28.002\(a\)\(1\)\(C\)](#), including one credit in biology, one credit in any advanced science course authorized under Subsection (b-2), and one credit in integrated physics and chemistry or in an additional advanced science course authorized under Subsection (b-2);
  - (4) three credits in social studies under Section [28.002\(a\)\(1\)\(D\)](#), including one credit in United States history, at least one-half credit in government and at least one-half credit in economics or personal financial literacy & economics, and one credit in world geography or world history;
  - (5) except as provided under Subsections (b-12), (b-13), and (b-14), two credits in the same language in a language other than English under Section [28.002\(a\)\(2\)\(A\)](#);
  - (6) five elective credits;
  - (7) one credit in fine arts under Section [28.002\(a\)\(2\)\(D\)](#); and

- (8) except as provided by Subsection (b-11), one credit in physical education under Section [28.002\(a\)\(2\)\(C\)](#).
- (b-2) In adopting rules under Subsection (b-1), the State Board of Education shall:
- (1) provide for a student to comply with the curriculum requirements for an advanced English course under Subsection (b-1)(1), for an advanced mathematics course under Subsection (b-1)(2), and for any advanced science course under Subsection (b-1)(3) by successfully completing a course in the appropriate content area that has been approved as an advanced course by board rule or that is offered as an advanced course for credit without board approval as provided by Section [28.002\(g-1\)](#); and
  - (2) allow a student to comply with the curriculum requirements for the third and fourth mathematics credits under Subsection (b-1)(2) or the third and fourth science credits under Subsection (b-1)(3) by successfully completing an advanced career and technical course designated by the State Board of Education as containing substantively similar and rigorous academic content.
- (b-3) In adopting rules for purposes of Subsection (b-2), the State Board of Education must approve a variety of advanced English, mathematics, and science courses that may be taken to comply with the foundation high school program requirements, provided that each approved course prepares students to enter the workforce successfully or postsecondary education without remediation.
- (b-4) A school district may offer the curriculum described in Subsections (b-1)(1) through (4) in an applied manner. Courses delivered in an applied manner must cover the essential knowledge and skills, and the student shall be administered the applicable end-of-course assessment instrument as provided by Sections [39.023\(c\)](#) and [39.025](#).
- (b-5) A school district may offer a mathematics or science course to be taken by a student after completion of Algebra II and physics. A course approved under this subsection must be endorsed by an institution of higher education as a course for which the institution would award course credit or as a prerequisite for a course for which the institution would award course credit.
- (b-6) A school district may allow a student to enroll concurrently in Algebra I and geometry.
- (b-7) The State Board of Education, in coordination with the Texas Higher Education Coordinating Board, shall adopt rules to ensure that a student may comply with the curriculum requirements under the foundation high school program or for an endorsement under Subsection (c-1) by successfully completing appropriate courses in the core curriculum of an institution of higher education under Section [61.822](#). Notwithstanding Subsection (b-15) or (c) of this section, Section [39.025](#), or any other provision of this code and notwithstanding any school district policy, a student who has completed the core curriculum of an institution of higher education under Section [61.822](#), as certified by the institution in accordance with commissioner rule, is considered to have earned a distinguished level of achievement under the foundation high school program and is entitled to receive a high school diploma from the appropriate high school as that high school is determined in accordance with commissioner rule. A student who is considered to have earned a distinguished level of achievement under the foundation high school program under this subsection may apply for admission to an institution of higher education for the first semester or other academic term after the semester or other academic term in which the student completes the core curriculum.
- (b-8) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 211, Sec. 78(b)(3), eff. September 1, 2014.
- (b-9) A school district, with the approval of the commissioner, may allow a student to satisfy the fine arts credit required under Subsection (b-1)(7) by participating in a community-based fine arts program not provided by the school district in which the student is enrolled. The fine arts program must provide instruction in the

essential knowledge and skills identified for fine arts by the State Board of Education under Section [28.002](#)(c). The fine arts program may be provided on or off a school campus and outside the regular school day.

- (b-10) A school district, with the approval of the commissioner, may allow a student to comply with the curriculum requirements for the physical education credit required under Subsection (b-1)(8) by participating in a private or commercially sponsored physical activity program provided on or off a school campus and outside the regular school day.
- (b-11) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student who is unable to participate in physical activity due to disability or illness to substitute one credit in English language arts, mathematics, science, or social studies, one credit in a course that is offered for credit as provided by Section [28.002](#)(g-1), or one academic elective credit for the physical education credit required under Subsection (b-1)(8). A credit allowed to be substituted under this subsection may not also be used by the student to satisfy a graduation requirement other than completion of the physical education credit. The rules must provide that the determination regarding a student's ability to participate in physical activity will be made by:
  - (1) if the student receives special education services under Subchapter [A](#), Chapter [29](#), the student's admission, review, and dismissal committee;
  - (2) if the student does not receive special education services under Subchapter [A](#), Chapter [29](#), but is covered by Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), the committee established for the student under that Act; or
  - (3) if each of the committees described by Subdivisions (1) and (2) is inapplicable, a committee established by the school district of persons with appropriate knowledge regarding the student.
- (b-12) In adopting rules under Subsection (b-1), the State Board of Education shall adopt criteria to allow a student to comply with the curriculum requirements for the two credits in a language other than English required under Subsection (b-1)(5) by substituting two credits in computer programming languages, including computer coding.
- (b-13) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student to substitute credit in another appropriate course for the second credit in the same language in a language other than English otherwise required by Subsection (b-1)(5) if the student, in completing the first credit required under Subsection (b-1)(5), demonstrates that the student is unlikely to be able to complete the second credit. The board rules must establish:
  - (1) the standards and, as applicable, the appropriate school personnel for making a determination under this subsection; and
  - (2) appropriate substitute courses for purposes of this subsection.
- (b-14) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student who, due to disability, is unable to complete two courses in the same language in a language other than English, as provided under Subsection (b-1)(5), to substitute for those credits two credits in English language arts, mathematics, science, or social studies or two credits in career and technology education, technology applications, or other academic electives. A credit allowed to be substituted under this subsection may not also be used by the student to satisfy a graduation credit requirement other than credit for completion of a language other than English. The rules must provide that the determination regarding a student's ability to participate in language-other-than-English courses will be made by:
  - (1) if the student receives special education services under Subchapter [A](#), Chapter [29](#), the student's admission, review, and dismissal committee; or

- (2) if the student does not receive special education services under Subchapter [A](#), Chapter [29](#), but is covered by Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), the committee established for the student under that Act.
- (b-15) A student may earn a distinguished level of achievement under the foundation high school program by successfully completing:
  - (1) four credits in mathematics, which must include Algebra II and the courses described by Subsection (b-1)(2);
  - (2) four credits in science, which must include the courses described by Subsection (b-1)(3);
  - (3) the remaining curriculum requirements under Subsection (b-1); and
  - (4) the curriculum requirements for at least one endorsement under Subsection (c-1).
- (b-16) A student may satisfy an elective credit required under Subsection (b-1)(6) with a credit earned to satisfy the additional curriculum requirements for the distinguished level of achievement under the foundation high school program or an endorsement under Subsection (c-1). This subsection may apply to more than one elective credit.
- (b-17) The State Board of Education shall adopt rules to ensure that a student may comply with the curriculum requirements under Subsection (b-1)(6) by successfully completing an advanced career and technical course, including a course that may lead to an industry-recognized credential or certificate or an associate degree.
- (b-18) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student to comply with the curriculum requirements under Subsection (b-1) by successfully completing a dual credit course.
- (b-19) In adopting rules under Subsection (b-1), the State Board of Education shall adopt criteria to allow a student to comply with curriculum requirements for the world geography or world history credit under Subsection (b-1)(4) by successfully completing a combined world history and world geography course developed by the State Board of Education.
- (b-20) The State Board of Education shall adopt rules to include the instruction developed under Section [28.012](#) in one or more courses in the required curriculum for students in grade levels 9 through 12.
- (b-21) In adopting rules under Subsection (b-1), the State Board of Education shall adopt criteria to allow a student to comply with the curriculum requirement for one credit under Subsection (b-1)(5) by successfully completing at an elementary school either a dual language immersion program under Section [28.0051](#) or a course in American Sign Language.
- (b-22) In adopting rules under Subsection (b-1), the State Board of Education shall ensure that a personal financial literacy & economics course taken to comply with the curriculum requirement under Subsection (b-1)(4) allocates:
  - (1) two-thirds of instruction time to instruction in personal financial literacy; and
  - (2) one-third of instruction time to instruction in economics.
- (b-23) The agency shall:
  - (1) develop a list of free, open-source, and publicly available curricula that may be used by a school district to provide a personal financial literacy & economics course that satisfies the curriculum requirement under Subsection (b-1)(4); and

- (2) seek, accept, and spend any federal or private grant funds and gifts that are available for the purpose of providing a personal financial literacy & economics course as part of the foundation high school program.
- (c) A person may receive a diploma if the person is eligible for a diploma under Section [28.0251](#). In other cases, a student may graduate and receive a diploma only if:
  - (1) the student successfully completes the curriculum requirements identified by the State Board of Education under Subsection (a) and complies with Sections [28.0256](#) and [39.025](#); or
  - (2) the student successfully completes an individualized education program developed under Section [29.005](#).
- (c-1) A student may earn an endorsement on the student's transcript by successfully completing curriculum requirements for that endorsement adopted by the State Board of Education by rule. The State Board of Education by rule shall provide students with multiple options for earning each endorsement, including, to the greatest extent possible, coherent sequences of courses. The State Board of Education by rule must permit a student to enroll in courses under more than one endorsement curriculum before the student's junior year. An endorsement under this subsection may be earned in any of the following categories:
  - (1) science, technology, engineering, and mathematics (STEM), which includes courses directly related to science, including environmental science, technology, including computer science, cybersecurity, and computer coding, engineering, and advanced mathematics;
  - (2) business and industry, which includes courses directly related to database management, information technology, communications, accounting, finance, marketing, graphic design, architecture, construction, welding, logistics, automotive technology, agricultural science, and heating, ventilation, and air conditioning;
  - (3) public services, which includes courses directly related to health sciences and occupations, mental health, education and training, law enforcement, and culinary arts and hospitality;
  - (4) arts and humanities, which includes courses directly related to political science, world languages, cultural studies, English literature, history, and fine arts; and
  - (5) multidisciplinary studies, which allows a student to:
    - (A) select courses from the curriculum of each endorsement area described by Subdivisions (1) through (4); and
    - (B) earn credits in a variety of advanced courses from multiple content areas sufficient to complete the distinguished level of achievement under the foundation high school program.
- (c-2) In adopting rules under Subsection (c-1), the State Board of Education shall:
  - (1) require a student in order to earn any endorsement to successfully complete:
    - (A) four credits in mathematics, which must include:
      - (i) the courses described by Subsection (b-1)(2); and
      - (ii) an additional advanced mathematics course authorized under Subsection (b-2) or an advanced career and technology course designated by the State Board of Education;
    - (B) four credits in science, which must include:

- (i) the courses described by Subsection (b-1)(3); and
  - (ii) an additional advanced science course authorized under Subsection (b-2) or an advanced career and technology course designated by the State Board of Education; and
- (C) two elective credits in addition to the elective credits required under Subsection (b-1)(6); and
- (2) develop additional curriculum requirements for each endorsement with the direct participation of educators and business, labor, and industry representatives, and shall require each school district to report to the agency the categories of endorsements under Subsection (c-1) for which the district offers all courses for curriculum requirements, as determined by board rule.
- (c-3) In adopting rules under Subsection (c-1), the State Board of Education shall adopt criteria to allow a student participating in the arts and humanities endorsement under Subsection (c-1)(4), with the written permission of the student's parent or a person standing in parental relation to the student, to comply with the curriculum requirements for science required under Subsection (c-2)(1)(B)(ii) by substituting for an advanced course requirement a course related to that endorsement.
- (c-4) Each school district must make available to high school students courses that allow a student to complete the curriculum requirements for at least one endorsement under Subsection (c-1). A school district that offers only one endorsement curriculum must offer the multidisciplinary studies endorsement curriculum.
- (c-5) A student may earn a performance acknowledgment on the student's transcript by satisfying the requirements for that acknowledgment adopted by the State Board of Education by rule. An acknowledgment under this subsection may be earned:
  - (1) for outstanding performance:
    - (A) in a dual credit course;
    - (B) in bilingualism and biliteracy;
    - (C) on a college advanced placement test or international baccalaureate examination;
    - (D) on an established, valid, reliable, and nationally norm-referenced preliminary college preparation assessment instrument used to measure a student's progress toward readiness for college and the workplace; or
    - (E) on an established, valid, reliable, and nationally norm-referenced assessment instrument used by colleges and universities as part of their undergraduate admissions process; or
  - (2) for earning a state recognized or nationally or internationally recognized business or industry certification or license.
- (c-6) Notwithstanding Subsection (c), a person may receive a diploma if the person is eligible for a diploma under Section [28.0258](#).
- (c-7) Subject to Subsection (c-8), a student who is enrolled in a special education program under Subchapter [A](#), Chapter [29](#), may earn an endorsement on the student's transcript by:
  - (1) successfully completing, with or without modification of the curriculum:
    - (A) the curriculum requirements identified by the State Board of Education under Subsection (a); and

- (B) the additional endorsement curriculum requirements prescribed by the State Board of Education under Subsection (c-2); and
- (2) successfully completing all curriculum requirements for that endorsement adopted by the State Board of Education:
  - (A) without modification of the curriculum; or
  - (B) with modification of the curriculum, provided that the curriculum, as modified, is sufficiently rigorous as determined by the student's admission, review, and dismissal committee.
- (c-8) For purposes of Subsection (c-7), the admission, review, and dismissal committee of a student in a special education program under Subchapter [A](#), Chapter [29](#), shall determine whether the student is required to achieve satisfactory performance on an end-of-course assessment instrument to earn an endorsement on the student's transcript.
- (c-10) In adopting rules under Subsection (c-1), the State Board of Education shall adopt or select five technology applications courses on cybersecurity to be included in a cybersecurity pathway for the science, technology, engineering, and mathematics endorsement.
- (d) A school district may issue a certificate of coursework completion to a student who successfully completes the curriculum requirements identified by the State Board of Education under Subsection (a) but who fails to comply with Section [39.025](#). A school district may allow a student who receives a certificate to participate in a graduation ceremony with students receiving high school diplomas.
- (e) Each school district shall report the academic achievement record of students who have completed the foundation high school program on transcript forms adopted by the State Board of Education. The transcript forms adopted by the board must be designed to clearly identify whether a student received a diploma or a certificate of coursework completion.
- (e-1) A school district shall clearly indicate a distinguished level of achievement under the foundation high school program as described by Subsection (b-15), an endorsement described by Subsection (c-1), and a performance acknowledgment described by Subsection (c-5) on the transcript of a student who satisfies the applicable requirements. The State Board of Education shall adopt rules as necessary to administer this subsection.
- (e-2) At the end of each school year, each school district shall report through the Public Education Information Management System (PEIMS) the number of district students who, during that school year, were:
  - (1) enrolled in the foundation high school program;
  - (2) pursuing the distinguished level of achievement under the foundation high school program as provided by Subsection (b-15); and
  - (3) enrolled in a program to earn an endorsement described by Subsection (c-1).
- (e-3) Information reported under Subsection (e-2) must be disaggregated by all student groups served by the district, including categories of race, ethnicity, socioeconomic status, sex, and populations served by special programs, including students in special education programs under Subchapter [A](#), Chapter [29](#).
- (f) A school district shall issue a certificate of attendance to a student who receives special education services under Subchapter [A](#), Chapter [29](#), and who has completed four years of high school but has not completed the student's individualized education program. A school district shall allow a student who receives a certificate to participate in a graduation ceremony with students receiving high school diplomas. A student

may participate in only one graduation ceremony under this subsection. This subsection does not preclude a student from receiving a diploma under Subsection (c)(2).

- (g) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 211, Sec. 78(b)(3), eff. September 1, 2014.
- (h) Expired.
- (i) If an 11th or 12th grade student who is homeless or in the conservatorship of the Department of Family and Protective Services transfers to a different school district and the student is ineligible to graduate from the district to which the student transfers, the district from which the student transferred shall award a diploma at the student's request, if the student meets the graduation requirements of the district from which the student transferred.



TEXAS EDUCATION CODE  
TITLE 2. PUBLIC EDUCATION  
SUBTITLE F. CURRICULUM, PROGRAMS, AND SERVICES  
CHAPTER 31. INSTRUCTIONAL MATERIALS  
SUBCHAPTER A. GENERAL PROVISIONS

**TEC, §31.003. RULES.**

The State Board of Education may adopt rules, consistent with this chapter, for the adoption, requisition, distribution, care, use, and disposal of instructional materials.

TEXAS EDUCATION CODE  
CHAPTER 31. INSTRUCTIONAL MATERIALS  
SUBCHAPTER A. GENERAL PROVISIONS

**TEC, §31.022. INSTRUCTIONAL MATERIALS REVIEW AND ADOPTION.**

- (a) The State Board of Education shall adopt a review and adoption cycle for instructional materials for elementary grade levels, including prekindergarten, and secondary grade levels, for each subject in the required curriculum under Section 28.002. In adopting the cycle, the board:
  - (1) is not required to review and adopt instructional materials for all grade levels in a single year; and
  - (2) shall give priority to instructional materials in the following subjects:
    - (A) foundation curriculum subjects for which the essential knowledge and skills have been substantially revised and for which assessment instruments are required under Subchapter B, Chapter 39, including career and technology courses that satisfy foundation curriculum requirements as provided by Section 28.002(n);
    - (B) foundation curriculum subjects for which the essential knowledge and skills have been substantially revised, including career and technology courses that satisfy foundation curriculum requirements as provided by Section 28.002(n);
    - (C) foundation curriculum subjects not described by Paragraph (A) or (B), including career and technology courses that satisfy foundation curriculum requirements as provided by Section 28.002(n); and
    - (D) enrichment curriculum subjects.
- (b) The board shall organize the cycle for subjects in the foundation curriculum so that not more than one-fourth of the instructional materials for subjects in the foundation curriculum are reviewed each biennium. The board shall adopt rules to provide for a full and complete investigation of instructional materials for each subject in the foundation curriculum every eight years. The adoption of instructional materials for a subject in the foundation curriculum may be extended beyond the eight-year period only if the content of instructional materials for a subject is sufficiently current.
- (c) The board shall adopt rules to provide for a full and complete investigation of instructional materials for each subject in the enrichment curriculum on a cycle the board considers appropriate.
- (d) At least 12 months before the beginning of the school year for which instructional materials for a particular subject and grade level will be adopted under the review and adoption cycle, the board shall publish notice of the review and adoption cycle for those instructional materials. A request for production must allow submission of open education resource instructional materials that are available for use by the state without charge on the same basis as instructional materials offered for sale.
- (d-1) A notice published under Subsection (d) must state that a publisher of adopted instructional materials for a grade level other than prekindergarten must submit an electronic sample of the instructional materials as required by Sections 31.027(a) and (b) and may not submit a print sample copy.
- (e) The board shall designate a request for production of instructional materials in a subject area and grade level by the school year in which the instructional materials are intended to be made available in classrooms and not by the school year in which the board makes the request for production.
- (f) The board shall amend any request for production issued for the purchase of instructional materials to conform to the instructional materials funding levels provided by the General Appropriations Act for the year of implementation.
- (g) In determining the disbursement of money to the available school fund and the amount of that disbursement that will be used, in accordance with Section 43.001(d), to fund the instructional materials and technology

TEXAS EDUCATION CODE  
CHAPTER 31. INSTRUCTIONAL MATERIALS  
SUBCHAPTER A. GENERAL PROVISIONS

allotment under Section [31.0211](#), the board must consider the cost of all district technology requirements, as estimated by the commissioner under Section [31.0211\(d\)](#), and instructional materials for that state fiscal biennium.

- (h) The board shall include information regarding open education resource instructional materials during the adoption cycle, including any cost savings associated with the adoption of open education resource instructional materials.
- (i) During any state fiscal biennium beginning on or after September 1, 2023, the total projected cost of instructional materials under requests for production issued by the board may not exceed 75 percent of the total amount used to fund the instructional materials and technology allotment under Section [31.0211](#) for that biennium.

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TITLE 2. PUBLIC EDUCATION  
SUBTITLE F. CURRICULUM, PROGRAMS, AND SERVICES  
CHAPTER 31. INSTRUCTIONAL MATERIALS  
SUBCHAPTER B. STATE FUNDING, ADOPTION, AND PURCHASE

**TEC, §31.026. CONTRACT; PRICE.**

- (a) The State Board of Education shall execute a contract for the purchase or licensing of each adopted instructional material.
- (b) A contract must require the publisher to provide the number of instructional materials required by school districts in this state for the term of the contract, which must coincide with the board's adoption cycle.
- (c) As applicable, a contract must provide for the purchase or licensing of instructional material at a specific price, which may not exceed the lowest price paid by any other state or any school or school district. The price must be fixed for the term of the contract.
- (d) This section does not apply to open education resource instructional material.

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TITLE 2. PUBLIC EDUCATION  
SUBTITLE F. CURRICULUM, PROGRAMS, AND SERVICES  
CHAPTER 31. INSTRUCTIONAL MATERIALS  
SUBCHAPTER D. ADMINISTRATIVE PENALTIES AND PENAL PROVISIONS

**TEC, §31.151. DUTIES OF PUBLISHERS AND MANUFACTURERS**

- (a) A publisher or manufacturer of instructional materials:
- (1) shall furnish any instructional material the publisher or manufacturer offers in this state at a price that does not exceed the lowest price at which the publisher offers that instructional material for adoption or sale to any state, public school, or school district in the United States;
  - (2) shall automatically reduce the price of instructional material sold for use in a school district or open-enrollment charter school to the extent that the price is reduced elsewhere in the United States;
  - (3) shall provide any instructional material or ancillary item free of charge in this state to the same extent that the publisher or manufacturer provides the instructional material or ancillary item free of charge to any state, public school, or school district in the United States;
  - (4) shall guarantee that each copy of instructional material sold in this state is at least equal in quality to copies of that instructional material sold elsewhere in the United States and is free from factual error;
  - (5) may not become associated or connected with, directly or indirectly, any combination in restraint of trade in instructional materials or enter into any understanding or combination to control prices or restrict competition in the sale of instructional materials for use in this state;
  - (6) shall deliver instructional materials to a school district or open-enrollment charter school;
  - (7) shall, at the time an order for instructional materials is acknowledged, provide to school districts or open-enrollment charter schools an accurate shipping date for instructional materials that are back-ordered;
  - (8) shall guarantee delivery of instructional materials at least 10 business days before the opening day of school of the year for which the instructional materials are ordered if the instructional materials are ordered by a date specified in the sales contract; and
  - (9) shall submit to the State Board of Education an affidavit certifying any instructional material the publisher or manufacturer offers in this state to be free of factual errors at the time the publisher executes the contract required by Section [31.026](#).
- (b) The State Board of Education may impose a reasonable administrative penalty against a publisher or manufacturer who knowingly violates Subsection (a). The board shall provide for

a hearing to be held to determine whether a penalty is to be imposed and, if so, the amount of the penalty. The board shall base the amount of the penalty on:

- (1) the seriousness of the violation;
  - (2) any history of a previous violation;
  - (3) the amount necessary to deter a future violation;
  - (4) any effort to correct the violation; and
  - (5) any other matter justice requires.
- (c) A hearing under Subsection (b) shall be held according to rules adopted by the State Board of Education.
- (d) A penalty collected under this section shall be deposited to the credit of the state instructional materials and technology fund.
- (e) An eligible institution, as defined by Section [31.0241](#)(a), that offers open education resource instructional materials under Section [31.0241](#) is not a publisher or manufacturer for purposes of this section.

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TITLE 2. PUBLIC EDUCATION  
SUBTITLE I. SCHOOL FINANCE AND FISCAL MANAGEMENT  
CHAPTER 43. PERMANENT SCHOOL FUND AND AVAILABLE SCHOOL FUND  
SUBCHAPTER A. GENERAL PROVISIONS

**TEC, §43.001. COMPOSITION OF PERMANENT SCHOOL FUND AND AVAILABLE SCHOOL FUND.**

- (a) Except as provided by Subsection (b), the permanent school fund, which is a perpetual endowment for the public schools of this state, consists of:
- (1) all land appropriated for the public schools by the constitution and laws of this state;
  - (2) all of the unappropriated public domain remaining in this state, including all land recovered by the state by suit or otherwise except pine forest land as described by Section [88.111](#) and property described by Section [12.128](#);
  - (3) all proceeds from the authorized sale of permanent school fund land;
  - (4) all proceeds from the lawful sale of any other properties belonging to the permanent school fund;
  - (5) all investments authorized by Section [43.003](#) of assets belonging to the permanent school fund; and
  - (6) all income from the mineral development of permanent school fund land, including income from mineral development of riverbeds and other submerged land.
- (b) The available school fund, which shall be apportioned annually to each county according to its scholastic population, consists of:
- (1) the distributions to the fund from the permanent school fund as provided by Sections [5\(a\)](#) and (g), Article VII, Texas Constitution;
  - (2) one-fourth of all revenue derived from all state occupation taxes, exclusive of delinquencies and cost of collection;
  - (3) one-fourth of revenue derived from state gasoline and special fuels excise taxes as provided by law; and
  - (4) all other appropriations to the available school fund made by the legislature for public school purposes.
- (c) The term "scholastic population" in Subsection (b) or any other law governing the apportionment, distribution, and transfer of the available school fund means all students of school age enrolled in average daily attendance the preceding school year in the public elementary and high school grades of school districts within or under the jurisdiction of a county of this state.
- (d) Each biennium the State Board of Education shall set aside an amount equal to 50 percent of the distribution for that biennium from the permanent school fund to the available school fund as provided by Sections [5\(a\)](#) and (g), Article VII, Texas Constitution, to be placed, subject to the

General Appropriations Act, in the state instructional materials and technology fund established under Section [31.021](#).

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995. Amended by Acts 2003, 78th Leg., ch. 201, Sec. 36, eff. June 10, 2003; Acts 2003, 78th Leg., ch. 328, Sec. 2.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 6 (S.B. [6](#)), Sec. 65, eff. July 19, 2011.

Acts 2011, 82nd Leg., 1st C.S., Ch. 6 (S.B. [6](#)), Sec. 66, eff. July 19, 2011.

Acts 2015, 84th Leg., R.S., Ch. 731 (H.B. [1474](#)), Sec. 4, eff. September 1, 2015.

Acts 2017, 85th Leg., R.S., Ch. 581 (S.B. [810](#)), Sec. 34, eff. June 9, 2017.

Acts 2017, 85th Leg., R.S., Ch. 705 (H.B. [3526](#)), Sec. 22, eff. June 12, 2017.

Acts 2019, 86th Leg., R.S., Ch. 461 (H.B. [4611](#)), Sec. 1, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 461 (H.B. [4611](#)), Sec. 2, eff. January 1, 2020.

Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. [4170](#)), Sec. 5.028, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 631 (S.B. [1454](#)), Sec. 12, eff. June 10, 2019.

Acts 2021, 87th Leg., R.S., Ch. 875 (S.B. [1232](#)), Sec. 1.02, eff. September 1, 2021.



TEXAS EDUCATION CODE  
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SUBTITLE I. SCHOOL FINANCE AND FISCAL MANAGEMENT  
CHAPTER 43. PERMANENT SCHOOL FUND AND AVAILABLE SCHOOL FUND

**TEC, §43.003. INVESTMENT OF PERMANENT SCHOOL FUND.**

In compliance with this section, the State Board of Education may invest the permanent school fund in the types of securities, which must be carefully examined by the State Board of Education and be found to be safe and proper investments for the fund as specified 3 below:

- (1) securities, bonds, or other obligations issued, insured, or guaranteed in any manner by the United States Government or any of its agencies and in bonds issued by this state;
- (2) obligations and pledges of The University of Texas;
- (3) corporate bonds, debentures, or obligations of United States corporations of at least "A" rating;
- (4) obligations of United States corporations that mature in less than one year and are of the highest rating available at the time of investment;
- (5) bonds issued, assumed, or guaranteed by the Inter-American Development Bank, the International Bank of Reconstruction and Development (the World Bank), the African Development Bank, the Asian Development Bank, and the International Finance Corporation;
- (6) bonds of counties, school districts, municipalities, road precincts, drainage, irrigation, navigation, and levee districts in this state, subject to the following requirements:
  - (A) the securities, before purchase, must have been diligently investigated by the attorney general both as to form and as to legal compliance with applicable laws;
  - (B) the attorney general's certificate of validity procured by the party offering the bonds, obligations, or pledges must accompany the securities when they are submitted for registration to the comptroller, who must preserve the certificates;
  - (C) the public securities, if purchased, and when certified and registered as specified under Paragraph (B), are incontestable unless issued fraudulently or in violation of a constitutional limitation, and the certificates of the attorney general are prima facie evidence of the validity of the bonds and bond coupons; and

- (D) after the issuing political subdivision has received the proceeds from the sales of the securities, the issuing agency is estopped to deny their validity, and the securities are 4 valid and binding obligations;
- (7) preferred stocks and common stocks that the State Board of Education considers proper investments for the permanent school fund, subject to the following requirements:
  - (A) in making all of those investments, the State Board of Education shall exercise the judgment and care under the circumstances then prevailing that persons of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital;
  - (B) the company issuing the stock must be incorporated in the United States, and the stocks must have paid dividends for five consecutive years or longer immediately before the date of purchase and the stocks, except for bank stocks and insurance stocks, must be listed on an exchange registered with the Securities and Exchange Commission or its successors; and
  - (C) not more than one percent of the permanent school fund may be invested in stock issued by one corporation and not more than five percent of the voting stock of any one corporation will be owned; and
- (8) notwithstanding any other law or provision of this code, first lien real estate mortgage securities insured by the Federal Housing Administration under the National Housing Act of the United States, or in any other first lien real estate mortgage securities guaranteed in whole or in part by the United States.

TEXAS EDUCATION CODE  
TITLE 2. PUBLIC EDUCATION  
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CHAPTER 43. PERMANENT SCHOOL FUND AND AVAILABLE SCHOOL FUND

**TEC, §43.007. PURCHASE AND SALE OR EXCHANGE OF SECURITIES.**

- (a) The State Board of Education may authorize the purchase of all of the types of securities in which it is authorized by law to invest the permanent school fund in either registered or negotiable form. The board may authorize the reissue of those securities held at any time for the account of the permanent school fund in either registered or negotiable form. The State Board of Education may authorize the sale of any of the securities held for the account of the permanent school fund and reinvest the proceeds of sale for the fund and may authorize the exchange of any of the securities held for the account of the permanent school fund.
- (b) In making purchases, sales, exchanges, and reissues, the State Board of Education shall exercise the judgment and care under the circumstances then prevailing that persons of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.
- (c) When any securities are sold, reissued, or exchanged as provided by Subsection (a), the custodian of the securities shall deliver the securities sold, reissued, or exchanged in accordance with the directions of the State Board of Education.

TEXAS EDUCATION CODE  
TITLE 2. PUBLIC EDUCATION  
SUBTITLE I. SCHOOL FINANCE AND FISCAL MANAGEMENT  
CHAPTER 43. PERMANENT SCHOOL FUND AND AVAILABLE SCHOOL FUND  
SUBCHAPTER A. GENERAL PROVISIONS

**TEC, §43.0031. PERMANENT SCHOOL FUND ETHICS POLICY.**

- (a) In addition to any other requirements provided by law, the State Board of Education shall adopt and enforce an ethics policy that provides standards of conduct relating to the management and investment of the permanent school fund. The ethics policy must include provisions that address the following issues as they apply to the management and investment of the permanent school fund and to persons responsible for managing and investing the fund:
  - (1) general ethical standards;
  - (2) conflicts of interest;
  - (3) prohibited transactions and interests;
  - (4) the acceptance of gifts and entertainment;
  - (5) compliance with applicable professional standards;
  - (6) ethics training; and
  - (7) compliance with and enforcement of the ethics policy.
- (b) The ethics policy must include provisions applicable to:
  - (1) members of the State Board of Education;
  - (2) the commissioner;
  - (3) employees of the agency; and
  - (4) any person who provides services to the board relating to the management or investment of the permanent school fund.
- (c) Not later than the 45th day before the date on which the board intends to adopt a proposed ethics policy or an amendment to or revision of an adopted ethics policy, the board shall submit a copy of the proposed policy, amendment, or revision to the Texas Ethics Commission and the state auditor for review and comments. The board shall consider any comments from the commission or state auditor before adopting the proposed policy.
- (d) The provisions of the ethics policy that apply to a person who provides services to the board relating to the management or investment of the permanent school fund must be based on the Code of Ethics and the Standards of Professional Conduct prescribed by the Association for Investment Management and Research or other ethics standards adopted by another appropriate professionally recognized entity.
- (e) The board shall ensure that applicable provisions of the ethics policy are included in any contract under which a person provides services to the board relating to the management and investment of the permanent school fund.

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TITLE 2. PUBLIC EDUCATION  
SUBTITLE I. SCHOOL FINANCE AND FISCAL MANAGEMENT  
CHAPTER 45. SCHOOL DISTRICT FUNDS  
SUBCHAPTER C. GUARANTEED BONDS

**TEC, §45.053. LIMITATION; VALUE ESTIMATES.**

- (a) Except as provided by Subsection (d), the commissioner may not approve bonds for guarantee under this subchapter if the approval would result in the total amount of outstanding guaranteed bonds under this subchapter exceeding an amount equal to 2-1/2 times the cost value of the permanent school fund, as estimated by the board and certified by the state auditor.
- (b) Each year, the state auditor shall analyze the status of guaranteed bonds under this subchapter as compared to the cost value of the permanent school fund. Based on that analysis, the state auditor shall certify whether the amount of bonds guaranteed under this subchapter is within the limit prescribed by this section.
- (c) The commissioner shall prepare and the board shall adopt an annual report on the status of the guaranteed bond program under this subchapter.
- (d) The board by rule may increase the limit prescribed by Subsection (a) to an amount not to exceed five times the cost value of the permanent school fund, provided that the increased limit is consistent with federal law and regulations and does not prevent the bonds to be guaranteed from receiving the highest available credit rating, as determined by the board. The board shall at least annually consider whether to change any limit in accordance with this subsection. This subsection may not be construed in a manner that impairs, limits, or removes the guarantee of bonds that have been approved by the commissioner.

TEXAS EDUCATION CODE  
TITLE 2: PUBLIC EDUCATION  
SUBTITLE I. SCHOOL FINANCE AND FISCAL MANAGEMENT  
CHAPTER ~~48~~ [42]. FOUNDATION SCHOOL PROGRAM  
SUBCHAPTER A. GENERAL PROVISIONS

**TEC, §48.004 [~~42.004~~]. ADMINISTRATION OF THE PROGRAM.**

The commissioner, [~~in accordance with the rules of the State Board of Education,~~] shall adopt rules and take [~~such~~] action and require [~~such~~] reports consistent with this chapter as [~~may be~~] necessary to implement and administer the Foundation School Program.

TEXAS GOVERNMENT CODE  
TITLE 10. GENERAL GOVERNMENT  
SUBTITLE A. ADMINISTRATIVE PROCEDURE AND PRACTICE  
CHAPTER 2001. ADMINISTRATIVE PROCEDURE  
SUBCHAPTER A. GENERAL PROVISIONS

**TGC, §2001.004. REQUIREMENT TO ADOPT RULES OF PRACTICE AND INDEX RULES, ORDERS, AND DECISIONS.**

In addition to other requirements under law, a state agency shall:

- (1) adopt rules of practice stating the nature and requirements of all available formal and informal procedures;
- (2) index, cross-index to statute, and make available for public inspection all rules and other written statements of policy or interpretations that are prepared, adopted, or used by the agency in discharging its functions; and
- (3) index, cross-index to statute, and make available for public inspection all final orders, decisions, and opinions.

TEXAS GOVERNMENT CODE  
TITLE 10. GENERAL GOVERNMENT  
SUBTITLE A. ADMINISTRATIVE PROCEDURE AND PRACTICE  
CHAPTER 2001. ADMINISTRATIVE PROCEDURE  
SUBCHAPTER B. RULEMAKING

**TGC, §2001.021. PETITION FOR ADOPTION OF RULES.**

- (a) An interested person by petition to a state agency may request the adoption of a rule.
- (b) A state agency by rule shall prescribe the form for a petition under this section and the procedure for its submission, consideration, and disposition. If a state agency requires signatures for a petition under this section, at least 51 percent of the total number of signatures required must be of residents of this state.
- (c) Not later than the 60th day after the date of submission of a petition under this section, a state agency shall:
  - (1) deny the petition in writing, stating its reasons for the denial; or
  - (2) initiate a rulemaking proceeding under this subchapter.
- (d) For the purposes of this section, an interested person must be:
  - (1) a resident of this state;
  - (2) a business entity located in this state;
  - (3) a governmental subdivision located in this state; or
  - (4) a public or private organization located in this state that is not a state agency.



TEXAS GOVERNMENT CODE  
TITLE 10. GENERAL GOVERNMENT  
SUBTITLE A. ADMINISTRATIVE PROCEDURE AND PRACTICE  
CHAPTER 2001. ADMINISTRATIVE PROCEDURE  
SUBCHAPTER B. RULEMAKING

**TGC, §2001.039. AGENCY REVIEW OF EXISTING RULES.**

- (a) A state agency shall review and consider for readoption each of its rules in accordance with this section.
- (b) A state agency shall review a rule not later than the fourth anniversary of the date on which the rule takes effect and every four years after that date. The adoption of an amendment to an existing rule does not affect the dates on which the rule must be reviewed except that the effective date of an amendment is considered to be the effective date of the rule if the agency formally conducts a review of the rule in accordance with this section as part of the process of adopting the amendment.
- (c) The state agency shall readopt, readopt with amendments, or repeal a rule as the result of reviewing the rule under this section.
- (d) The procedures of this subchapter relating to the original adoption of a rule apply to the review of a rule and to the resulting repeal, readoption, or readoption with amendments of the rule, except as provided by this subsection. Publishing the Texas Administrative Code citation to a rule under review satisfies the requirements of this subchapter relating to publishing the text of the rule unless the agency readopts the rule with amendments as a result of the review.
- (e) A state agency's review of a rule must include an assessment of whether the reasons for initially adopting the rule continue to exist.

MINUTES

STATE BOARD OF EDUCATION

NOVEMBER 2022

Minutes

State Board of Education

November 18, 2022

**STATE BOARD OF EDUCATION**  
*(State Board for Career and Technology Education)*

**KEVEN ELLIS, Lufkin**  
**Chair of the State Board of Education**  
**District 9**

**PAM LITTLE, Fairview**  
**Vice Chair of the State Board of**  
**Education**  
**District 12**

**GEORGINA PÉREZ, El Paso**  
**Secretary of the State Board of**  
**Education**  
**District 1**

**Board Members**

**LAWRENCE ALLEN, JR., Houston**  
**District 4**

**WILL HICKMAN, Houston**  
**District 6**

**REBECCA BELL-METEREAU, San Marcos**  
**District 5**

**TOM MAYNARD, Florence**  
**District 10**

**RUBEN CORTEZ, JR., Brownsville**  
**District 2**

**SUE MELTON-MALONE, Robinson**  
**District 14**

**AICHA DAVIS, Dallas**  
**District 13**

**MARISA PEREZ-DIAZ, Converse**  
**District 3**

**JAY JOHNSON, Pampa**  
**District 15**

**MATT ROBINSON, Friendswood**  
**District 7**

**PATRICIA HARDY, Fort Worth**  
**District 11**

**AUDREY YOUNG, Apple Springs**  
**District 8**

## **Committees of the State Board of Education**

### **INSTRUCTION**

Sue Melton-Malone  
Rebecca Bell-Metereau  
Pam Little  
Georgina Pérez  
Audrey Young

### **SCHOOL FINANCE/PERMANENT SCHOOL FUND**

Tom Maynard  
Lawrence Allen, Jr.  
Keven Ellis  
Pat Hardy  
Marisa Perez-Diaz

### **SCHOOL INITIATIVES**

Matt Robinson  
Ruben Cortez, Jr.  
Aicha Davis  
Will Hickman  
Jay Johnson

Minutes  
State Board of Education  
Friday, November 18, 2022

The State Board of Education met at 9:03 a.m. on Friday, November 18, 2022, in the State Board of Education Room, #1-104, of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. Attendance was noted as follows:

**Present:** Keven Ellis, chair; Lawrence A. Allen, Jr.; Rebecca Bell-Metereau; Ruben Cortez, Jr.; Aicha Davis; Pat Hardy; Will Hickman (virtual); Jay Johnson; Pam Little vice-chair; Tom Maynard; Sue Melton-Malone; Georgina C. Pérez, secretary; Marisa B. Perez-Diaz; Matt Robinson; Audrey Young

### **Student Performance**

A student performance was provided by Lovejoy A Cappella from Lovejoy High School in the Lovejoy Independent School District.

### **Invocation**

### **Pledge of Allegiance**

### **Roll Call**

### **Approval of Minutes**

State Board of Education, September 2, 2022

State Board of Education September 26, 2022

**MOTION AND VOTE:** *The State Board of Education unanimously approved the minutes of the September 2 and September 26, 2022, meetings of the State Board of Education, as printed.*

## **1. Resolutions and Presentation**

### **Resolution Honoring the 2020 Presidential Awards for Excellence in Mathematics and Science Teaching (PAEMST) National Awardees**

*The State Board of Education, by unanimous consent, adopted a resolution honoring national awardees for the 2020 Presidential Awards for Excellence in Mathematics and Science Teaching (PAEMST) program.*

(ATTACHMENT 1, page 11)

### **Resolution Honoring the 2022 Presidential Awards for Excellence in Mathematics and Science Teaching (PAEMST) State Finalists**

*The State Board of Education, by unanimous consent, adopted a resolution honoring state finalists for the 2022 Presidential Awards for Excellence in Mathematics and Science Teaching (PAEMST) program.*

(ATTACHMENT 2, page 13)

**Resolution Honoring Departing State Board of Education Member Jay Johnson**

*The State Board of Education, by unanimous consent, adopted a resolution honoring departing State Board of Education member Jay Johnson.*

(ATTACHMENT 3, page 15)

**Resolution Honoring Departing State Board of Education Member Matt Robinson**

*The State Board of Education, by unanimous consent, adopted a resolution honoring departing State Board of Education member Matt Robinson.*

(ATTACHMENT 4, page 17)

**Resolution Honoring Departing State Board of Education Member Georgina Cecilia Pérez**

*The State Board of Education, by unanimous consent, adopted a resolution honoring departing State Board of Education member Georgina Cecilia Pérez.*

(ATTACHMENT 5, page 19)

**Resolution Honoring Departing State Board of Education Member Ruben Cortez, Jr.**

*The State Board of Education, by unanimous consent, adopted a resolution honoring departing State Board of Education member Ruben Cortez, Jr.*

(ATTACHMENT 6, page 21)

**Resolution Honoring Departing State Board of Education Member Sue Melton-Malone**

*The State Board of Education, by unanimous consent, adopted a resolution honoring departing State Board of Education member Sue Melton-Malone.*

(ATTACHMENT 7, page 23)

**Resolution Honoring Departing State Board of Education Member Lawrence Allen, Jr.**

*The State Board of Education, by unanimous consent, adopted a resolution honoring departing State Board of Education member Lawrence Allen, Jr.*

(ATTACHMENT 8, page 25)

**Commissioner's Comments and Presentation**

Mike Morath, commissioner of education, provided updates on the redesign of the STAAR test. He also provided an overview of proposed new administrative rules for school safety requirements and school safety grant opportunities.

**Public Testimony**

Public testimony was provided by the following individual:

NAME: Augustin Villarreal  
AFFILIATION: Self

## 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.

*By unanimous consent, the State Board of Education approved the following items on the consent agenda.*

**(1) Decision on the Percentage Distribution of the Permanent School Fund for Fiscal Years 2024 and 2025**

(Board agenda page I-1)

The State Board of Education removed this item from the consent agenda.

**(2) Proposed Amendment to 19 TAC Chapter 112, Texas Essential Knowledge and Skills for Science, Subchapter C, High School, §112.41, Implementation of Texas Essential Knowledge and Skills for Science, High School, Adopted 2020**

**(Second Reading and Final Adoption)**

(Board agenda page I-4)

The State Board of Education approved for second reading and final adoption the proposed amendment to 19 TAC Chapter 112, Texas Essential Knowledge and Skills for Science, Subchapter C, High School, §112.41, Implementation of Texas Essential Knowledge and Skills for Science, High School, Adopted 2020; and

Made an affirmative finding that immediate adoption of the proposed amendment to 19 TAC Chapter 112, Texas Essential Knowledge and Skills for Science, Subchapter C, High School, §112.41, Implementation of Texas Essential Knowledge and Skills for Science, High School, Adopted 2020, is necessary and shall have an effective date of 20 days after filing as adopted with the Texas Register, as recommended by the Committee of the Full Board (ATTACHMENT 9).

**(3) Approval of Updates and Substitutions to Adopted Instructional Materials**

(Board agenda page II-18)

The State Board of Education approved the request from Learning A-Z to update content in its product *RAZ Plus ELL Texas Edition*, grades K-5, adopted under *Proclamation 2019*, as recommended by the Committee on Instruction.

**(4) Approval of Costs to Administer the 2022–2023 State-Developed Assessments to Private School Students**

(Board agenda page III-1)

The State Board of Education approved the recommended per-student costs for administering the state assessments to private school students in the 2022–2023 school year as listed in ATTACHMENT 10, as recommended by the Committee on School Finance/Permanent School Fund.



- (5) **Proposed Repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting (First Reading and Filing Authorization)**  
(Board agenda page III-5)

The State Board of Education approved for first reading and filing authorization the proposed repeal 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 Initiatives.

- (6) **Report on Permanent School Fund Securities Transactions and the Investment Portfolio and Ratification of Purchases and Sales for the Months of July and August 2022**  
(Board agenda page III-10)

Based on the information provided by staff and the recommendation of the executive administrator and chief investment officer and the commissioner of education, the State Board of Education ratified the purchases and sales for the months of July 2022 and August 2022, in the amount of \$1,631,746,929 and \$1,896,145,452, respectively (ATTACHMENT 11), as recommended by the Committee on School Finance/Permanent School Fund.

- (7) **Report on Permanent School Fund Liquid Account and Ratification of Purchases and Sales for the Months of July and August 2022**  
(Board agenda page III-11)

Based on the information provided by staff and the recommendation of the executive administrator and chief investment officer and the commissioner of education, the State Board of Education ratified the purchases and sales of the Permanent School Fund Liquid Account for the period July 1, 2022, through August 31, 2022, in the amounts of \$1,166,571,366 and \$316,668,187, respectively (ATTACHMENT 12), as recommended by the Committee on School Finance/Permanent School Fund.

- (8) **Proposed Revisions to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund (First Reading and Filing Authorization)**  
(Board agenda page III-12)

The State Board of Education approved for first reading and filing authorization proposed revisions to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund, as presented in ATTACHMENT 13), as recommended by the Committee on School Finance/Permanent School Fund.

- (9) **Approval of the Date to Transfer Management of the Permanent School Fund to the Texas Permanent School Fund Corporation as Contemplated in Senate Bill 1232**  
(Board agenda page III-16)

The State Board of Education removed this item from the consent agenda.

## COMMITTEE OF THE FULL BOARD

### **3. Decision on the Percentage Distribution of the Permanent School Fund for Fiscal Years 2024 and 2025**

(Board agenda page I-1)

**MOTION AND VOTE:** *It was moved by Dr. Ellis and carried that the State Board of Education approve a percentage distribution of 3.32% from the Permanent School Fund to the Available School Fund for the 2024-2025 state fiscal biennium which would produce an estimated annual distribution of \$1.551 billion, as recommended by the Committee of the Full Board.*

*(Mr. Allen and Dr. Robinson were absent for the vote.)*

### **4. Approval of the Date to Transfer Management of the Permanent School Fund to the Texas Permanent School Fund Corporation as Contemplated in Senate Bill 1232**

(Board agenda page III-16)

**MOTION AND VOTE:** *It was moved by Mr. Maynard and carried without objection that the State Board of Education approve January 1, 2023, as the agreed-upon transfer date of the management and investment of the Permanent School Fund and transfer of related assets as contemplated and described in Article 2 of Senate Bill 1232 and further set forth in the Joint Resolution of the State Board of Education and the Texas Permanent School Fund Corporation, recommended by the Committee on School Finance/Permanent School Fund.*

### **5. Legislative Recommendations for the 88<sup>th</sup> Texas Legislature**

(Board agenda page I-3)

**MOTION AND VOTE:** *It was moved by Mrs. Little and carried unanimously that the State Board of Education make the following recommendation to the 88th Texas Legislature under the header “Charter Approval Process,” as recommended by the Committee of the Full Board.*

“Grant SBOE veto authority over charter expansions.”

**MOTION AND VOTE:** *It was moved by Mrs. Little and carried unanimously that the State Board of Education make the following recommendation under the header “Charter Regulation,” as recommended by the Committee of the Full Board.*

“Charter schools in the State of Texas would follow the same rules as ISDs.”

**MOTION AND VOTE:** *It was moved by Mrs. Little and carried that the State Board of Education make the following recommendations to the 88th Texas Legislature under the header “Instructional Materials,” as recommended by the Committee of the Full Board.*

“Textbooks – All LEAs would use SBOE textbooks approved by SBOE or seek a TEA waiver.”

“Combine SBOE approval process with Texas Resource Review with SBOE approval of rubric.”

“Align instructional materials to cover 100% of TEKS/standards.”

**MOTION AND VOTE:** *It was moved by Mrs. Little and carried unanimously that the State Board of Education add the following recommendation to the 88th Texas Legislature under the header “SBOE Member Benefits/Staff Support,” as recommended by the Committee of the Full Board.*

“Provide SBOE member benefits and staff support.”

**MOTION AND VOTE:** *It was moved by Mrs. Little that the State Board of Education make the following recommendation to the 88th Texas Legislature under the header “Funding & PSF Appropriations,” as recommended by the Committee of the Full Board.*

“That the Texas State Board of Education calls on the Texas Legislature to reject all attempts to divert public dollars away from public schools in the form of vouchers, an education savings account, taxpayer savings grants, tuition-tax credits, a business franchise tax credit or an insurance premium tax credit, or any other mechanisms that have the effect of reducing funding to public schools.”

*The motion carried with 11 members voting Aye, 2 members voting No, and 1 member abstaining as follows:*

<u>Aye:</u>	Mr. Allen	Mrs. Melton-Malone
	Mr. Cortez	Ms. Pérez
	Ms. Davis	Ms. Perez-Diaz
	Dr. Johnson	Dr. Robinson
	Mrs. Little	Dr. Young

<u>No:</u>	Mr. Hickman	Mr. Maynard
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<u>Abstain:</u>	Ms. Hardy
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**MOTION AND VOTE:** *It was moved by Mrs. Little and carried unanimously that the State Board of Education make the following recommendation to the 88th Texas Legislature under the header “Funding & PSF Appropriations,” as recommended by the Committee of the Full Board.*

“Raise the floor of the minimum salary schedule by a minimum of 50% and fully fund it.”

6. **Proposed Revisions to 19 TAC Chapter 113, Texas Essential Knowledge and Skills for Social Studies, Subchapter A, Elementary, Subchapter B, Middle School, and Subchapter C, High School**  
**(Second Reading and Final Adoption)**  
(Board agenda page I-9)

**MOTION:** *It was moved by Mrs. Little that the State Board of Education approve for second reading and final adoption proposed revisions to 19 TAC Chapter 113, Texas Essential Knowledge and Skills for Social Studies, Subchapter A, Elementary, Subchapter B, Middle School, and Subchapter C, High School, as recommended by the Committee of the Full Board.*

**MOTION AND VOTE:** *It was moved by Mrs. Little, seconded by Mr. Maynard, and carried that the State Board of Education amend Subsection (a) in Sections 113.11, 113.12, 113.13, 13.14, 113.15, 113.16, 113.18, 113.19, 113.20, 113.31, 113.41, 113.42, 113.43, and 113.44 to delete numbers (1), (2), and (3) to read as follows:*

*“Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [~~2025-2026~~] school year.”*

**VOTE:** *A vote was taken on the main motion that the State Board of Education approve for second reading and final adoption proposed revisions to 19 TAC Chapter 113, Texas Essential Knowledge and Skills for Social Studies, Subchapter A, Elementary, Subchapter B, Middle School, and Subchapter C, High School, as amended. The motion carried (ATTACHMENT 14).*

**7. Update on Texas Essential Knowledge and Skills (TEKS) Review**  
(Board agenda page I-98)

**MOTION:** *It was moved by Mrs. Little that the State Board of Education approve the TEKS review and revision process for career and technical education (ATTACHMENT 15), as recommended by the Committee of the Full Board.*

**MOTION AND VOTE:** *It was moved by Mr. Maynard, seconded by Ms. Hardy, and carried that the State Board of Education amend footnote 2 of the process to read as follows:*

2 TEA will identify an advisory board of CTE educators and administrators with demonstrated experience in the program(s) of study under review. The advisory board will provide feedback during the review and revision of the CTE TEKS. SBOE members may **identify individuals to serve on the advisory board and** will have an opportunity to review and approve or deny advisory board members. If a recommended advisory board member is not denied **by SBOE members** within the determined deadline, the advisory board member will be considered approved.

*(Mr. Allen and Ms. Hardy were absent for the vote.)*

**VOTE:** *A vote was taken on the main motion that the State Board of Education approve the TEKS review and revision process for career and technical education (ATTACHMENT 16), as amended. The motion carried unanimously.*

**MOTION AND VOTE:** *It was moved by Mrs. Little and carried unanimously that the State Board of Education request that TEA staff develop TEKS for an Occupational Safety and Health Administration (OSHA) course, as recommended by the Committee of the Full Board.*

**COMMITTEE ON INSTRUCTION**

**8. Proposed Amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter C, Other Provisions, §74.27, Innovative Courses and Programs**  
**(Second Reading and Final Adoption)**  
(Board agenda page II-1)

**MOTION AND VOTE:** *It was moved by Mrs. Melton-Malone and carried unanimously that the State Board of Education approve for second reading and final adoption the proposed amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter C, Other Provisions, §74.27, Innovative Courses and Programs; and*

*Make an affirmative finding that immediate adoption of the proposed amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter C, Other Provisions, §74.27, Innovative Courses and Programs, is necessary and shall have an effective date of 20 days after filing with the Texas Register, as recommended by the Committee on Instruction.*

9. **Proposed New 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit)**  
**(First Reading and Filing Authorization)**  
(Board agenda page II-5)

**MOTION AND VOTE:** *It was moved by Mrs. Melton-Malone and carried that the State Board of Education approve for first reading and filing authorization proposed new 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit), as recommended by the Committee on Instruction.*

10. **Proposed Revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School**  
**(First Reading and Filing Authorization)**  
(Board agenda page II-9)

**MOTION AND VOTE:** *It was moved by Mrs. Melton-Malone and carried that the State Board of Education approve for first reading and filing authorization the proposed revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School, as recommended by the Committee on Instruction.*

11. **Approval of Agricultural Education Programs List**  
(Board agenda page II-20)

**MOTION AND VOTE:** *It was moved by Mrs. Melton-Malone and carried that the State Board of Education approve the list of elementary agriculture education programs available for use by school districts and charter schools, as recommended by the Committee on Instruction.*

12. **Consideration of Petition for Amendment of Rule Concerning 19 TAC Chapter 74, Curriculum Requirements, Subchapter B, Graduation Requirements, §74.12, Foundation High School Program**  
(Board agenda page II-21)

**MOTION AND VOTE:** *It was moved by Mrs. Melton-Malone and carried unanimously that the State Board of Education deny the petition to amend the rule concerning fine arts courses eligible for graduation requirements, as recommended by the Committee on Instruction because Oral Interpretation I, II, and III are not aligned with fine arts courses.*

**COMMITTEE ON SCHOOL INITIATIVES**

**13. Review of Proposed Amendments to 19 TAC Chapter 229, Accountability System for Educator Preparation Programs**

(Board agenda page IV-2)

**MOTION AND VOTE:** *It was moved by Dr. Robinson and carried unanimously that the State Board of Education take no action on the proposed amendments to 19 TAC Chapter 229, Accountability System for Educator Preparation Programs, as recommended by the Committee on School Initiatives.*

**14. Review of Proposed Revisions to 19 TAC Chapter 241, Certification as Principal**

(Board agenda page IV-67)

**MOTION AND VOTE:** *It was moved by Dr. Robinson and carried unanimously that the State Board of Education take no action on proposed revisions to 19 TAC Chapter 241, Certification as Principal, as recommended by the Committee on School Initiatives.*

**REGARDING AGENDA ITEMS POSTED FOR DISCUSSION ON COMMITTEE AGENDAS**

Committee on Instruction

Mrs. Melton-Malone did not report on the Committee on Instruction.

Committee on School Finance/Permanent School Fund

Mr. Maynard provided an update on the bond guarantee program.

Committee on School Initiatives

Dr. Robinson did not report on the Committee on School Initiatives.

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

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

The meeting adjourned at 1:22 p.m.

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Vacant, Secretary

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## ***R E S O L U T I O N***

**WHEREAS** the *Presidential Awards for Excellence in Mathematics and Science Teaching* program identifies outstanding mathematics and science teachers in each state and the four U.S. jurisdictions; and

**WHEREAS** through national selection committees, one mathematics finalist and one science finalist were selected to represent Texas; and

**WHEREAS** these teachers have become Texas national awardees for the *Presidential Awards for Excellence in Mathematics and Science Teaching*; now, therefore, be it

**RESOLVED**, That the State Board of Education does hereby extend its congratulations to Kristen Butler, Medlin Middle School, Northwest Independent School District, Trophy Club, TX for being named Texas National Awardee in the primary mathematics category for the 2020 Presidential Award; and be it further

**RESOLVED**, That the State Board of Education does hereby extend its congratulations to Lori Garrett, Cactus Elementary School, Dumas Independent School District, Amarillo, Texas for being named Texas National Awardee in the primary science category for the 2020 Presidential Award; and be it further

**RESOLVED**, That this resolution be presented to the aforementioned teachers for being identified as state and national awardees for the 2020 *Presidential Awards for Excellence in Mathematics and Science Teaching* program, and that a copy be included in the permanent records of the State Board of Education.

**WITNESS** our signatures this eighteenth day of November, two thousand and twenty-two, in Austin, Texas.

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Dr. Keven Ellis, Chair

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Georgina C. Pérez, Secretary



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## ***R E S O L U T I O N***

**WHEREAS** the *Presidential Awards for Excellence in Mathematics and Science Teaching* program identifies outstanding mathematics and science teachers in each state and the four U.S. jurisdictions; and

**WHEREAS** through state selection committees, three mathematics finalists and three science finalists were selected as Texas finalists; and

**WHEREAS** these teachers have become candidates for the *Presidential Awards for Excellence in Mathematics and Science Teaching*; now, therefore, be it

**RESOLVED**, That the State Board of Education does hereby extend its congratulations to Jessica Garza, Williams Elementary School, Pasadena Independent School District, Pasadena, Texas; Kate Duncan, Robert L. Puster Elementary School, Lovejoy Independent School District, Lovejoy, Texas; Nicole Davis, Pioneer Crossing Elementary School, Manor Independent School District, Manor, Texas; for being named State Finalists in the elementary mathematics category for the 2022 Presidential Award; and be it further

**RESOLVED**, That the State Board of Education does hereby extend its congratulations to Denise Carvin, Radiant STEM Academy, Lewisville, Texas; Cheri Palmer, iUniversity Preparatory School, Grapevine-Colleyville Independent School District, Grapevine, Texas; Shatara White, Tomball Intermediate School, Tomball Independent School District, Tomball, Texas; for being named State Finalists in the elementary science category for the 2022 Presidential Award; and be it further

**RESOLVED**, That this resolution be presented to the aforementioned teachers for being identified as state finalists for the 2022 *Presidential Awards for Excellence in Mathematics and Science Teaching* program, and that a copy be included in the permanent records of the State Board of Education.

**WITNESS** our signatures this eighteenth day of November, two thousand and twenty-two, in Austin, Texas.

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Dr. Keven Ellis, Chair

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Georgina C. Pérez, Secretary

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## ***RESOLUTION***

**WHEREAS** John “Jay” Johnson has the eagerness and passion to improve public education in Texas; and

**WHEREAS** he is a dedicated public servant for education who was elected to serve District 15 of the State Board of Education in November 2020, where he served as a key member of the Committee on School Initiatives; and

**WHEREAS** he served for over 16 years on the Pampa Independent School District’s board of trustees including as president of the board for two years; and

**WHEREAS** he is a founding member of the Pampa Education Foundation, and he has served as president of the Pampa Youth and Community Center Board of Directors; and

**WHEREAS** he is also famous in Pampa for being inducted into the Pampa High School Hall of Fame; and

**WHEREAS** along with his dedication to education, he was responsible for many healthy and bright smiles in his profession as a dentist where he practiced in Pampa, Gray County for 43 years; now, therefore be it

**RESOLVED**, that with bright and happy smiles, members of the State Board of Education wish John “Jay” Johnson the very best in his next endeavors; and be it further

**RESOLVED**, that this resolution be presented to John “Jay” Johnson and that a copy be included in the permanent records of the State Board of Education.

**WITNESS** our signatures this eighteenth day of November, two thousand and twenty-two, in Austin, Texas.

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Keven Ellis, Chair

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Georgina C. Pérez, Secretary

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## ***RESOLUTION***

**WHEREAS** Matt Robinson has been a passionate advocate for traditional public schools; and

**WHEREAS** he showed that commitment by serving on the Friendswood ISD Board of Trustees for a decade before serving four years on the State Board of Education; and

**WHEREAS** he leaves the board as chair of the Committee on School Initiatives which he diligently led the past two years; and

**WHEREAS** he successfully juggled this public service with his work as a medical doctor; and

**WHEREAS** examples of his dedication could be seen as he often attended local school functions and zoom meetings of the State Board of Education while wearing his scrubs; and

**WHEREAS** he used his expertise as a medical doctor to inform the revisions to the health education Texas Essential Knowledge and Skills (TEKS); now, therefore be it

**RESOLVED**, that the State Board of Education wishes Matt Robinson a healthy prognosis of gratitude and appreciation for his service; and be it further

**RESOLVED**, that this resolution be presented to Matt Robinson and that a copy be included in the permanent records of the State Board of Education.

**WITNESS** our signatures this eighteenth day of November, two thousand and twenty-two, in Austin, Texas.

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Keven Ellis, Chair

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Georgina C. Pérez, Secretary

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## ***R E S O L U T I O N***

**WHEREAS** Georgina Cecilia Pérez is a passionate former eighth-grade English Language Arts Reading teacher in the Ysleta School District; and

**WHEREAS** she often found solace and comfort in libraries then grew up to be a fierce advocate for literacy and has now helped provide more than 500,000 books to students who live in rural or impoverished areas; and

**WHEREAS** immediately upon joining the board, she channeled her passion language arts and reading to ensure the board adopted a strong set of English and Spanish language arts and reading Texas Essential Knowledge and Skills; and

**WHEREAS** her State Board of Education district encompassed 40 West Texas counties that included more than 900 miles along the Texas-Mexico border; and

**WHEREAS** she was often “on the road again” to meet with constituents so that she could hear their concerns in person; and

**WHEREAS** she served as a vital member of the board’s Committee on Instruction and as secretary of the board since 2019; and

**WHEREAS** she worked tirelessly to reach across party lines to bring about the best decisions on behalf of the children of Texas; and

**WHEREAS** this staunch Democrat quickly formed a close and strong alliance with Donna Bahorich, a Republican chair of the State Board of Education; and

**WHEREAS** this pairing known as “Thelma and Louise” crisscrossed the state gathering input from constituents and together they forged bipartisan solutions on many policy issues;

**WHEREAS** this proud El Paso native was instrumental in the development of the state’s first ethnic studies course and helped craft a fast-track approach to developing additional ethnic studies courses; now, therefore be it

**RESOLVED**, that the State Board of Education thanks Georgina Cecilia Pérez for her passion and dedication to Texas public education; and be it further

**RESOLVED**, that this resolution be presented to Georgina Cecilia Pérez and that a copy be included in the permanent records of the State Board of Education.

**WITNESS** our signatures this eighteenth day of November, two thousand and twenty-two, in Austin, Texas.

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Keven Ellis, Chair

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Pam Little, Vice Chair



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## ***R E S O L U T I O N***

**WHEREAS** Ruben Cortez Jr. has demonstrated a long-standing commitment to service, particularly in the area of public education; and

**WHEREAS** he served on the Brownsville ISD Board of Trustees, the Region One Education Service Center Board of Directors, and on various committees for the Texas and National Association of School Boards, addition to his decade of service on the State Board of Education; and

**WHEREAS** he served as Secretary of the State Board of Education for two terms from 2015 to 2019; and

**WHEREAS** he developed a reputation as someone who carefully scrutinizes applications that request approval for the creation of a new school district known as a charter school; and

**WHEREAS** he regularly reached out to administrators and other active educators to get their first-hand input before making policy decisions; and

**WHEREAS** he worked successfully with coalitions to help craft the state's first ethnic studies course, which has now become an example for other ethnic studies courses; now, therefore be it

**RESOLVED**, that the State Board of Education wishes Ruben Cortez Jr. all the very best on his next pursuit; and be it further

**RESOLVED**, that this resolution be presented to Ruben Cortez Jr. and that a copy be included in the permanent records of the State Board of Education.

**WITNESS** our signatures this eighteenth day of November, two thousand and twenty-two, in Austin, Texas.

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Keven Ellis, Chair

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Georgina C. Pérez, Secretary

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***R E S O L U T I O N***

**WHEREAS** Sue Melton-Malone passionately served Texas public education for almost half a century as both an educator and as a member of the State Board of Education; and

**WHEREAS** she taught school in the Ross and West school districts for 36 years and is now completing a decade of service on this board; and

**WHEREAS** her election as state president of the Association of Texas Professional Educators for the 2007-2008 school year shows that Sue Melton-Malone was a recognized leader in her profession; and

**WHEREAS** she used her skills as a church choir director to lead the board and audience in many robust renditions of "Happy Birthday" to celebrate fellow board members and staff; and

**WHEREAS** as chair of the Committee on Instruction for the past eight years, she helped members of the committee sing from the same page as they crafted policies; and

**WHEREAS** she frequently used her teacher voice to present dozens of long and complex motions amending the Texas Essential Knowledge and Skills; now, therefore be it

**RESOLVED**, that the State Board of Education wishes Sue Melton-Malone many years of fun adventures; and be it further

**RESOLVED**, that this resolution be presented to Sue Melton-Malone and that a copy be included in the permanent records of the State Board of Education.

**WITNESS** our signatures this eighteenth day of November, two thousand and twenty-two, in Austin, Texas.

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Keven Ellis, Chair

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Georgina C. Pérez, Secretary

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## ***RESOLUTION***

**WHEREAS** Lawrence Allen Jr. is a third-generation educator who dedicated his life to improving education in the classroom, as an administrator, and at the state level as a member of the State Board of Education; and

**WHEREAS** he was elected to the State Board of Education in 2004 to serve in the same seat previously occupied by his mother, Dr. Alma Allen; and

**WHEREAS** during his 17 years on the board, he served on all three committees, was vice chair of the board for a two-year term, and served as vice chair of the Committee on School Finance /Permanent School Fund for eight years; and

**WHEREAS** he developed a reputation as the “EF Hutton” of the State Board of Education because he did not speak often but when he did everyone listened; now, therefore be it

**RESOLVED**, that the State Board of Education wishes Lawrence Allen Jr. all the best on his next venture; and be it further

**RESOLVED**, that this resolution be presented to Lawrence Allen Jr. and that a copy be included in the permanent records of the State Board of Education.

**WITNESS** our signatures this eighteenth day of November, two thousand and twenty-two, in Austin, Texas.

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Keven Ellis, Chair

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Georgina C. Pérez, Secretary

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**ATTACHMENT**  
**Text of Proposed Amendment to 19 TAC**

**Chapter 112. Texas Essential Knowledge and Skills for Science**

**Subchapter C. High School**

**§112.41. Implementation of Texas Essential Knowledge and Skills for Science, High School, Adopted 2020.**

- (a) The provisions of §§112.42-112.45 of this subchapter shall be implemented by school districts beginning with the 2024-2025 school year .
- (b) No later than July 31, 2023 [~~2022~~] , the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills for science as adopted in §§112.42-112.45 of this subchapter.
- (c) If the commissioner makes the determination that instructional materials funding has been made available under subsection (b) of this section, §§112.42-112.45 of this subchapter shall be implemented beginning with the 2024-2025 [~~2023-2024~~] school year and apply to the 2024-2025 [~~2023-2024~~] and subsequent school years.
- (d) If the commissioner does not make the determination that instructional materials funding has been made available under subsection (b) of this section, the commissioner shall determine no later than July 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that §§112.42-112.45 of this subchapter shall be implemented for the following school year.
- (e) Sections 112.34, 112.35, 112.38, and 112.39 of this subchapter shall be superseded by the implementation of §§112.42-112.45 of this subchapter.



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## Recommended Private School Costs for the 2022–2023 School Year

### State of Texas Assessments of Academic Readiness (STAAR®) and Texas English Language Proficiency Assessment System (TELPAS)

<b>Program</b>	<b>Test</b>	<b>Number of Tests Based on Eligible Testers</b>	<b>Total Cost</b>	<b>Cost per Student per Test</b>	<b>Recommended Cost per Private School Student per Test</b>
STAAR	Grades RLA*	3,739,020	\$42,778,492.12	\$11.44	\$11.44
	Mathematics*	2,937,444	\$14,453,783.57	\$4.92	\$4.92
	Science*	1,377,284	\$9,335,406.27	\$6.78	\$6.78
	Social Studies	878,620	\$6,140,304.95	\$6.99	\$6.99
TELPAS	Kindergarten–Grade 12	1,063,533	\$14,759,557.65	\$13.88	\$13.88

\*Includes English and Spanish versions for grades 3–5.

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**TEXAS PERMANENT SCHOOL FUND  
SUMMARY OF TRANSACTIONS FOR APPROVAL  
(Including External Manager's Trades)  
For July 1, 2022 through August 31, 2022**

Purchases/Capital Calls:

Long Term Fixed Income	\$ 851,248,262
Public Market Equities	532,751,768
Alternative Investments	<u>247,746,899</u>
<b>TOTAL</b>	<b><u>\$ 1,631,746,929</u></b>

Sales/Distributions:

Long Term Fixed Income	\$ 1,497,180,234
Public Market Equities	115,709,503
Alternative Investments	<u>283,255,715</u>
<b>TOTAL</b>	<b><u>\$ 1,896,145,452</u></b>

General Land Office Contributions:

FY 2021 Cumulative August 2021	FY 2022 Cumulative August 2022
\$45,000,000	\$0

Based on the above information provided by staff including a report that deposits to the Permanent School Fund from the General Land Office were \$45,000,000 through August 2021 for fiscal year 2021 versus \$0 through August 2022 for fiscal year 2022, and the recommendation of the Executive Administrator and Chief Investment Officer and the Commissioner of Education; it is moved by unanimous consent that the Committee on School Finance/Permanent School Fund ratify for the months of July 2022 through August 2022 Permanent School Fund portfolio purchases of \$1,631,746,929 and sales of \$1,896,145,452.

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**TEXAS PERMANENT SCHOOL FUND  
SUMMARY OF TRANSACTIONS FOR APPROVAL  
FOR PSF LIQUID ACCOUNTS  
For July 1, 2022 through August 31, 2022**

Purchases:

Fixed Income	\$ -
Public Market Equities	<u>1,166,571,366</u>
 TOTAL	 <u><u>\$ 1,166,571,366</u></u>

Sales:

Fixed Income	\$ 308,107,064
Public Market Equities	<u>8,561,123</u>
 TOTAL	 <u><u>\$ 316,668,187</u></u>

Based on the above information provided by staff and the recommendation of the Executive Administrator and Chief Investment officer and the Commissioner of Education: It is moved by unanimous consent that the Committee on School Finance/Permanent School Fund ratify for the period July 1, 2022 through August 31, 2022 Permanent School Fund Liquid Account purchases of \$1,166,571,366 and sales of \$316,668,187.

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ATTACHMENT  
Text of Proposed New 19 TAC

**Chapter 33. Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund**

**Subchapter A. State Board of Education Rules**

**§33.3. Duties and Responsibilities of the State Board of Education Related to the Texas Permanent School Fund Corporation.**

- (a) The Texas Constitution, Article VII, §§1-8, establish the Available School Fund, the Texas Permanent School Fund (PSF), and the State Board of Education (SBOE) and specify the standard of care SBOE members must exercise in managing PSF assets. In addition, the constitution directs the legislature to establish suitable provisions for supporting and maintaining an efficient public free school system, defines the composition of the PSF and the Available School Fund, and requires the SBOE to set aside sufficient funds to provide free instructional materials for the use of children attending the public free schools of this state. The members of the SBOE serve as fiduciaries of the PSF.
- (b) Pursuant to Texas Education Code, Chapter 43, Subchapter B, the SBOE delegated the authority to manage and invest the PSF to the Texas PSF Corporation, a special-purpose governmental corporation that is an instrumentality of the state of Texas with all necessary and implied powers to accomplish its purpose. The SBOE has the following duties and responsibilities with respect to the Texas PSF Corporation:
- (1) establish by rule the terms of the five members of the SBOE appointed to the Texas PSF Corporation Board of Directors;
  - (2) adopt the certificate of formation for the Texas PSF Corporation;
  - (3) approve the adoption and amendment of the Texas PSF Corporation bylaws; and
  - (4) act as the sole member of the Texas PSF Corporation.

**§33.4. Ethical Standards for Members of the State Board of Education.**

- (a) Definitions. For purposes of this section, the following definitions have the following meanings.
- (1) Commissioner--the commissioner of education. As the commissioner is an employee of the Texas Education Agency (TEA), any provisions that apply to TEA employees apply to the commissioner.
  - (2) Official act or official action--a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority.
  - (3) Permanent School Fund (PSF) service provider--any person who provides services to the PSF or relating to the management or investment of the PSF, including, but not limited to, external investment managers and consultants, banks, custodians, and professional services (attorneys, accountants, etc.). Notwithstanding the foregoing, for all purposes under this section, the term PSF service provider excludes State Board of Education (SBOE) members, TEA employees, and private fund managers. PSF service providers who provide services to the Texas PSF Corporation are covered by the Texas PSF Corporation's ethics policy.
  - (4) Personal securities transactions--
    - (A) transactions for a member's or employee's own account, including an individual retirement account; or
    - (B) transactions for an account, other than an account over which the member or employee has no direct or indirect influence or control, in which the member or employee (or the member's or employee's spouse, minor child, or other dependent relative):
      - (i) is an income or principal beneficiary or other equity owner of the account; or



- (ii) receives compensation for managing the account for the benefit of persons other than the member or employee or his or her family.
- (5) Private fund manager--a person who controls a non-publicly traded investment fund or other investment vehicle (including, but not limited to, a partnership, limited liability company, trust, association, or other entity) in which the PSF is invested. A private fund manager may include the vehicle's sponsor, general partner, managing member, manager, advisor, or other agent thereof. For purposes of this section, private fund managers are not considered to be PSF service providers.
- (6) Publicly traded securities--securities of a class that is listed on a national securities exchange or quoted on the NASDAQ national market system in the United States or that is publicly traded on any foreign stock exchange or other foreign market.
- (7) Relative--an individual related within the third degree by consanguinity (blood relative) or the second degree by affinity (marriage) determined in accordance with Texas Government Code, §§573.021-573.025. For purposes of this definition:
  - (A) examples of a relative within the third degree by consanguinity are a child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, uncle, aunt, niece, or nephew;
  - (B) examples of a relative within the second degree by affinity are a spouse, an individual related to a spouse within the second degree by consanguinity, or a spouse of such an individual;
  - (C) an individual adopted into a family is considered a relative on the same basis as a natural born family member; and
  - (D) an individual is considered a spouse even if the marriage has been dissolved by death or divorce if there are surviving children of that marriage.
- (8) Texas Education Agency (TEA) employee--a person employed by TEA who provides advice to the SBOE, commissioner, or TEA concerning the PSF.
- (b) General principles. Under Texas Education Code (TEC), §43.0031, members of the SBOE, the commissioner, TEA employees, and persons providing services to the SBOE relating to the PSF are subject to general ethical standards relating to the PSF. The PSF is held in public trust for the benefit of the schoolchildren of Texas. The members of the SBOE serve as fiduciaries of the PSF in accordance with the Texas Constitution, Article VII, §5(f). SBOE members or anyone acting on their behalf shall aspire to the highest standards of ethical conduct and shall comply with the provisions of this section, the Texas Constitution, Texas statutes, and all other applicable provisions governing the responsibilities of a fiduciary.
- (c) General ethical standards.
  - (1) SBOE members must comply with all laws applicable to them, which may include one or more of the following statutes: Texas Government Code, §572.051 (Standards of Conduct; State Agency Ethics Policy), §552.352 (Distribution or Misuse of Confidential Information), §572.002 (General Definitions), §572.004 (Definition: Regulation), §572.054 (Representation by Former Officer or Employee of Regulatory Agency Restricted; Criminal Offense), §572.058 (Private Interest in Measure or Decision; Disclosure; Removal from Office for Violation), §572.021 (Financial Statement Required), §2252.908 (Disclosure of Interested Parties), Chapter 573 (Degrees of Relationship; Nepotism Prohibitions), and Chapter 305 (Registration of Lobbyists); Texas Penal Code, Chapter 36 (Bribery and Corrupt Influence) and Chapter 39 (Abuse of Office); and TEC, §43.0032 (Conflicts of Interest) and §43.0033 (Reports of Expenditures). The omission of any applicable statute listed in this paragraph does not excuse violation of its provisions.
  - (2) SBOE members must be honest in the exercise of their duties and must not take actions that will discredit the PSF.
  - (3) SBOE members shall be loyal to the interests of the PSF to the extent that such loyalty is not in conflict with other duties that legally have priority.

(4) SBOE members shall not use nonpublic information gained through their relationship with the PSF to seek or obtain personal gain beyond agreed compensation and/or any properly authorized expense reimbursement. This should not be interpreted to forbid the use of PSF as a reference or the communication to others of the fact that a relationship with PSF exists, provided that no misrepresentation is involved.

(5) This section is adopted to satisfy the requirements of TEC, §43.0031.

(d) Conflicts of interest.

(1) A conflict of interest exists whenever SBOE members, the commissioner, or TEA employees have business, commercial, or other relationships, including, but not limited to, personal and private relationships, that could reasonably be expected to diminish their independence of judgment in the performance of their duties. Conflicts include, but are not limited to, beneficial interests in securities, corporate memberships, trustee positions, familial relationships, or other special relationships that could reasonably be considered a conflict of interest with the fiduciary duties to the PSF. Further, TEC, §43.0032, requires disclosure and no participation in a matter affected by the possible conflict of interest, unless a waiver is granted, when an SBOE member, the commissioner, a TEA employee, or a person who provides services to the SBOE that relate to management or investment of the PSF has a business, commercial, or other relationship that could reasonably be expected to diminish a person's independence of judgment in the performance of the person's responsibilities relating to the PSF. Such business, commercial, or other relationship is defined to be a relationship that is prohibited under Texas Government Code, §572.051, or that would require public disclosure under Texas Government Code, §572.058, or a relationship that does not rise to this level but that is determined by the SBOE to create an unacceptable risk to the integrity and reputation of the PSF investment program.

(2) Any person who has a possible conflict of interest as defined in paragraph (1) of this subsection shall, upon discovery, promptly disclose the possible conflict to the commissioner and the chair and vice chair of the SBOE on a disclosure form prescribed by the commissioner.

(e) Prohibited transactions and interests. SBOE members, the commissioner, and TEA employees may not:

(1) engage in any personal securities transaction when the person has actual knowledge that the Texas PSF Corporation is trading such securities or has acquired information through his or her position that is not otherwise available to the public. An SBOE member, the commissioner, or a TEA employee may otherwise buy or sell a publicly traded security of an issuer that is held by the Texas PSF Corporation;

(2) accept or solicit any gifts, favors, services, or benefits that might reasonably tend to influence the person in the discharge of his or her duties for the PSF or that the person knows, or should know, is being offered with the intent to influence the person's conduct on behalf of the PSF;

(3) accept employment or engage in a business or professional activity while serving as an SBOE member or a TEA employee that the member or employee might reasonably expect would require or induce the member or employee to disclose confidential information acquired by reason of his or her position concerning the PSF;

(4) accept employment or compensation while serving as a member or employee that could reasonably be expected to impair the member's or employee's independence of judgment in the performance of his or her duties;

(5) make personal investments that could reasonably be expected to create a substantial conflict of interest between the member's or employee's private interest and the interests of the PSF;

(6) intentionally or knowingly solicit, accept, or agree to accept any gifts, favors, services, or benefits for the exercise of the member's or employee's authority or performance of the member's or employee's duties;

(7) purchase, sell, exchange, or lease property to or from the Texas PSF Corporation if such person holds an interest in the property (whether direct or indirect);

- (8) purchase, sell, or exchange any interest in an entity with the Texas PSF Corporation if such person holds an interest in the entity (whether direct or indirect);
  - (9) accept offers, under any circumstances, by reason of their official position to trade in any security or other investment on terms more favorable than those available to the general investing public or, in the case of private market investments, a similarly situated investor;
  - (10) lend to or borrow from the Texas PSF Corporation, PSF service providers, private fund managers, or other third parties with which the Texas PSF Corporation has a business relationship, unless such entities are normally engaged in such lending in the usual course of their business, and then only on customary terms offered to others under similar circumstances to finance proper and usual activities; or
  - (11) act as a representative or agent of a third party, including a PSF service provider or private fund manager, in connection with the acquisition of services or an investment for the Texas PSF Corporation.
- (f) Gifts and entertainment. An SBOE member, the commissioner, or a TEA employee (or the spouse, minor child, or dependent relative thereof) may not:
- (1) accept any gift or benefit, unless such gift is a permissible gift as defined in subsection (g) of this section;
  - (2) solicit, offer, or accept a gift or benefit (for the personal benefit of the member or employee or for the benefit of a third party), regardless of whether it is a permissible gift, that the member or employee knows, or should know, is being offered or given because of the member's or employee's official position, in exchange for an official act, or with the intent to influence the member's or employee's conduct on behalf of the PSF;
  - (3) solicit, accept, or agree to accept an honorarium in consideration for services that the member or employee would not have been requested to provide but for his or her official position or duties;
  - (4) accept any gift or benefit from a lobbyist, or a person who is required to be registered as a lobbyist, that is not expressly permitted by Texas Government Code, Chapter 305; or
  - (5) accept a gift or benefit if the source of the gift or benefit is not identified or if the member or employee knows, or has reason to know, that a prohibited gift is being offered through an intermediary.
- (g) Definition of permissible gift. The term "permissible gift" means a gift or benefit that is offered or accepted in compliance with all applicable statutes and rules and is one of the following:
- (1) an occasional gift that is not cash or money, including checks, gift cards, or negotiable instruments, and does not exceed \$50 in value;
  - (2) food, lodging, entertainment, and transportation, if accepted as a guest (i.e., the donor is present) and, if required, the member or employee reports the gift as required by law;
  - (3) an item is given in the context of a personal relationship, such as kinship, or a professional or business relationship that is independent of the member's or employee's official capacity; or
  - (4) transportation, lodging, and meals in connection with attendance at a conference or similar event in which the member or employee renders services, such as speaking, if the services are more than perfunctory.
- (h) Receipt of prohibited gift. A member or employee who receives a gift that is not a permissible gift should return the gift to its source or, if that is not possible or feasible, donate the gift to a recognized tax-exempt charitable organization or governmental entity.
- (i) Contributions and solicitation of support.
- (1) All SBOE members, the commissioner, and TEA employees (and their respective agents) shall follow all applicable laws governing campaign contributions, including, without limitation, the

rules promulgated by the Securities and Exchange Commission relating to political contributions by certain investment advisors.

(2) An SBOE member shall not request that a PSF service provider or private fund manager make any gift or donation to a school or other charitable interest on behalf of or at the request of a member.

(j) Compliance and enforcement.

(1) The SBOE will enforce this section through its chair or vice chair or the commissioner.

(2) Any violation of this section will be reported to the chair and vice chair of the SBOE and the commissioner, and a recommended action will be presented to the SBOE by the chair of the SBOE or the commissioner.

(3) The ethics advisor of TEA shall respond to inquiries from SBOE members, the commissioner, and TEA employees concerning the provisions of this section. The ethics advisor may confer with the general counsel.

(k) Ethics training. The SBOE shall receive annual training regarding state ethics laws through the Texas Ethics Commission or TEA's ethics advisor. TEA employees shall complete all ethics training required by TEA.

### **§33.6. Bond Guarantee Program for School Districts.**

(a) Statutory provision. The commissioner of education must administer the guarantee program for school district bonds according to the provisions of Texas Education Code (TEC), Chapter 45, Subchapter C.

(b) Definitions. The following definitions apply to the guarantee program for school district bonds.

(1) Annual debt service--payments of principal and interest on outstanding bonded debt scheduled to occur between September 1 and August 31 during the fiscal year in which the guarantee is sought as reported by the Municipal Advisory Council (MAC) of Texas or its successor, if the district has outstanding bonded indebtedness.

(A) The annual debt service will be determined by the current report of the bonded indebtedness of the district as reported by the MAC of Texas or its successor as of the date of the application deadline.

(B) The annual debt service does not include:

(i) the amount of debt service to be paid on the bonds for which the reservation is sought; or

(ii) the amount of debt service attributable to any debt that is no longer outstanding at the application deadline, provided that the Texas Education Agency (TEA) has sufficient evidence of the discharge or defeasance of such debt.

(C) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement, or if there is no official statement, debt service amounts based on the maximum rate permitted by the bond order or other bond proceeding that establishes a maximum interest rate for the bonds.

(2) Application deadline--the last business day of the month in which an application for a guarantee is filed. Applications must be submitted electronically through the website of the MAC of Texas or its successor by 5:00 p.m. on the last business day of the month to be considered in that month's application processing.

(3) Average daily attendance (ADA)--total refined average daily attendance as defined by TEC, §42.005.

(4) Bond--a debt security issuance approved by the attorney general, issued under TEC, §45.003 or §45.004, to provide long-term financing with a maturity schedule of at least three years.

- (5) Bond Guarantee Program (BGP)--the guarantee program that is described by this section and established under TEC, Chapter 45, Subchapter C.
- (6) Bond order--the order adopted by the governing body of a school district that authorizes the issuance of bonds and the pricing certificate, if any, establishing the terms of the bonds executed pursuant to such order.
- (7) Combination issue--an issuance of bonds for which an application for a guarantee is filed that includes both a new money portion and a refunding portion, as permitted by the Texas Government Code, Chapter 1207. The eligibility of combination issues for the guarantee is limited by the eligibility of the new money and refunding portions as defined in this subsection.
- (8) Enrollment growth--growth in student enrollment, as defined by §129.1025 of this title (relating to Adoption by Reference: Student Attendance Accounting Handbook), that has occurred over the previous five school years.
- (9) Nationally recognized investment rating firm--an investment rating firm that is designated by the United States Securities and Exchange Commission as a nationally recognized statistical rating organization (NRSRO) and is demonstrating that it has:
- (A) had its current NRSRO designation for at least three consecutive years;
  - (B) provided credit ratings to each of the following:
    - (i) fifteen or more fixed income securities denominated in United States dollars and issued during the immediately preceding three years; and
    - (ii) ten or more school districts in the United States; and
  - (C) a documented separation of duties between employees involved in credit analysis and employees involved in business relationships with clients.
- (10) New money issue--an issuance of bonds for the purposes of constructing, renovating, acquiring, and equipping school buildings; the purchase of property; or the purchase of school buses. An issuance of bonds for the purpose of constructing teacher or student housing is eligible for the guarantee for new money only if it is an integral part of the educational mission of the school district as determined by the commissioner. Eligibility for the guarantee for new money issues is limited to the issuance of bonds authorized under TEC, §45.003. A new money issue does not include the issuance of bonds to purchase a facility from a public facility corporation created by the school district or to purchase any property that is currently under a lease-purchase contract under the Local Government Code, Chapter 271, Subchapter A. A new money issue does not include an issuance of bonds to refinance any type of maintenance tax-supported debt. Maintenance tax-supported debt includes, but is not limited to:
- (A) time warrants or loans entered under TEC, Chapter 45, Subchapter E; or
  - (B) any other type of loan or warrant that is not supported by bond taxes as defined by TEC, §45.003.
- (11) Notes issued to provide interim financing--an issuance of notes, including commercial paper notes, designed to provide short-term financing for the purposes of constructing, renovating, acquiring, and equipping school buildings; the purchase of property; or the purchase of school buses. For notes to be eligible for the guarantee under this section, the notes must be:
- (A) issued to pay costs for which bonds have been authorized at an election occurring before the issuance of the notes;
  - (B) approved by the attorney general or issued in accordance with proceedings that have been approved by the attorney general; and
  - (C) refunded by bonds issued to provide long-term financing no more than three years from the date of issuance of such notes, provided that the date of issuance of notes will be determined by reference to the date on which the notes were issued for capital

expenditures and the intervening date or dates of issuance of any notes issued to refinance outstanding notes will be disregarded.

- (12) Refunding issue--an issuance of bonds for the purpose of refunding bonds, including notes issued to provide interim financing, that are supported by bond taxes as defined by TEC, §45.003. Eligibility for the guarantee for refunding issues is limited to refunding issues that refund bonds, including notes issued to provide interim financing, that were authorized by a bond election under TEC, §45.003.
- (13) Total debt service--total outstanding principal and interest on bonded debt.
- (A) The total debt service will be determined by the current report of the bonded indebtedness of the district as reported by the MAC of Texas or its successor as of the date of the application deadline, if the district has outstanding bonded indebtedness.
- (B) The total debt service does not include:
- (i) the amount of debt service to be paid on the bonds for which the reservation is sought; or
- (ii) the amount of debt service attributable to any debt that is no longer outstanding at the application deadline, provided that TEA has sufficient evidence of the discharge or defeasance of such debt.
- (C) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement, or if there is no official statement, debt service amounts based on the maximum rate permitted by the bond order or other bond proceeding that establishes a maximum interest rate for the bonds.

(c) Data sources.

- (1) The following data sources will be used for purposes of prioritization:
- (A) projected ADA for the current school year as adopted by the legislature for appropriations purposes;
- (B) final property values certified by the comptroller of public accounts, as described in the Texas Government Code, Chapter 403, Subchapter M, for the tax year preceding the year in which the bonds will be issued. If final property values are unavailable, the most recent projection of property values by the comptroller, as described in the Texas Government Code, Chapter 403, Subchapter M, will be used;
- (C) debt service information reported by the MAC of Texas or its successor as of the date of the application deadline; and
- (D) enrollment information reported to the Public Education Information Management System (PEIMS) for the five-year time period ending in the year before the application date.
- (2) The commissioner may consider adjustments to data values determined to be erroneous or not reflective of current conditions before the deadline for receipt of applications for that application cycle.

(d) Bond eligibility.

- (1) Only those combination, new money, and refunding issues as defined in subsection (b)(7), (10), and (12), respectively, of this section are eligible to receive the guarantee.
- (2) Refunding issues must comply with the following requirements to retain eligibility for the guarantee for the refunding bonds, except that subparagraph (C) of this paragraph does not apply to a refunding issue that provides long-term financing for notes issued to provide interim financing.

- (A) As with any district applying for approval for the guarantee, the district issuing the refunding bonds must meet the requirements for initial approval specified in subsection (g)(2)(A) of this section.
- (B) The bonds to be refunded must have been:
- (i) previously guaranteed by the Permanent School Fund (PSF) or approved for credit enhancement under §61.1038 of this title (relating to School District Bond Enhancement Program);
  - (ii) issued on or after November 1, 2008, and before January 1, 2010; or
  - (iii) issued as notes to provide interim financing as defined in subsection (b)(11) of this section.
- (C) The district must demonstrate that issuing the refunding bond(s) will result in a present value savings to the district and that the refunding bond or bonds will not have a maturity date later than the final maturity date of the bonds being refunded. Present value savings is determined by computing the net present value of the difference between each scheduled payment on the original bonds and each scheduled payment on the refunding bonds. Present value savings must be computed at the true interest cost of the refunding bonds. If the commissioner approves refunding bonds for the guarantee based on evidence of present value savings but at the time of the sale of the refunding bonds a present value savings is not realized, the commissioner may revoke the approval of the bonds for the guarantee.
- (D) The refunding transaction must comply with the provisions of subsection (g)(4)(A)-(C) of this section.
- (3) If a district files an application for a combination issue, the application will be treated as an application for a single issue for the purposes of eligibility for the guarantee. A guarantee for the combination issue will be awarded only if both the new money portion and the refunding portion meet all of the applicable eligibility requirements described in this section. As part of its application, the applicant district must present data that demonstrate compliance for both the new money portion of the issue and the refunding portion of the issue.
- (4) If the commissioner determines that an applicant has deliberately misrepresented information related to a bond issue to secure a guarantee, the commissioner must revoke the approval of the bonds for the guarantee.
- (e) Determination of PSF capacity to guarantee bonds.
- (1) Each month the commissioner will estimate the available capacity of the PSF. If necessary, the commissioner will confirm that the PSF has sufficient capacity to guarantee the bonds before the issuance of the final approval for the guarantee in accordance with subsection (g)(3) of this section. The calculation of capacity will be based on a multiplier of three and one-half times the cost value of the PSF with the proviso that under no circumstances could the capacity of the fund exceed the limits set by federal regulation. The commissioner may increase or decrease the multiplier to prudently manage fund capacity and preserve the AAA credit rating of the PSF. Changes to the multiplier made by the commissioner are to be ratified or rejected by the State Board of Education (SBOE) at the next meeting for which the item can be posted.
  - (2) The SBOE may establish an amount of capacity to be held in reserve of up to 5.0% of the fund's capacity. The amount to be held in reserve may be increased or decreased by a majority vote of the SBOE based on changes in the cost value asset allocation and risk in the portfolio, or may be increased or decreased by the commissioner as necessary to prudently manage fund capacity and preserve the AAA credit rating of the PSF. Changes to the amount held in reserve made by the commissioner are to be ratified or rejected by the SBOE at the next meeting for which the item can be posted.

- (3) The net capacity of the PSF to guarantee bonds is determined by subtracting the amount to be held in reserve, as determined under paragraph (2) of this subsection, from the total available capacity, as described in paragraph (1) of this subsection.
- (f) Application process and application processing.
- (1) Application submission and fee. A district must apply to the commissioner for the guarantee of eligible bonds or the credit enhancement of eligible bonds as authorized under §61.1038 of this title by submitting an application electronically through the website of the MAC of Texas or its successor. The district must submit the information required under TEC, §45.055(b), and this section and any additional information the commissioner may require. The application and all additional information required by the commissioner must be received before the application will be processed. The district may not submit an application for a guarantee or credit enhancement before the successful passage of an authorizing proposition.
- (A) The application fee is \$1,500.
- (B) The fee is due at the time the application for the guarantee or the credit enhancement is submitted. An application will not be processed until the fee has been remitted according to the directions provided on the website of the MAC of Texas or its successor and received by TEA.
- (C) The fee will not be refunded to a district that:
- (i) is not approved for the guarantee or the credit enhancement; or
- (ii) does not sell its bonds before the expiration of its approval for the guarantee or the credit enhancement.
- (D) The fee may be transferred to a subsequent application for the guarantee or the credit enhancement by the district if the district withdraws its application and submits the subsequent application before the expiration of its approval for the guarantee or the credit enhancement.
- (2) Application prioritization and processing. Applications will be prioritized based on districts' property wealth per ADA, with the application of a district with a lower property wealth per ADA prioritized before that of a district with a higher property wealth per ADA. Applications may also be prioritized for districts that experience unforeseen catastrophes or emergencies that require the renovation or replacement of school facilities as described in TEC, §44.031(h). All applications received during a calendar month will be held until up to the 15th business day of the subsequent month. On or before the 15th business day of each month, the commissioner will announce the results of the prioritization and process applications for initial approval for the guarantee, up to the available net capacity as of the application deadline, subject to the requirements of this section.
- (A) Approval for guarantees will be awarded each month beginning with the districts with the lowest property wealth per ADA until the PSF reaches its net capacity to guarantee bonds.
- (B) Approval for guarantees will be awarded based on the fund's capacity to fully guarantee the bond issue for which the guarantee is sought. Applications for bond issues that cannot be fully guaranteed will not receive an award. The amount of bond issue for which the guarantee was requested may not be modified after the monthly application deadline for the purposes of securing the guarantee during the award process. If PSF net capacity has been exhausted, the commissioner will process the application for approval of the credit enhancement as specified in §61.1038 of this title.
- (C) The actual guarantee of the bonds is subject to the approval process prescribed in subsection (g) of this section.
- (D) An applicant school district is ineligible for consideration for the guarantee if its lowest credit rating from any nationally recognized investment rating firm as defined in subsection (b)(9) of this section is the same as or higher than that of the PSF.



- (3) Late application. An application received after the application deadline will be considered a valid application for the subsequent month, unless withdrawn by the submitting district before the end of the subsequent month.
  - (4) Notice of application status. Each district that submits a valid application will be notified of the application status within 15 business days of the application deadline.
  - (5) Reapplication. If a district does not receive approval for the guarantee or for any reason does not receive approval of the bonds from the attorney general within the time period specified in subsection (g)(4) of this section, the district may reapply in a subsequent month. Applications that were denied approval for the guarantee will not be retained for consideration in subsequent months.
- (g) Approval for the guarantee; district responsibilities on receipt of approval.
- (1) Initial and final approval provisions.
    - (A) If, during the monthly estimation of PSF capacity described in subsection (e)(1) of this section, the commissioner determines that the available capacity of the PSF is 10% or less, the commissioner may require an applicant school district to obtain final approval for the guarantee as described in paragraph (3) of this subsection.
    - (B) If the commissioner has not made such a determination:
      - (i) the commissioner will consider the initial approval described in paragraph (2) of this subsection as both the initial and final approval; and
      - (ii) an applicant school district that has received notification of initial approval for the guarantee, as described in paragraph (2) of this subsection, may consider that notification as notification of initial and final approval for the guarantee and may complete the sale of the applicable bonds.
  - (2) Initial approval.
    - (A) The following provisions apply to all applications for the guarantee, regardless of whether an application is for a new money, refunding, or combination issue. Under TEC, §45.056, the commissioner will investigate the applicant school district's accreditation status and financial status. A district must be accredited and financially sound to be eligible for initial approval by the commissioner. The commissioner's review will include the following:
      - (i) the purpose of the bond issue;
      - (ii) the district's accreditation status as defined by §97.1055 of this title (relating to Accreditation Status) in accordance with the following:
        - (I) if the district's accreditation status is Accredited, the district will be eligible for consideration for the guarantee;
        - (II) if the district's accreditation status is Accredited-Warned or Accredited-Probation, the commissioner will investigate the underlying reason for the accreditation rating to determine whether the accreditation rating is related to the district's financial soundness. If the accreditation rating is related to the district's financial soundness, the district will not be eligible for consideration for the guarantee; or
        - (III) if the district's accreditation status is Not Accredited-Revoked, the district will not be eligible for consideration for the guarantee;
      - (iii) the district's compliance with statutes and rules of TEA; and
      - (iv) the district's financial status and stability, regardless of the district's accreditation rating, including approval of the bonds by the attorney general under the provisions of TEC, §45.0031 and §45.005.

- (B) The following limitation applies to applications for new money issues of bonds for which the election authorizing the issuance of the bonds was called after July 15, 2004. The commissioner will limit approval for the guarantee to a district that has, at the time of the application for the guarantee, less than 90% of the annual debt service of the district with the highest annual debt service per ADA, as determined by the commissioner annually, or less than 90% of the total debt service of the district with the highest total debt service per ADA, as determined by the commissioner annually. The limitation will not apply to school districts that have enrollment growth, as defined in subsection (b)(8) of this section, of at least 25%, based on PEIMS data on enrollment available at the time of application. The annual debt service amount is the amount defined by subsection (b)(1) of this section. The total debt service amount is the amount defined by subsection (b)(13) of this section.
- (C) The commissioner will grant or deny initial approval for the guarantee based on the review described in subparagraph (A) of this paragraph and the limitation described in subparagraph (B) of this paragraph and will provide an applicant district whose application has received initial approval for the guarantee written notice of initial approval.
- (3) Final approval. The provisions of this paragraph apply only as described in paragraph (1) of this subsection. A district must receive final approval before completing the sale of the bonds for which the district has received notification of initial approval.
- (A) A district that has received initial approval must provide a written notice to TEA two business days before issuing a preliminary official statement (POS) for the bonds that are eligible for the guarantee or two business days before soliciting investment offers, if the bonds will be privately placed without the use of a POS.
- (i) The district must receive written confirmation from TEA that the capacity continues to be available before proceeding with the public or private offer to sell bonds.
- (ii) TEA will provide this notification within one business day of receiving the notice of the POS or notice of other solicitation offers to sell the bonds.
- (B) A district that received confirmation from TEA in accordance with subparagraph (A) of this paragraph must provide written notice to TEA of the placement of an item to approve the bond sale on the agenda of a meeting of the school board of trustees no later than two business days before the meeting. If the bond sale is completed pursuant to a delegation by the board to a pricing officer or committee, notice must be given to TEA no later than two business days before the execution of a bond purchase agreement by such pricing officer or committee.
- (i) The district must receive written confirmation from TEA that the capacity continues to be available for the bond sale before the approval of the sale by the school board of trustees or by the pricing officer or committee.
- (ii) TEA will provide this notification within one business day before the date that the district expects to complete the sale by official action of the board or of a pricing officer or committee.
- (C) TEA will process requests for final approval from districts that have received initial approval on a first come, first served basis. Requests for final approval must be received before the expiration of the initial approval.
- (D) A district may provide written notification as required by this paragraph by facsimile transmission or by email in a manner prescribed by the commissioner.
- (4) District responsibilities on receipt of approval.
- (A) Once a district is awarded initial approval for the guarantee, each issuance of the bonds must be approved by the attorney general within 180 days of the date of the letter

granting the approval for the guarantee. The initial approval for the guarantee will expire at the end of the 180-day period. The commissioner may extend the 180-day period, based on extraordinary circumstances, on receiving a written request from the district or the attorney general before the expiration of the 180-day period.

- (B) If the bonds are not approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee, the commissioner will consider the application withdrawn, and the district must reapply for a guarantee.
- (C) If applicable, the district must comply with the provisions for final approval described in paragraph (3) of this subsection to maintain approval for the guarantee.
- (D) A district may not represent bonds as guaranteed for the purpose of pricing or marketing the bonds before the date of the letter granting approval for the guarantee.

(h) Financial exigency. The following provisions describe how a declaration of financial exigency under §109.2001 of this title (relating to Financial Exigency) affects a district's application for guarantee approval or a district's previously granted approval.

- (1) Application for guarantee of new money issue. The commissioner will deny approval of an application for the guarantee of a new money issue if the applicant school district has declared a state of financial exigency for the district's current fiscal year. The denial of approval will be in effect for the duration of the applicable fiscal year unless the district can demonstrate financial stability.
- (2) Approval granted before declaration. If in a given district's fiscal year the commissioner grants approval for the guarantee of a new money issue and the school district subsequently declares a state of financial exigency for that same fiscal year, the district must immediately notify the commissioner and may not offer the bonds for sale unless the commissioner determines that the district may proceed.
- (3) Application for guarantee of refunding issue. The commissioner will consider an application for the guarantee of a refunding issue that meets all applicable requirements specified in this section even if the applicant school district has declared a state of financial exigency for the district's current fiscal year. In addition to fulfilling all applicable requirements specified in this section, the applicant school district must also describe, in its application, the reason financial exigency was declared and how the refunding issue will support the district's financial recovery plan.

(i) Allocation of specific holdings. If necessary to successfully operate the BGP, the commissioner may allocate specific holdings of the PSF to specific bond issues guaranteed under this section. This allocation will not prejudice the right of the SBOE to dispose of the holdings according to law and requirements applicable to the fund; however, the SBOE will ensure that holdings of the PSF are available for a substitute allocation sufficient to meet the purposes of the initial allocation. This allocation will not affect any rights of the bond holders under law.

(j) Defeasance. The guarantee will be completely removed when bonds guaranteed by the BGP are defeased, and such a provision must be specifically stated in the bond order. If bonds guaranteed by the BGP are defeased, the district must notify the commissioner in writing within ten calendar days of the action.

(k) Bonds issued before August 15, 1993. For bonds issued before August 15, 1993, a school district seeking the guarantee of eligible bonds must certify that, on the date of issuance of any bond, no funds received by the district from the Available School Fund (ASF) are reasonably expected to be used directly or indirectly to pay the principal or interest on, or the tender or retirement price of, any bond of the political subdivision or to fund a reserve or placement fund for any such bond.

(l) Bonds guaranteed before December 1, 1993. For bonds guaranteed before December 1, 1993, if a school district cannot pay the maturing or matured principal or interest on a guaranteed bond, the commissioner will cause the amount needed to pay the principal or interest to be transferred to the district's paying agent solely from the PSF and not from the ASF. The commissioner also will direct the comptroller of public accounts to withhold the amount paid, plus interest, from the first state money payable to the district, excluding payments from the ASF.

- (m) Bonds issued after August 15, 1993, and guaranteed on or after December 1, 1993. If a school district cannot pay the maturing or matured principal or interest on a guaranteed bond, the commissioner will cause the amount needed to pay the principal or interest to be transferred to the district's paying agent from the PSF. The commissioner also will direct the comptroller of public accounts to withhold the amount paid, plus interest, from the first state money payable to the district, regardless of source, including the ASF.
- (n) Payments. For purposes of the provisions of TEC, Chapter 45, Subchapter C, matured principal and interest payments are limited to amounts due on guaranteed bonds at scheduled maturity, at scheduled interest payment dates, and at dates when bonds are subject to mandatory redemption, including extraordinary mandatory redemption, in accordance with the terms of the bond order. All such payment dates, including mandatory redemption dates, must be specified in the bond order or other document pursuant to which the bonds initially are issued. Without limiting the provisions of this subsection, payments attributable to an optional redemption or a right granted to a bondholder to demand payment on a tender of such bonds according to the terms of the bonds do not constitute matured principal and interest payments.
- (o) Guarantee restrictions. The guarantee provided for eligible bonds under the provisions of TEC, Chapter 45, Subchapter C, is restricted to matured bond principal and interest. The guarantee applies to all matured interest on eligible bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond order provision requiring an interest rate change. The guarantee does not extend to any obligation of a district under any agreement with a third party relating to bonds that is defined or described in state law as a "bond enhancement agreement" or a "credit agreement," unless the right to payment of such third party is directly as a result of such third party being a bondholder.
- (p) Notice of default. A school district that has determined that it is or will be unable to pay maturing or matured principal or interest on a guaranteed bond must immediately, but not later than the fifth business day before maturity date, notify the commissioner.
- (q) Payment from PSF.
  - (1) Immediately after the commissioner receives the notice described in subsection (p) of this section, the commissioner will instruct the comptroller to transfer from the appropriate account in the PSF to the district's paying agent the amount necessary to pay the maturing or matured principal or interest.
  - (2) Immediately after receipt of the funds for payment of the principal or interest, the paying agent must pay the amount due and forward the canceled bond or coupon to the comptroller. The comptroller will hold the canceled bond or coupon on behalf of the PSF.
  - (3) Following full reimbursement to the PSF with interest, the comptroller will further cancel the bond or coupon and forward it to the school district for which payment was made. Interest will be charged at the rate determined under the Texas Government Code, §2251.025(b). Interest will accrue as specified in the Texas Government Code, §2251.025(a) and (c).
- (r) Bonds not accelerated on default. If a school district fails to pay principal or interest on a guaranteed bond when it matures, other amounts not yet mature are not accelerated and do not become due by virtue of the school district's default.
- (s) Reimbursement of PSF. If payment from the PSF is made on behalf of a school district, the school district must reimburse the amount of the payment, plus interest, in accordance with the requirements of TEC, §45.061.
- (t) Repeated failure to pay. If a total of two or more payments are made under the BGP or the credit enhancement program authorized under §61.1038 of this title on the bonds of a school district, the commissioner will take action in accordance with the provisions of TEC, §45.062.

### **§33.7. Bond Guarantee Program for Charter Schools.**

- (a) Statutory provision. The commissioner of education must administer the guarantee program for open-enrollment charter school bonds according to the provisions of Texas Education Code (TEC), Chapter 45, Subchapter C.

- (b) Definitions. The following definitions apply to the guarantee program for open-enrollment charter school bonds.
- (1) Amortization expense--the annual expense of any debt and/or loan obligations.
  - (2) Annual debt service--payments of principal and noncapitalized interest on outstanding bonded debt scheduled to occur during a charter district's fiscal year as reported by the Municipal Advisory Council (MAC) of Texas or its successor, if the charter district is responsible for outstanding bonded indebtedness.
    - (A) The annual debt service will be determined by the current report of the bonded indebtedness of the charter district as reported by the MAC of Texas or its successor as of the date of the application deadline.
    - (B) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement or, if there is no official statement, debt service amounts based on the maximum rate permitted by the bond resolution or other bond proceeding that establishes a maximum interest rate for the bonds.
    - (C) Annual debt service includes required payments into a sinking fund as authorized under 26 United States Code (USC) §54A(d)(4)(C), provided that the sinking fund is maintained by a trustee or other entity approved by the commissioner that is not under the control or common control of the charter district.
  - (3) Application deadline--the last business day of the month in which an application for a guarantee is filed. Applications must be submitted electronically through the website of the MAC of Texas or its successor by 5:00 p.m. on the last business day of the month to be considered in that month's application processing. This application deadline does not apply to applications for issues to refund bonds previously guaranteed by the Bond Guarantee Program.
  - (4) Board resolution--the resolution adopted by the governing body of an open-enrollment charter holder that:
    - (A) requests guarantee of bonds through the Bond Guarantee Program; and
    - (B) authorizes the charter holder's administration to pursue bond financing.
  - (5) Bond--a debt security issuance approved by the attorney general, issued under TEC, Chapter 53, to provide long-term financing with a maturity schedule of at least three years.
  - (6) Bond Guarantee Program (BGP)--the guarantee program that is described by this section and established under TEC, Chapter 45, Subchapter C.
  - (7) Bond resolution--the resolution, indenture, or other instrument adopted by the governing body of an issuer of bonds authorizing the issuance of bonds for the benefit of a charter district.
  - (8) Charter district--an open-enrollment charter holder designated as a charter district under subsection (e) of this section, as authorized by TEC, §12.135.
  - (9) Combination issue--an issuance of bonds for which an application for a guarantee is filed that includes both a new money portion and a refunding portion, as permitted by TEC, Chapter 53. The eligibility of combination issues for the guarantee is limited by the eligibility of the new money and refunding portions as defined in this subsection.
  - (10) Debt service coverage ratio--a measure of a charter district's ability to pay interest and principal with cash generated from current operations. The debt service coverage ratio (total debt service coverage on all long-term capital debt) equals the excess of revenues over expenses plus interest expense plus depreciation expense plus amortization expense, all divided by annual debt service. The calculation can be expressed as: (Excess of revenues over expenses + interest expense + depreciation expense + amortization expense)/ annual debt service.
  - (11) Depreciation expense--the audited amount of depreciation that was expensed during the fiscal period.

- (12) Educational facility--a classroom building, laboratory, science building, faculty or administrative office building, or other facility used exclusively for the conduct of the educational and administrative functions of a charter school.
- (13) Foundation School Program (FSP)--the program established under TEC, Chapters 41, 42, and 46, or any successor program of state appropriated funding for school districts in the state of Texas.
- (14) Long-term debt--any debt of the charter district that has a term of greater than three years and is secured on a parity basis with the bonds to be guaranteed.
- (15) Maximum annual debt service--as of any date of calculation, the highest annual debt service requirements with respect to all outstanding long-term debt for any succeeding fiscal year.
- (16) Nationally recognized investment rating firm--an investment rating firm that is designated by the United States Securities and Exchange Commission as a nationally recognized statistical rating organization (NRSRO) and is demonstrating that it has:
- (A) had its current NRSRO designation for at least three consecutive years;
- (B) provided credit ratings to each of the following:
- (i) fifteen or more fixed income securities denominated in United States dollars and issued during the immediately preceding three years;
- (ii) ten or more school districts in the United States;
- (iii) one or more charter schools in the United States; and
- (C) a documented separation of duties between employees involved in credit analysis and employees involved in business relationships with clients.
- (17) New money issue--an issuance of revenue bonds under TEC, Chapter 53, for the purposes of:
- (A) the acquisition, construction, repair, or renovation of an educational facility of an open-enrollment charter school and equipping real property of an open-enrollment charter school, provided that any bonds for student or teacher housing must meet the following criteria:
- (i) the proposed housing is contemplated in the charter or charter application; and
- (ii) the proposed housing is an essential and integral part of the educational program included in the charter contract; or
- (B) the refinancing of one or more promissory notes executed by an open-enrollment charter school, each in an amount in excess of \$500,000, that evidence one or more loans from a national or regional bank, nonprofit corporation, or foundation that customarily makes loans to charter schools, the proceeds of which loans were used for a purpose described in subparagraph (A) of this paragraph; or
- (C) both.
- (18) Open-enrollment charter--this term has the meaning assigned in §100.1001 of this title (relating to Definitions).
- (19) Open-enrollment charter holder--this term has the meaning assigned to the term "charter holder" in TEC, §12.1012.
- (20) Open-enrollment charter school--this term has the meaning assigned to the term "charter school" in §100.1001 of this title.
- (21) Open-enrollment charter school campus--this term has the meaning assigned to the term "charter school campus" in §100.1001 of this title.
- (22) Refunding issue--an issuance of bonds under TEC, Chapter 53, for the purpose of refunding:

- (A) bonds that have previously been issued under that chapter and have previously been approved by the attorney general; or
- (B) bonds that have previously been issued for the benefit of an open-enrollment charter school under Vernon's Civil Statutes, Article 1528m, and have previously been approved by the attorney general.

(c) Bond eligibility.

- (1) Only those combination, new money, and refunding issues as defined in subsection (b)(9), (17), and (22), respectively, of this section are eligible to receive the guarantee. The bonds must, without the guarantee, be rated as investment grade by a nationally recognized investment rating firm and must be issued on or after September 28, 2011.
- (2) Refunding issues must comply with the following requirements to retain eligibility for the guarantee for the refunding bonds.
  - (A) As with any open-enrollment charter holder applying for approval for the guarantee, the charter holder for which the refunding bonds are being issued must meet the requirements for charter district designation specified in subsection (e)(2) of this section and the requirements for initial approval specified in subsection (f)(3)(A) of this section.
  - (B) The charter holder must demonstrate that issuing the refunding bond(s) will result in a present value savings to the charter holder. Present value savings is determined by computing the net present value of the difference between each scheduled payment on the original bonds and each scheduled payment on the refunding bonds. Present value savings must be computed at the true interest cost of the refunding bonds. If the commissioner approves refunding bonds for the guarantee based on evidence of present value savings but at the time of the sale of the refunding bonds a present value savings is not realized, the commissioner may revoke the approval of the bonds for the guarantee.
  - (C) For issues that refund bonds previously guaranteed by the BGP, the charter holder must demonstrate that the refunding bond or bonds will not have a maturity date later than the final maturity date of the bonds being refunded.
  - (D) The refunding transaction must comply with the provisions of subsection (f)(5)(A)-(C) and (E) of this section.
- (3) If an open-enrollment charter holder files an application for a combination issue, the application will be treated as an application for a single issue for the purposes of eligibility for the guarantee. A guarantee for the combination issue will be awarded only if both the new money portion and the refunding portion meet all of the applicable eligibility requirements described in this section. As part of its application, the charter holder making the application must present data that demonstrate compliance for both the new money portion of the issue and the refunding portion of the issue.
- (4) If the commissioner determines that an applicant has deliberately misrepresented information related to a bond issue to secure a guarantee, the commissioner must revoke the approval of the bonds for the guarantee.

(d) Determination of Permanent School Fund (PSF) capacity to guarantee bonds for charter districts.

- (1) Each month the commissioner will estimate the available capacity of the PSF to guarantee bonds for charter districts. This capacity is determined by multiplying the net capacity determined under §33.65 of this title (relating to Bond Guarantee Program for School Districts) by the percentage of the number of students enrolled in open-enrollment charter schools in this state compared to the total number of students enrolled in all public schools in this state, as determined by the commissioner. The commissioner's determination of the number of students enrolled in open-enrollment charter schools in this state and the number of students enrolled in all public schools in this state is based on the enrollment data submitted by school districts and charter schools to the Public Education Information Management System (PEIMS) during the most recent fall PEIMS submission. Annually, the commissioner will post the applicable student enrollment numbers and

the percentage of students enrolled in open-enrollment charter schools on the Texas Education Agency (TEA) web page related to the BGP. The commissioner shall hold up to 5.0% of the charter school available capacity in reserve each month.

- (2) Up to half of the total capacity of the PSF to guarantee bonds for charter districts may be used to guarantee charter district refunding bonds.
- (e) Application process and application processing. An open-enrollment charter holder must apply to the commissioner for the guarantee of eligible bonds by submitting an application electronically through the website of the MAC of Texas or its successor. Before an application for the guarantee will be considered, a charter holder must first be determined by the commissioner to meet criteria for designation as a charter district for purposes of this section. The application submitted through the website of the MAC of Texas or its successor will serve as both a charter holder's application for designation as a charter district and its application for the guarantee.
- (1) Application submission and fee. As part of its application, an open-enrollment charter holder must submit the information required under TEC, §45.055(b), and this section and any additional information the commissioner may require. The application and all additional information required by the commissioner must be received before the application will be processed. The open-enrollment charter holder may not submit an application for a guarantee before the governing body of the charter holder adopts a board resolution as defined in subsection (b)(4) of this section.
- (A) The amount of the application fee is the amount specified in §33.65 of this title.
- (B) The fee is due at the time the application for charter district designation and the guarantee is submitted. An application will not be processed until the fee has been remitted according to the directions provided on the website of the MAC of Texas or its successor and received by TEA.
- (C) The fee will not be refunded to an applicant that:
- (i) is designated a charter district but is not approved for the guarantee; or
- (ii) receives approval for the guarantee but does not sell its bonds before the expiration of its approval for the guarantee.
- (D) The fee may be transferred to a subsequent application for the guarantee by a charter district that has been approved for the guarantee if the charter district withdraws its application and submits the subsequent application before the expiration of its approval for the guarantee.
- (2) Eligibility to be designated a charter district.
- (A) To be designated a charter district and have its application for the guarantee considered by the commissioner, an open-enrollment charter holder must:
- (i) have operated at least one open-enrollment charter school in the state of Texas for at least three years and have had students enrolled in the school for those three years;
- (ii) identify in its application for which open-enrollment charter school and, if applicable, for which open-enrollment charter school campus the bond funds will be used;
- (iii) in its application, agree that the bonded indebtedness for which the guarantee is sought will be undertaken as an obligation of all entities under common control of the open-enrollment charter holder and agree that all such entities will be liable for the obligation if the open-enrollment charter holder defaults on the bonded indebtedness, provided that an entity that does not operate a charter school in Texas is subject to this subparagraph only to the extent that it has received state funds from the open-enrollment charter holder;



- (iv) not have an unresolved corrective action that is more than one year old, unless the open-enrollment charter holder has taken appropriate steps, as determined by the commissioner, to begin resolving the action;
  - (v) have had, for the past three years, an audit as required by §100.1047 of this title (relating to Accounting for State and Federal Funds) that was completed with unqualified or unmodified opinions;
  - (vi) have received an investment grade credit rating from a nationally recognized investment rating firm as defined in subsection (b)(16) of this section as specified by TEC, §45.0541, within the last year; and
  - (vii) not have materially violated a covenant relating to debt obligation in the immediately preceding three years.
- (B) For an open-enrollment charter holder to be designated a charter district and have its application for the guarantee considered by the commissioner, each open-enrollment charter school operated under the charter must not have an accreditation rating of Not Accredited-Revoked and must have a rating of met standard or met alternative standard as its most recent state academic accountability rating. However, if an open-enrollment charter school operated under the charter is not yet rated because the school is in its first year of operation, that fact will not impact the charter holder's eligibility to be designated a charter district and apply for the guarantee.
- (3) Application processing. All applications received during a calendar month that were submitted by open-enrollment charter holders determined to meet the criteria in paragraph (2) of this subsection will be held until the 15th business day of the subsequent month. On the 15th business day of each month, the commissioner will announce the results of the pro rata allocation of available capacity, if pro rata allocation is necessary, and process applications for initial approval for the guarantee, up to the available capacity as of the application deadline, subject to the requirements of this section.
- (A) If the available capacity is insufficient to guarantee the total value of the bonds for all applicant charter districts, the commissioner will allocate the available capacity on a pro rata basis to each applicant charter district. For each applicant, the commissioner will determine the percentage of the total amount of all applicants' proposed bonds that the applicant's proposed bonds represent. The commissioner will then allocate to that applicant the same percentage of the available capacity, but in no event will an allocation be equal to an amount less than \$500,000.
- (B) The actual guarantee of the bonds is subject to the approval process prescribed in subsection (f) of this section.
- (C) An applicant charter district is ineligible for consideration for the guarantee if its lowest credit rating from any nationally recognized investment rating firm as defined in subsection (b)(16) of this section is the same as or higher than that of the PSF.
- (4) Late application. An application received after the application deadline will be considered a valid application for the subsequent month, unless withdrawn by the submitting open-enrollment charter holder before the end of the subsequent month.
- (5) Notice of application status. Each open-enrollment charter holder that submits a valid application will be notified of the application status within 15 business days of the application deadline.
- (6) Reapplication. If an open-enrollment charter holder does not receive designation as a charter district, does not receive approval for the guarantee, or for any reason does not receive approval of the bonds from the attorney general within the time period specified in subsection (f)(5) of this section, the charter holder may reapply in a subsequent month. An application that was denied approval for the guarantee or that was submitted by a charter holder that the commissioner determined did not meet the criteria for charter district designation will not be retained for

consideration in subsequent months. A reapplication fee will be required unless the conditions described in subsection (e)(1)(D) of this section apply to the charter holder.

(f) Approval for the guarantee; charter district responsibilities on receipt of approval.

(1) Approval for the guarantee and charter renewal or amendment.

(A) If an open-enrollment charter holder applies for the guarantee within the 12 months before the charter holder's charter is due to expire, application approval will be contingent on successful renewal of the charter, and the bonds for which the open-enrollment charter holder is applying for the guarantee may not be issued before the successful renewal of the charter.

(B) If an open-enrollment charter holder proposes to use the proceeds of the bonds for which it is applying for the guarantee for an expansion that requires a charter amendment, application approval will be contingent on approval of the amendment, and the bonds may not be issued before approval of the amendment.

(2) Initial and final approval provisions.

(A) The commissioner may require an applicant charter district to obtain final approval for the guarantee as described in paragraph (4) of this subsection if:

(i) during the monthly estimation of PSF capacity described in §33.65 of this title, the commissioner determines that the available capacity of the PSF as described in §33.65 of this title is 10% or less; or

(ii) during the monthly estimation of the available capacity of the PSF to guarantee bonds for charter districts described in subsection (d) of this section, the commissioner determines that the available capacity of the PSF to guarantee bonds for charter districts is 10% or less.

(B) If the commissioner has not made such a determination:

(i) the commissioner will consider the initial approval described in paragraph (3) of this subsection as both the initial and final approval; and

(ii) an applicant charter district that has received notification of initial approval for the guarantee, as described in paragraph (3) of this subsection, may consider that notification as notification of initial and final approval for the guarantee and may complete the sale of the applicable bonds.

(3) Initial approval.

(A) The following provisions apply to all applications for the guarantee, regardless of whether an application is for a new money, refunding, or combination issue. Under TEC, §45.056, the commissioner will investigate the financial status of the applicant charter district and the accreditation status of all open-enrollment charter schools operated under the charter. For the charter district's application to be eligible for initial approval by the commissioner, each open-enrollment charter school operated under the charter must be accredited, and the charter district must be financially sound. The commissioner's review will include review of the following:

(i) the purpose of the bond issue;

(ii) the accreditation status, as defined by §97.1055 of this title (relating to Accreditation Status), of all open-enrollment charter schools operated under the charter in accordance with the following, except that, if an open-enrollment charter school operated under the charter has not yet received an accreditation rating because it is in its first year of operation, that fact will not impact the charter district's eligibility for consideration for the guarantee:

- (I) if the accreditation status of all open-enrollment charter schools operated under the charter is Accredited, the charter district will be eligible for consideration for the guarantee;
- (II) if the accreditation status of any open-enrollment charter school operated under the charter is Accredited-Warned or Accredited-Probation, the commissioner will investigate the underlying reason for the accreditation rating to determine whether the accreditation rating is related to the open-enrollment charter school's financial soundness. If the accreditation rating is related to the open-enrollment charter school's financial soundness, the charter district will not be eligible for consideration for the guarantee; or
- (III) if the accreditation status of any open-enrollment charter school operated under the charter is Not Accredited-Revoked, the charter district will not be eligible for consideration for the guarantee;
- (iii) the charter district's financial status and stability, regardless of each open-enrollment charter school's accreditation rating, including approval of the bonds by the attorney general under the provisions of TEC, §53.40;
- (iv) whether TEA has required the charter district to submit a financial plan under §109.1101 of this title (relating to Financial Solvency Review) in the last three years;
- (v) the audit history of the charter district and of all open-enrollment charter schools operated under the charter;
- (vi) the charter district's compliance with statutes and rules of TEA and with applicable state and federal program requirements and the compliance of all open-enrollment charter schools operated under the charter with these statutes, rules, and requirements;
- (vii) any interventions and sanctions to which the charter district has been subject; to which any of the open-enrollment charter schools operated under the charter has been subject; and, if applicable, to which any of the open-enrollment charter school campuses operated under the charter has been subject;
- (viii) formal complaints received by TEA that have been made against the charter district, against any of the open-enrollment charter schools operated under the charter, or against any of the open-enrollment charter school campuses operated under the charter;
- (ix) the state academic accountability rating of all open-enrollment charter schools operated under the charter and the campus ratings of all open-enrollment charter school campuses operated under the charter;
- (x) any unresolved corrective actions that are less than one year old; and
- (xi) whether the charter district is considered a high-risk grantee by the TEA office responsible for planning, grants, and evaluation.
- (B) The commissioner will limit approval for the guarantee to a charter district with a historical debt service coverage ratio, based on annual debt service, of at least 1.1 for the most recently completed fiscal year and a projected debt service coverage ratio, based on projected revenues and expenses and maximum annual debt service, of at least 1.2. If the bond issuance for which an application has been submitted is the charter district's first bond issuance, the commissioner will evaluate only projected debt service coverage. Projections of revenues and expenses are subject to approval by the commissioner.
- (C) The commissioner will grant or deny initial approval for the guarantee based on the review described in subparagraph (A) of this paragraph and the limitation described in

subparagraph (B) of this paragraph and will provide an applicant charter district whose application has received initial approval for the guarantee written notice of initial approval.

(4) Final approval. The provisions of this paragraph apply only as described in paragraph (2) of this subsection. A charter district must receive final approval before completing the sale of the bonds for which the charter district has received notification of initial approval.

(A) A charter district that has received initial approval must provide a written notice to TEA two business days before issuing a preliminary official statement (POS) for the bonds that are eligible for the guarantee or two business days before soliciting investment offers, if the bonds will be privately placed without the use of a POS.

(i) The charter district must receive written confirmation from TEA that the capacity continues to be available and must continue to meet the requirements of subsection (e)(2) of this section before proceeding with the public or private offer to sell bonds.

(ii) TEA will provide this notification within one business day of receiving the notice of the POS or notice of other solicitation offers to sell the bonds.

(B) A charter district that received confirmation from TEA in accordance with subparagraph (A) of this paragraph must provide written notice to TEA of the placement of an item to approve the bond sale on the agenda of a meeting of the bond issuer's board of directors no later than two business days before the meeting. If the bond sale is completed pursuant to a delegation by the issuer to a pricing officer or committee, notice must be given to TEA no later than two business days before the execution of a bond purchase agreement by such pricing officer or committee.

(i) The charter district must receive written confirmation from TEA that the capacity continues to be available for the bond sale before the approval of the sale by the bond issuer or by the pricing officer or committee.

(ii) TEA will provide this notification within one business day before the date that the bond issuer expects to complete the sale by official action of the bond issuer or of a pricing officer or committee.

(C) TEA will process requests for final approval from charter districts that have received initial approval on a first come, first served basis. Requests for final approval must be received before the expiration of the initial approval.

(D) A charter district may provide written notification as required by this paragraph by facsimile transmission, by email, or in another manner prescribed by the commissioner.

(5) Charter district responsibilities on receipt of approval.

(A) Once a charter district is awarded initial approval for the guarantee, each issuance of the bonds must be approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee. The initial approval for the guarantee will expire at the end of the 180-day period. The commissioner may extend the 180-day period, based on extraordinary circumstances, on receiving a written request from the charter district or the attorney general before the expiration of the 180-day period.

(B) If applicable, the charter district must comply with the provisions for final approval described in paragraph (4) of this subsection to maintain approval for the guarantee.

(C) If the bonds are not approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee, the commissioner will consider the application withdrawn, and the charter district must reapply for a guarantee.

(D) A charter district may not represent bonds as guaranteed for the purpose of pricing or marketing the bonds before the date of the letter granting approval for the guarantee.

- (E) The charter district must provide evidence of the final investment grade rating of the bonds to TEA after receiving initial approval but before the distribution of the preliminary official statement for the bonds or, if the bonds are offered in a private placement, before approval of the bond sale by the governing body of the charter district.
- (F) A charter district must identify by legal description any educational facility purchased or improved with bond proceeds no later than 30 days after entering into a binding commitment to expend bond proceeds for that purpose. The charter district must identify at that time whether and to what extent debt service will be paid with any source of revenue other than state funds.
- (g) Allocation of specific holdings. If necessary to successfully operate the BGP, the commissioner may allocate specific holdings of the PSF to specific bond issues guaranteed under this section. This allocation will not prejudice the right of the State Board of Education (SBOE) to dispose of the holdings according to law and requirements applicable to the fund; however, the SBOE will ensure that holdings of the PSF are available for a substitute allocation sufficient to meet the purposes of the initial allocation. This allocation will not affect any rights of the bond holders under law.
- (h) Defeasance. The guarantee will be completely removed when bonds guaranteed by the BGP are defeased, and such a provision must be specifically stated in the bond resolution. If bonds guaranteed by the BGP are defeased, the charter district must notify the commissioner in writing within ten calendar days of the action.
- (i) Payments. For purposes of the provisions of TEC, Chapter 45, Subchapter C, matured principal and interest payments are limited to amounts due on guaranteed bonds at scheduled maturity, at scheduled interest payment dates, and at dates when bonds are subject to mandatory redemption, including extraordinary mandatory redemption, in accordance with their terms. All such payment dates, including mandatory redemption dates, must be specified in the bond order or other document pursuant to which the bonds initially are issued. Without limiting the provisions of this subsection, payments attributable to an optional redemption or a right granted to a bondholder to demand payment on a tender of such bonds according to the terms of the bonds do not constitute matured principal and interest payments.
- (j) Guarantee restrictions. The guarantee provided for eligible bonds under the provisions of TEC, Chapter 45, Subchapter C, is restricted to matured bond principal and interest. The guarantee applies to all matured interest on eligible bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond resolution provision requiring an interest rate change. The guarantee does not extend to any obligation of a charter district under any agreement with a third party relating to bonds that is defined or described in state law as a "bond enhancement agreement" or a "credit agreement," unless the right to payment of such third party is directly as a result of such third party being a bondholder.
- (k) Notice of default. A charter district that has determined that it is or will be unable to pay maturing or matured principal or interest on a guaranteed bond must immediately, but not later than the fifth business day before the maturing or matured principal or interest becomes due, notify the commissioner.
- (l) Charter District Bond Guarantee Reserve Fund. The Charter District Bond Guarantee Reserve Fund is a special fund in the state treasury outside the general revenue fund and is managed by the SBOE in the same manner that the PSF is managed by the SBOE.
- (m) Payment from Charter District Bond Guarantee Reserve Fund and PSF.
- (1) Immediately after the commissioner receives the notice described in subsection (k) of this section, the commissioner will notify the TEA division responsible for administering the PSF of the notice of default and instruct the comptroller to transfer from the Charter District Bond Guarantee Reserve Fund established under TEC, §45.0571, to the charter district's paying agent the amount necessary to pay the maturing or matured principal or interest.
- (2) If money in the reserve fund is insufficient to pay the amount due on a bond under paragraph (1) of this subsection, the commissioner will instruct the comptroller to transfer from the appropriate account in the PSF to the charter district's paying agent the amount necessary to pay the balance of the unpaid maturing or matured principal or interest.

- (3) Immediately after receipt of the funds for payment of the principal or interest, the paying agent must pay the amount due and forward the canceled bond or coupon to the comptroller. The comptroller will hold the canceled bond or coupon on behalf of the fund or funds from which payment was made.
- (4) To ensure that the charter district reimburses the reserve fund and the PSF, if applicable, the commissioner will withhold from state funds otherwise payable to the charter district the amount that the charter district owes in reimbursement.
- (5) Funds intercepted for reimbursement under paragraph (4) of this subsection will be used to fully reimburse the PSF before any funds reimburse the reserve fund. If the funds intercepted under paragraph (4) of this subsection are insufficient to fully reimburse the PSF with interest, subsequent payments into the reserve fund will first be applied to any outstanding obligation to the PSF.
- (6) Following full reimbursement to the reserve fund and the PSF, if applicable, with interest, the comptroller will further cancel the bond or coupon and forward it to the charter district for which payment was made. Interest will be charged at the rate determined under the Texas Government Code (TGC), §2251.025(b). Interest will accrue as specified in the TGC, §2251.025(a) and (c). For purposes of this section, the "date the payment becomes overdue" that is referred to in the TGC, §2251.025(a), is the date that the comptroller makes the payment to the charter district's paying agent.
- (n) Bonds not accelerated on default. If a charter district fails to pay principal or interest on a guaranteed bond when it matures, other amounts not yet mature are not accelerated and do not become due by virtue of the charter district's default.
- (o) Reimbursement of Charter District Bond Guarantee Reserve Fund or PSF. If payment from the Charter District Bond Guarantee Reserve Fund or the PSF is made on behalf of a charter district, the charter district must reimburse the amount of the payment, plus interest, in accordance with the requirements of TEC, §45.061.
- (p) Repeated failure to pay. If a total of two or more payments are made under the BGP on the bonds of a charter district, the commissioner may take action in accordance with the provisions of TEC, §45.062.
- (q) Report on the use of funds and confirmation of use of funds by independent auditor. A charter district that issues bonds approved for the guarantee must report to TEA annually in a form prescribed by the commissioner on the use of the bond funds until all bond proceeds have been spent. The charter district's independent auditor must confirm in the charter district's annual financial report that bond funds have been used in accordance with the purpose specified in the application for the guarantee.
- (r) Failure to comply with statute or this section. An open-enrollment charter holder's failure to comply with the requirements of TEC, Chapter 45, Subchapter C, or with the requirements of this section, including by making any material misrepresentations in the charter holder's application for charter district designation and the guarantee, constitutes a material violation of the open-enrollment charter holder's charter.

**§33.8. Compliance with Securities and Exchange Commission (SEC) Rule 15c2-12 Pertaining to Disclosure of Information Relating to the Bond Guarantee Program.**

- (a) Definitions. As used in this section, the following terms have the meanings ascribed to such terms below.
  - (1) Agency means the Texas Education Agency and any successors or assigns thereto with respect to the management and administration of the Program or the investment of the Permanent School Fund.
  - (2) Financial Obligation means, with respect to the Program, a:
    - (A) debt obligation;
    - (B) derivative instrument entered into in connection with, or pledged as security or a source of a payment for, an existing or planned debt obligation; or

- (C) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.
- (3) Guaranteed Bonds means obligations for which application is made and granted for a guarantee under the Program.
- (4) Issuing District means a school district or charter district which issues Guaranteed Bonds.
- (5) MSRB means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.
- (6) Official Statement means each offering document of an Issuing District used in the offering and/or sale of Guaranteed Bonds.
- (7) Order means the resolution, order, ordinance or other instrument or instruments of an Issuing District pursuant to which Guaranteed Bonds are issued and the rights of the holders and beneficial owners thereof are established.
- (8) Permanent School Fund means the perpetual school fund established by Article VII, Section 2 of the Texas Constitution.
- (9) Program means the program of bond guarantee by the Permanent School Fund, which program has been established by Article VII, Sections 2 and 5 of the Texas Constitution, and is administered in accordance with Subchapter C, Chapter 45, Texas Education Code, as amended, and the rules and regulations of the Agency. The term Program shall also include the rules, regulations and policies of the Agency with respect to the administration of such program of guarantee of school district bonds, as well as the rules, regulations, policies of the Agency with respect to the administration, and the operational and financial results, of the Permanent School Fund.
- (10) Program Regulation means this rule of the Agency which is promulgated for the purpose of establishing and undertaking with respect to the Program which satisfies the requirements of the Rule.
- (11) PSF Corporation means the Permanent School Fund Corporation created by the State Board of Education pursuant to, and having the powers set forth in, Subchapter B of Chapter 43, Texas Education Code, as amended.
- (12) Rule means SEC Rule 15c2-12, as amended from time to time.
- (13) SEC means the United States Securities and Exchange Commission.
- (b) Annual Reports.
- (1) The Agency shall provide annually to the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to Program of the general type which describes the Program and which is included in an Official Statement for Guaranteed Bonds, which is prepared by the PSF Corporation. Any financial statements to be provided need not be audited. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.
- (2) If the Agency changes its fiscal year from the year ending August 31, it will file notice with the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Agency otherwise would be required to provide financial information and data pursuant to this section.
- (3) The financial information and operating data to be provided pursuant to this section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to either the MSRB or filed with the SEC.
- (c) Event Notices.

- (1) The Agency shall notify the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event), of any of the following events with respect to the Program:
- (A) Principal and interest payment delinquencies;
  - (B) Non-payment related defaults if such event is material within the meaning of the federal securities laws;
  - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (E) Substitution of credit or liquidity providers, or their failure to perform;
  - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Program, or other material events affecting the tax status of the Program;
  - (G) Modifications to rights of holders of the Bonds, if such event is material within the meaning of the federal securities laws;
  - (H) Bond calls, if such event is material within the meaning of the federal securities laws, and tender offers;
  - (I) Defeasances;
  - (J) Release, substitution, or sale of property securing repayment of Guaranteed Bonds, if such event is material within the meaning of the federal securities laws;
  - (K) Rating changes of the Program;
  - (L) Bankruptcy, insolvency, receivership, or similar event of the Program, which shall occur as described below;
  - (M) The consummation of a merger, consolidation, or acquisition involving the Program or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if such event is material within the meaning of the federal securities laws;
  - (N) Appointment of a successor or additional trustee with respect to the Program or the change of name of a trustee, if such event is material within the meaning of the federal securities laws;
  - (O) The incurrence of a financial obligation of the Program, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Program, any of which affect security holders, if material; and
  - (P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Program, any of which reflect financial difficulties.
- (2) For these purposes, any event described in the immediately preceding paragraph (L) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Program in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Program, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Program.



- (3) The Agency shall notify the MSRB, in a timely manner, of any failure by the Agency to provide financial information or operating data in accordance with Section 1 of this Program Regulation by the time required by such Section.
- (4) Nothing in this Program Regulation shall obligate the Agency to make any filings or disclosures with respect to Guaranteed Bonds, as the obligations of the Agency hereunder pertain solely to the Program.

(d) Limitations, Disclaimers, and Amendments.

- (1) With respect to a series of Guaranteed Bonds, the Agency shall be obligated to observe and perform the covenants specified in this Program Regulation for so long as, but only for so long as, the Agency remains an "obligated person" with respect to the Guaranteed Bonds within the meaning of the Rule.
- (2) The provisions of this Program Regulation are for the sole benefit of each Issuing District, as well as holders and beneficial owners of the Guaranteed Bonds; nothing in this Program Regulation, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Agency undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Program Regulation and does not hereby undertake to provide any other information, even if such information may be relevant or material to a complete presentation of the Program's financial results, condition, or prospects. The Agency does not undertake to update any information provided in accordance with this Program Regulation or otherwise, except as expressly provided herein. The Agency does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Guaranteed Bonds at any time.
- (3) Under no circumstances shall the Agency or the Program be liable to the holder or beneficial owner of any Guaranteed Bond, the Issuing District or any other person or entity, in contract or tort, for damages resulting in whole or in part from any breach by the Agency, whether negligent or without fault on its part, of any covenant specified in this Program Regulation, but every right and remedy of any such person, in contract or tort, for or on account of any such breach shall be limited to an action for mandamus or specific performance.
- (4) No default by the Agency in observing or performing its obligations under this Program Regulation shall comprise a breach of or default under the Order for purposes of any other provision of the Order. Nothing in this Program Regulation is intended or shall act to disclaim, waive, or otherwise limit the duties of the Agency under federal and state securities laws.
- (5) The provisions of this Program Regulation may be amended by the Agency from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Agency, but only if:
  - (A) the provisions of this Program Regulation, as so amended, would have permitted an underwriter to purchase or sell Guaranteed Bonds in the primary offering of the Guaranteed Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances; and
  - (B) either:
    - (i) the holders of a majority in aggregate principal amount of the outstanding Guaranteed Bonds consent to such amendment, or
    - (ii) a person that is unaffiliated with the Agency (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Guaranteed Bonds.
- (6) If the Agency so amends the provisions of this Program Regulation, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this section (relating to Compliance with SEC Rule 15c2-12 Pertaining to Disclosure of Information Relating to the Bond Guarantee Program) an explanation, in narrative form, of the

reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Agency may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Guaranteed Bonds in the primary offering of the Guaranteed Bonds.

## **Subchapter B. Texas Permanent School Fund Corporation Rules**

### **§33.21. Texas Permanent School Fund Corporation.**

Terms of directors. Any State Board of Education (SBOE) member who is appointed to the Texas Permanent School Fund (PSF) Corporation board of directors pursuant to SBOE policy under Texas Education Code, §43.053(a)(1), shall cease to be a Texas PSF Corporation director upon the expiration of his or her term of service on or upon other separation from the SBOE Committee on School Finance/Permanent School Fund in accordance with the SBOE's rules and policies.

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**ATTACHMENT  
Proposed Revisions to 19 TAC**

**Chapter 113. Texas Essential Knowledge and Skills for Social Studies**

**Subchapter A. Elementary**

**~~§113.10. Implementation of Texas Essential Knowledge and Skills for Social Studies, Elementary, Adopted 2018.~~**

~~[The provisions of §§113.11-113.16 of this subchapter shall be implemented by school districts beginning with the 2020-2021 school year.]~~

**§113.11. Social Studies, Kindergarten, Adopted 2022 ~~[2018]~~ .**

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 ~~[2025-2026]~~ school year.

~~(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.~~

~~(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.~~

~~(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.~~

(b) ~~(a)~~ Introduction.

- (1) In Kindergarten, the study of the self, home, family, and classroom establishes the foundation for responsible citizenship in society. Students explore state and national heritage by examining the celebration of patriotic holidays and the contributions of individuals. The concept of chronology is introduced. Students apply geographic concepts of location and physical and human characteristics of place. Students identify basic human needs and ways people meet these needs. Students learn the purpose of rules and the role of authority figures in the home and school. Students learn customs, symbols, and celebrations that represent American beliefs and principles and contribute to our national identity. Students compare family customs and traditions and describe examples of technology in the home and school. Students acquire information from a variety of oral and visual sources. Students practice problem-solving, decision-making, and independent-thinking skills.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich material is encouraged. Motivating resources are available from museums, historical sites, presidential libraries, and local and state preservation societies.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection (c) ~~(b)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) Students must demonstrate learning performance related to any federal and state mandates regarding classroom instruction. Although Kindergarten is not required to participate in Celebrate Freedom Week, according to the TEC, §29.907, primary grades lay the foundation for subsequent learning. As a result, Kindergarten Texas essential knowledge and skills include standards related to this patriotic observance.
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands that holidays are celebrations of special events. The student is expected to:
  - (A) identify national patriotic holidays such as Constitution Day, Presidents' Day, Veterans Day, and Independence Day; and
  - (B) identify customs associated with national patriotic holidays such as parades and fireworks on Independence Day.
- (2) History. The student understands how historical figures helped shape the state and nation. The student is expected to identify contributions of historical figures, including Stephen F. Austin, George Washington, Christopher Columbus, and José Antonio Navarro, who helped to shape the state and nation.
- (3) Geography. The student understands the concept of location. The student is expected to:
  - (A) use spatial terms, including over, under, near, far, left, and right, to describe relative location;
  - (B) locate places on the school campus and describe their relative locations; and
  - (C) identify and use geographic tools that aid in determining location, including maps and globes.
- (4) Geography. The student understands physical and human characteristics of place to better understand self, home, family, classroom, and the world around them. The student is expected to:
  - (A) identify the physical characteristics of place such as landforms, bodies of water, Earth's resources, and weather; and
  - (B) identify how geographic location influences human characteristics of place such as shelter, clothing, food, and activities.
- (5) Economics. The student understands the difference between human needs and wants and how they are met. The student is expected to:
  - (A) identify basic human needs of food, clothing, and shelter;
  - (B) explain the difference between needs and wants; and

- (C) explain how basic human needs and wants can be met.
- (6) Economics. The student understands the value of jobs. The student is expected to:
- (A) identify jobs in the home, school, and community; and
- (B) explain why people have jobs.
- (7) Government. The student understands the purpose of rules. The student is expected to:
- (A) identify purposes for having rules; and
- (B) identify rules that provide order, security, and safety in the home and school.
- (8) Government. The student understands the role of authority figures. The student is expected to:
- (A) identify authority figures in the home, school, and community; and
- (B) explain how authority figures enforce rules.
- (9) Citizenship. The student understands important symbols, customs, and responsibilities that represent American beliefs and principles and contribute to our national identity. The student is expected to:
- (A) identify the United States flag and the Texas state flag;
- (B) recite the Pledge of Allegiance to the United States Flag and the Pledge to the Texas Flag; and
- (C) use voting as a method for group decision making.
- (10) Culture. The student understands similarities and differences among individuals. The student is expected to identify similarities and differences among individuals such as kinship and religion.
- (11) Culture. The student understands the importance of family traditions. The student is expected to:
- (A) describe and explain the importance of family traditions; and
- (B) compare traditions among families.
- (12) Science, technology, and society. The student understands ways technology is used in the home and school and how technology affects people's lives. The student is expected to:
- (A) identify examples of technology used in the home and school;
- (B) describe how technology helps accomplish specific tasks and meet people's needs; and
- (C) describe how his or her life might be different without modern technology.
- (13) Social studies skills. The student applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including technology. The student is expected to:
- (A) identify and state facts based on relevant evidence;
- (B) identify different kinds of historical sources and artifacts and explain how they can be used to study the past;
- (C) [~~A~~] gather information about a topic using a variety of valid oral and visual sources such as interviews, music, pictures, symbols, and artifacts with adult assistance; and
- (D) [~~B~~] sequence and categorize information.
- (14) Social studies skills. The student communicates in oral and visual forms. The student is expected to:
- (A) place events in chronological order;
- (B) use social studies terminology related to time and chronology correctly, including before, after, next, first, last, yesterday, today, and tomorrow;

- (C) communicate information visually, orally, or in writing based on knowledge and experiences in social studies;
  - ~~[(C) — express ideas orally based on knowledge and experiences; and]~~
  - (D) create and interpret visuals, including pictures and maps ; and [.]
  - (E) apply and practice classroom rules and procedures for listening and responding respectfully.
- (15) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- (A) use democratic procedures to collaborate with others when making decisions on issues in the classroom, school, or community; and
  - (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.12. Social Studies, Grade 1, Adopted 2022 [~~2018~~] .**

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [~~2025-2026~~] school year.

~~[(1) — No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~

~~[(2) — If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~

~~[(3) — If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~[(a)]~~ Introduction.

- (1) In Grade 1, students study their relationship to the classroom, school, and community to establish the foundation for responsible citizenship in society. Students develop concepts of time and chronology by distinguishing among past, present, and future events. Students identify anthems and mottoes of the United States and Texas. Students create simple maps to identify the location of places in the classroom, school, and community. Students explore the concepts of goods and services and the value of work. Students identify individuals who exhibit good citizenship. Students describe the importance of family customs and traditions and identify how technology has changed family life. Students sequence and categorize information. Students practice problem-solving, decision-making, and independent-thinking skills.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich material is encouraged. Motivating resources are available from museums, historical sites, presidential libraries, and local and state preservation societies.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection (c) ~~[(b)]~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must

be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) Students must demonstrate learning performance related to any federal and state mandates regarding classroom instruction. Although Grade 1 is not required to participate in Celebrate Freedom Week, according to the TEC, §29.907, primary grades lay the foundation for subsequent learning. As a result, Grade 1 Texas essential knowledge and skills include standards related to this patriotic observance.
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands the origins of customs, holidays, and celebrations. The student is expected to:
  - (A) describe the origins of customs, holidays, and celebrations of the community, state, and nation such as Constitution Day, Independence Day, and Veterans Day; and
  - (B) compare the observance of holidays and celebrations.
- (2) History. The student understands how historical figures helped shape the state and nation. The student is expected to:
  - (A) identify contributions of historical figures, including Sam Houston, George Washington, Abraham Lincoln, and Martin Luther King Jr., who have influenced the state and nation; and
  - (B) compare the lives of historical figures who have influenced the state and nation.
- (3) Geography. The student understands the relative location of places. The student is expected to:
  - (A) describe the location of self and objects relative to other locations in the classroom and school using spatial terms; and
  - (B) locate places using the four cardinal directions.
- (4) Geography. The student understands the purpose of geographic tools, including maps and globes. The student is expected to:
  - (A) create and use simple maps such as maps of the home, classroom, school, and community; and
  - (B) locate and explore the community, Texas, and the United States on maps and globes.
- (5) Geography. The student understands physical and human characteristics of place to better understand their community and the world around them. The student is expected to:
  - (A) identify and describe the physical characteristics of place such as landforms, bodies of water, Earth's resources, and weather; and



- (B) identify and describe how geographic location influences the human characteristics of place such as shelter, clothing, food, and activities.
- (6) Economics. The student understands how families meet basic human needs. The student is expected to:
- (A) describe ways that families meet basic human needs; and
  - (B) describe similarities and differences in ways families meet basic human needs.
- (7) Economics. The student understands the concepts of goods and services. The student is expected to:
- (A) identify examples of goods and services in the home, school, and community;
  - (B) identify ways people exchange goods and services; and
  - (C) identify the role of markets in the exchange of goods and services.
- (8) Economics. The student understands the condition of not being able to have all the goods and services one wants. The student is expected to:
- (A) identify examples of people wanting more than they can have;
  - (B) explain why wanting more than they can have requires that people make choices; and
  - (C) identify examples of choices families make when buying goods and services.
- (9) Economics. The student understands the value of work. The student is expected to:
- (A) describe the tools of various jobs and the characteristics of a job well performed; and
  - (B) describe how various jobs contribute to the production of goods and services.
- (10) Government. The student understands the purpose of rules and laws. The student is expected to:
- (A) explain the purpose for rules and laws in the home, school, and community; and
  - (B) identify rules and laws that establish order, provide security, and manage conflict.
- (11) Government. The student understands the role of authority figures and public officials. The student is expected to:
- (A) identify the responsibilities of authority figures in the home, school, and community; and
  - (B) identify and describe the roles of public officials in the community, state, and nation.
- (12) Citizenship. The student understands characteristics of good citizenship as exemplified by historical figures and other individuals. The student is expected to:
- (A) identify characteristics of good citizenship, including truthfulness, justice, equality, respect for oneself and others, responsibility in daily life, and participation in government by educating oneself about the issues, respectfully holding public officials to their word, and voting; and
  - (B) identify historical figures and other individuals who have exemplified good citizenship such as Benjamin Franklin and Eleanor Roosevelt.
- (13) Citizenship. The student understands important symbols, customs, and celebrations that represent American beliefs and principles that contribute to our national identity. The student is expected to:
- (A) explain state and national patriotic symbols, including the United States and Texas flags, the Liberty Bell, the Statue of Liberty, and the Alamo;
  - (B) recite the Pledge of Allegiance to the United States Flag and the Pledge to the Texas Flag;
  - (C) identify anthems and mottoes of Texas and the United States;

- (D) explain and practice voting as a way of making choices and decisions; and
  - (E) explain how patriotic customs and celebrations reflect American individualism and freedom.
- (14) Culture. The student understands the importance of family and community beliefs, language, and traditions. The student is expected to:
- (A) describe and explain the importance of beliefs, language, and traditions of families and communities; and
  - (B) explain the way folktales and legends reflect beliefs, language, and traditions of communities.
- (15) Science, technology, and society. The student identifies individuals who created or invented new technology and understands how technology affects daily life, past and present. The student is expected to:
- (A) describe how technology has affected the ways families live;
  - (B) describe how technology has affected communication, transportation, and recreation; and
  - (C) identify the contributions of scientists and inventors such as Alexander Graham Bell, Thomas Edison, and Garrett Morgan.
- (16) Social studies skills. The student applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including technology. The student is expected to:
- (A) identify and state facts based on relevant evidence;
  - (B) identify different kinds of historical sources and artifacts and explain how they can be used to study the past;
  - (C) ~~[(A)]~~ gather information about a topic using a variety of valid oral and visual sources such as interviews, music, pictures, symbols, and artifacts with adult assistance; and
  - (D) ~~[(B)]~~ sequence and categorize information.
- (17) Social studies skills. The student communicates in oral, visual, and written forms. The student is expected to:
- (A) use a simple timeline to distinguish among past, present, and future;
  - (B) use a calendar to describe and measure time in days, weeks, months, and years;
  - (C) communicate information visually, orally, or in writing based on knowledge and experiences in social studies;
  - ~~[(C)] express ideas orally based on knowledge and experiences;~~
  - (D) create and interpret visual and written material; ~~and~~
  - (E) use social studies terminology correctly ; and [;]
  - (F) apply and practice classroom rules and procedures for listening and responding respectfully.
- (18) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- (A) use democratic procedures to collaborate with others when making decisions on issues in the classroom, school, or community; and
  - (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.13. Social Studies, Grade 2, Adopted 2022 [~~2018~~].**

(a) ~~Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [~~2025-2026~~] school year.~~

~~[(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~

~~[(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~

~~[(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~(a)~~ Introduction.

- (1) In Grade 2, students focus on a study of their local community by examining the impact of significant individuals and events on the history of the community as well as on the state and nation. Students begin to develop the concepts of time and chronology. The relationship between the physical environment and human activities is introduced as are the concepts of consumers and producers. Students identify functions of government as well as services provided by the local government. Students continue to acquire knowledge of customs, symbols, and celebrations that represent American beliefs and principles. Students identify the significance of works of art in the local community and explain how technological innovations have changed transportation and communication. Students communicate what they have learned in written, oral, and visual forms.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich material such as nonfiction texts, primary sources, biographies, folklore, poetry, songs, and artworks is encouraged. Motivating resources are available from museums, historical sites, presidential libraries, online tours, and local and state preservation societies.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection ~~(c)~~ ~~(b)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) Students must demonstrate learning performance related to any federal and state mandates regarding classroom instruction. Although Grade 2 is not required to participate in Celebrate

Freedom Week, according to the TEC, §29.907, primary grades lay the foundation for subsequent learning. As a result, Grade 2 Texas essential knowledge and skills include standards related to this patriotic observance.

- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands the historical significance of landmarks and celebrations in the community, state, and nation. The student is expected to:
  - (A) explain the significance of various community, state, and national celebrations such as Veterans Day, Memorial Day, Independence Day, and Thanksgiving; and
  - (B) identify and explain the significance of various community, state, and national landmarks such as monuments and government buildings.
- (2) History. The student understands how historical figures helped shape the community, state, and nation. The student is expected to:
  - (A) identify contributions of historical figures, including Thurgood Marshall, Irma Rangel, and Theodore Roosevelt, who have influenced the state and nation; and
  - (B) describe how people and events have influenced local community history.
- (3) Geography. The student uses simple geographic tools, including maps and globes. The student is expected to:
  - (A) identify and use information on maps and globes using basic map elements such as title, cardinal directions, and legend; and
  - (B) create maps to show places and routes within the home, school, and community.
- (4) Geography. The student understands the location of places in their community, state, country, and the world. The student is expected to:
  - (A) identify major landforms and bodies of water, including each of the seven continents and each of the oceans, on maps and globes; and
  - (B) locate places, including the local community, Texas, the United States, the state capital, the U.S. capital, and the bordering countries of Canada and Mexico on maps and globes.
- (5) Geography. The student understands how humans use and modify the physical environment. The student is expected to:
  - (A) identify ways in which people have modified the physical environment such as clearing land, building roads, using land for agriculture, and drilling for oil;
  - (B) identify consequences of human modification of the physical environment; and
  - (C) identify ways people can conserve and replenish Earth's resources.
- (6) Economics. The student understands the value of work. The student is expected to:
  - (A) explain how work provides income to purchase goods and services; and
  - (B) explain the choices people can make about earning, spending, and saving money.
- (7) Economics. The student understands the roles of producers and consumers in the production of goods and services. The student is expected to:
  - (A) distinguish between producing and consuming;
  - (B) identify ways in which people are both producers and consumers; and
  - (C) trace the development of a product from a natural resource to a finished product.

- (8) Government. The student understands the purpose of governments. The student is expected to:
- (A) identify functions of governments such as establishing order, providing security, and managing conflict; and
  - (B) identify governmental services in the community such as police and fire protection, libraries, schools, and parks and explain their value to the community.
- (9) Government. The student understands the role of public officials. The student is expected to:
- (A) name current public officials, including mayor, governor, and president;
  - (B) compare the roles of public officials, including mayor, governor, and president;
  - (C) identify ways that public officials are selected, including election and appointment to office; and
  - (D) identify how citizens participate in their own governance through staying informed of what public officials are doing, providing input to them, and volunteering to participate in government functions.
- (10) Citizenship. The student understands characteristics of good citizenship as exemplified by historical figures and other individuals. The student is expected to:
- (A) identify characteristics of good citizenship, including truthfulness, justice, equality, respect for oneself and others, responsibility in daily life, and participation in government by educating oneself about the issues, respectfully holding public officials to their word, and voting;
  - (B) identify historical figures and other individuals who have exemplified good citizenship such as Paul Revere, Abigail Adams, World War II Women Airforce Service Pilots (WASPs), Navajo Code Talkers, and Sojourner Truth; and
  - (C) identify ways to actively practice good citizenship, including involvement in community service.
- (11) Citizenship. The student understands important symbols, customs, and celebrations that represent American beliefs and principles that contribute to our national identity. The student is expected to:
- (A) recite the Pledge of Allegiance to the United States Flag and the Pledge to the Texas Flag;
  - (B) sing, recite, or identify selected patriotic songs, including "The Star-Spangled Banner" and "America the Beautiful";
  - ~~(C) use voting as a method for group decision making;~~
  - ~~(D) [~~(C)~~] identify symbols such as state and national birds and flowers and Uncle Sam; and~~
  - ~~(E) [~~(D)~~] identify how selected symbols, customs, and celebrations reflect an American love of individualism, inventiveness, and freedom.~~
- (12) Culture. The student understands ethnic and/or cultural celebrations. The student is expected to:
- (A) identify the significance of various ethnic and/or cultural celebrations; and
  - (B) compare ethnic and/or cultural celebrations.
- (13) Science, technology, and society. The student understands how science and technology have affected life, past and present. The student is expected to:
- (A) describe how science and technology have affected communication, transportation, and recreation; and
  - (B) explain how science and technology have affected the ways in which people meet basic needs.

- (14) Science, technology, and society. The student identifies individuals who exhibited individualism and inventiveness. The student is expected to identify individuals who have exhibited individualism and inventiveness such as Amelia Earhart and George Washington Carver.
- (15) Social studies skills. The student applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including technology. The student is expected to:
- (A) identify and state facts based on relevant evidence;
  - (B) identify different kinds of historical sources and artifacts and explain how they can be used to study the past;
  - (C) ~~[(A)]~~ gather information about a topic using a variety of valid oral and visual sources such as interviews, music, pictures, maps, and artifacts; and
  - (D) ~~[(B)]~~ interpret oral, visual, and print material by sequencing, categorizing, identifying the main idea, predicting, comparing, and contrasting.
- (16) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) describe the order of events by using designations of time periods such as historical and present times;
  - (B) apply vocabulary related to chronology, including past, present, and future;
  - (C) create and interpret timelines for events in the past and present;
  - (D) use social studies terminology correctly;
  - (E) communicate information visually, orally, or in writing based on knowledge and experiences in social studies;
  - ~~[(E) — express ideas orally based on knowledge and experiences; and]~~
  - (F) create written and visual material such as stories, maps, and graphic organizers to express ideas ; and [ ]
  - (G) apply and practice classroom rules and procedures for listening and responding respectfully.
- (17) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- (A) use democratic procedures to collaborate with others when making decisions on issues in the classroom, school, or community; and
  - (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.14. Social Studies, Grade 3, Adopted 2022 [2018] .**

- (a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [2025-2026] school year.
- ~~[(1) — No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~
  - ~~[(2) — If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~
  - ~~[(3) — If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of~~

each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.

(b) ~~(a)~~ Introduction.

- (1) In Grade 3, students learn how diverse individuals have changed their communities and world. Students study the effects inspiring heroes have had on communities, past and present. Students learn about the lives of heroic men and women who made important choices, overcame obstacles, sacrificed for the betterment of others, and embarked on journeys that resulted in new ideas, new inventions, new technologies, and new communities. Students expand their knowledge through the identification and study of people who made a difference, influenced public policy and decision making, and participated in resolving issues that are important to all people. Throughout Grade 3, students develop an understanding of the economic, cultural, and scientific contributions made by individuals.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich material such as biographies, founding documents, poetry, songs, and artworks is encouraged. Motivating resources are available from museums, historical sites, presidential libraries, and local and state preservation societies.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection (c) ~~(b)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12

study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."

- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands how individuals, events, and ideas have influenced the history of various communities. The student is expected to:
- (A) describe how individuals, events, and ideas have changed communities, past and present;
  - (B) identify individuals, including Pierre-Charles L'Enfant, Benjamin Banneker, and Benjamin Franklin, who have helped to shape communities; and
  - (C) describe how individuals, including Daniel Boone and the Founding Fathers have contributed to the expansion of existing communities or to the creation of new communities.
- (2) History. The student understands common characteristics of communities, past and present. The student is expected to:
- (A) identify reasons people have formed communities, including a need for security and laws, religious freedom, and material well-being; and
  - (B) compare ways in which people in the local community and other communities meet their needs for government, education, communication, transportation, and recreation.
- (3) Geography. The student understands how humans adapt to and/or modify the physical environment. The student is expected to:
- (A) describe similarities and differences in the physical environment, including climate, landforms, natural resources, and natural hazards;
  - (B) identify and compare how people in different communities adapt to or modify the physical environment in which they live such as deserts, mountains, wetlands, and plains; and
  - (C) describe the effects of human processes such as building new homes, conservation, and pollution in shaping the landscape.
- (4) Geography. The student understands the concepts of location, distance, and direction on maps and globes. The student is expected to:
- (A) use cardinal and intermediate directions to locate places on maps and globes in relation to the local community;
  - (B) use a scale to determine the distance between places on maps and globes; and
  - (C) identify, create, and interpret maps of places that contain map elements, including a title, compass rose, legend, scale, and grid system.
- (5) Economics. The student understands the purposes of earning, spending, saving, and donating money. The student is expected to:
- (A) identify ways of earning, spending, saving, and donating money; and
  - (B) create a simple budget that allocates money for spending and saving.
- (6) Economics. The student understands the concept of the free enterprise system and how businesses operate in the U.S. free enterprise system. The student is expected to:



- (A) explain how supply and demand affect the price of a good or service;
  - (B) define and identify examples of scarcity;
  - (C) explain how the cost of production and selling price affect profits; and
  - (D) identify individuals, past and present, such as Henry Ford and Sam Walton who have started new businesses.
- (7) Government. The student understands the basic structure and functions of various levels of government. The student is expected to:
- (A) describe the basic structure of government in the local community, state, and nation;
  - (B) identify local, state, and national government officials and explain how they are chosen; and
  - (C) identify services commonly provided by local, state, and national governments.
- (8) Government. The student understands important ideas in historical documents at various levels of government. The student is expected to:
- (A) identify the purposes of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights; and
  - (B) describe the concept of "consent of the governed. "
- (9) Citizenship. The student understands characteristics of good citizenship as exemplified by historical and contemporary figures and organizations. The student is expected to:
- (A) identify characteristics of good citizenship, including truthfulness, justice, equality, respect for oneself and others, responsibility in daily life, and participation in government by educating oneself about the issues, respectfully holding public officials to their word, and voting;
  - (B) identify figures such as Helen Keller, Clara Barton, and Ruby Bridges who exemplify good citizenship;
  - (C) identify and describe individual acts of civic responsibility, including obeying laws, serving and improving the community, serving on a jury, and voting; and
  - (D) identify examples of nonprofit and/or civic organizations such as the Red Cross and explain how they serve the common good ; and [ ]
  - (E) use voting as a method for group decision making.
- (10) Culture. The student understands ethnic and/or cultural celebrations of the local community and other communities. The student is expected to:
- (A) explain the significance of various ethnic and/or cultural celebrations in the local community and other communities; and
  - (B) compare ethnic and/or cultural celebrations in the local community with other communities.
- (11) Culture. The student understands the role of heroes in shaping the culture of communities, the state, and the nation. The student is expected to:
- (A) identify and describe the heroic deeds of state and national heroes and military and first responders such as Hector P. Garcia, James A. Lovell, and the Four Chaplains; and
  - (B) identify and describe the heroic deeds of individuals such as Harriet Tubman, Todd Beamer, and other contemporary heroes.
- (12) Culture. The student understands the importance of writers and artists to the cultural heritage of communities. The student is expected to identify how various writers and artists such as Kadir

Nelson, Tomie dePaola, Carmen Lomas Garza, and Laura Ingalls Wilder and their stories, poems, statues, and paintings contribute to the cultural heritage of communities.

- (13) Science, technology, and society. The student understands how individuals have created or invented new technology and affected life in various communities, past and present. The student is expected to:
- (A) identify individuals who have discovered scientific breakthroughs or created or invented new technology such as Jonas Salk, Cyrus McCormick, Bill Gates, Louis Pasteur, and others; and
  - (B) describe the impact of scientific breakthroughs and new technology in computers, pasteurization, and medical vaccines on various communities.
- (14) Social studies skills. The student applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including technology. The student is expected to:
- (A) gather information, including historical and current events and geographic data, about the community using a variety of resources;
  - (B) differentiate and compare the information about a specific issue or event provided in primary and secondary sources;
  - (C) ~~(B)~~ interpret oral, visual, and print material by sequencing, categorizing, identifying the main idea, distinguishing between fact and opinion, identifying cause and effect, comparing, and contrasting; ~~and~~
  - (D) ~~(C)~~ interpret and create visuals, including graphs, charts, tables, timelines, illustrations, and maps ; ~~;~~
  - (E) identify the central claim in a primary or secondary source; and
  - (F) develop and communicate a claim and supporting evidence visually, orally, or in writing related to a social studies topic.
- (15) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly;
  - (B) create and interpret timelines;
  - (C) apply the terms year, decade, and century to describe historical times;
  - (D) express ideas orally based on knowledge and experiences; ~~and~~
  - (E) create written and visual material such as stories, pictures, maps, and graphic organizers to express ideas ; ~~and~~ ~~;~~
  - (F) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.
- (16) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- (A) use democratic procedures to simulate making decisions on school, local, or state issues; and
  - (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.15. Social Studies, Grade 4, Adopted 2022 [~~2018~~] .**

- (a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [~~2025-2026~~] school year.

- ~~[(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~
- ~~[(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~
- ~~[(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~(a)~~ Introduction.

- (1) In Grade 4, students examine the history of Texas from the early beginnings to the present within the context of influences of North America. Historical content focuses on Texas history, including the Texas Revolution, establishment of the Republic of Texas, and subsequent annexation to the United States. Students discuss important issues, events, and individuals of the 19th, 20th, and 21st centuries. Students conduct a thorough study of regions in Texas and North America resulting from human activity and from physical features. The location, distribution, and patterns of economic activities and settlement in Texas further enhance the concept of regions. Students describe how early American Indians in Texas and North America met their basic economic needs. Students identify motivations for European exploration and colonization and reasons for the establishment of Spanish settlements and missions. Students explain how American Indians governed themselves and identify characteristics of Spanish colonial and Mexican governments in Texas. Students recite and explain the meaning of the Pledge to the Texas Flag. Students identify the contributions of people of various racial, ethnic, and religious groups to Texas and describe the impact of science and technology on life in the state. Students use critical-thinking skills to identify cause-and-effect relationships, compare and contrast, and make generalizations and predictions.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as documents, biographies, novels, speeches, letters, poetry, songs, and artworks is encouraged. Where appropriate, local topics should be included. Motivating resources are available from museums, historical sites, presidential libraries, and local and state preservation societies.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection ~~(c)~~ ~~(b)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).

- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands the origins, similarities, and differences of American Indian groups in Texas before European exploration. The student is expected to:
  - (A) explain the possible origins of American Indian groups in Texas;
  - (B) identify and compare the ways of life of American Indian groups in Texas before European exploration such as the Lipan Apache, Karankawa, Caddo, and Jumano;
  - (C) describe the cultural regions in which American Indians lived such as Gulf, Plains, Puebloan, and Southeastern; and
  - (D) locate American Indian groups remaining in Texas such as the Ysleta Del Sur Pueblo, Alabama-Coushatta, and Kickapoo.
- (2) History. The student understands the causes and effects of European exploration and colonization of Texas. The student is expected to:
  - (A) summarize motivations for European exploration and settlement of Texas, including economic opportunity, competition, and the desire for expansion;
  - (B) identify the accomplishments and explain the impact of significant explorers, including Cabeza de Vaca; Francisco Coronado; and René Robert Cavelier, Sieur de la Salle, on the settlement of Texas;
  - (C) explain when, where, and why the Spanish established settlements and Catholic missions in Texas as well as important individuals;
  - (D) identify Texas' role in the Mexican War of Independence and the war's impact on the development of Texas; and
  - (E) identify the accomplishments and explain the economic motivations and impact of significant empresarios, including Stephen F. Austin and Martín de León, on the settlement of Texas.

- (3) History. The student understands the importance of the Texas Revolution, the Republic of Texas, and the annexation of Texas to the United States. The student is expected to:
- (A) analyze the causes, major events, and effects of the Texas Revolution, including the Battle of the Alamo, the Texas Declaration of Independence, the Runaway Scrape, and the Battle of San Jacinto;
  - (B) summarize the significant contributions of individuals such as William B. Travis, James Bowie, David Crockett, Juan N. Seguín, Plácido Benavides, José Francisco Ruiz, Antonio López de Santa Anna, Susanna Dickinson, and Enrique Esparza;
  - (C) identify leaders important to the founding of Texas as a republic and state, including José Antonio Navarro, Sam Houston, Mirabeau Lamar, and Anson Jones;
  - (D) describe the successes, problems, and organizations of the Republic of Texas such as the establishment of a constitution, economic struggles, relations with American Indians, and the Texas Rangers; and
  - (E) explain the events that led to the annexation of Texas to the United States and the impact of the U.S.-Mexican War.
- (4) History. The student understands the political, economic, and social changes in Texas during the last half of the 19th century. The student is expected to:
- (A) describe the impact of the Civil War and Reconstruction on Texas;
  - (B) explain the growth, development, and impact of the cattle industry such as contributions made by Charles Goodnight, Richard King, and Lizzie Johnson;
  - (C) explain the effects of the railroad industry on life in Texas, including changes to cities and major industries; and
  - (D) explain the effects on American Indian life brought about by the Red River War, building of U.S. forts and railroads, and loss of buffalo.
- (5) History. The student understands important issues, events, and individuals of the 20th century in Texas. The student is expected to:
- (A) explain the impact of various events on life in Texas such as the Great Depression, the Dust Bowl, and World War II and notable individuals such as Audie Murphy, Cleto Rodríguez, and Bessie Coleman and other local individuals; and
  - (B) explain the development and impact of the oil and gas industry on industrialization and urbanization in Texas, including Spindletop and important people such as Pattillo Higgins.
- (6) Geography. The student understands the concept of regions. The student is expected to:
- (A) identify, locate, and describe the physical regions of Texas (Mountains and Basins, Great Plains, North Central Plains, Coastal Plains), including their characteristics such as landforms, climate, vegetation, and economic activities; and
  - (B) compare the physical regions of Texas (Mountains and Basins, Great Plains, North Central Plains, Coastal Plains).
- (7) Geography. The student understands the location and patterns of settlement and the geographic factors that influence where people live. The student is expected to:
- (A) explain the geographic factors such as landforms and climate that influence patterns of settlement and the distribution of population in Texas, past and present; and
  - (B) identify and explain patterns of settlement such as the location of towns and cities in Texas at different time periods.

- (8) Geography. The student understands how people adapt to and modify their environment. The student is expected to:
- (A) describe ways people have adapted to and modified their environment in Texas, past and present, such as timber clearing, agricultural production, wetlands drainage, energy production, and construction of dams;
  - (B) explain reasons why people have adapted to and modified their environment in Texas, past and present, such as the use of natural resources to meet basic needs, facilitate transportation, and enhance recreational activities; and
  - (C) compare the positive and negative consequences of human modification of the environment in Texas, past and present.
- (9) Economics. The student understands the basic economic activities of early societies in Texas. The student is expected to:
- (A) explain the economic activities various early American Indian groups in Texas used to meet their needs and wants such as farming, trading, and hunting; and
  - (B) explain the economic activities early settlers to Texas used to meet their needs and wants.
- (10) Economics. The student understands the characteristics and benefits of the free enterprise system in Texas. The student is expected to:
- (A) describe how the free enterprise system works, including supply and demand;
  - (B) identify examples of the benefits of the free enterprise system such as choice and opportunity; and
  - (C) describe the development of the free enterprise system in Texas such as the growth of cash crops by early colonists and the railroad boom.
- (11) Economics. The student understands patterns of work and economic activities in Texas. The student is expected to:
- (A) identify how people in different regions of Texas earn their living, past and present;
  - (B) explain how physical geographic factors such as climate and natural resources have influenced the location of economic activities in Texas;
  - (C) identify the effects of exploration, immigration, migration, and limited resources on the economic development and growth of Texas; and
  - (D) explain how developments in transportation and communication have influenced economic activities in Texas.
- (12) Government. The student understands how people organized governments in different ways during the early development of Texas. The student is expected to:
- (A) compare how various American Indian groups such as the Caddo and the Comanche governed themselves; and
  - (B) compare characteristics of the Spanish colonial government and the early Mexican governments in Texas.
- (13) Government. The student understands important ideas in historical documents of Texas and the United States. The student is expected to:
- (A) identify the purposes and explain the importance of the Texas Declaration of Independence and the Texas Constitution;
  - (B) identify and explain the basic functions of the three branches of government according to the Texas Constitution; and

- (C) identify the intent, meaning, and importance of the Declaration of Independence, the U.S. Constitution, and the Bill of Rights (Celebrate Freedom Week).
- (14) Citizenship. The student understands important customs, symbols, and celebrations of Texas. The student is expected to:
- (A) explain the meaning of various patriotic symbols and landmarks of Texas, including the six flags that flew over Texas, the Alamo, and the San Jacinto Monument;
  - (B) sing or recite "Texas, Our Texas";
  - (C) recite and explain the meaning of the Pledge to the Texas Flag; and
  - (D) describe the origins and significance of state celebrations such as Texas Independence Day and Juneteenth.
- (15) Citizenship. The student understands the importance of active individual participation in the democratic process. The student is expected to:
- (A) identify important individuals who have participated voluntarily in civic affairs at state and local levels such as Adina de Zavala and Clara Driscoll;
  - (B) explain how individuals can participate voluntarily in civic affairs at state and local levels through activities such as respectfully holding public officials to their word, writing letters, and participating in historic preservation and service projects;
  - (C) explain the duty of the individual in state and local elections such as being informed and voting;
  - (D) identify the importance of historical figures and important individuals who modeled active participation in the democratic process such as Sam Houston, Barbara Jordan, Lorenzo de Zavala, Ann Richards, Henry B. González, Wallace Jefferson, and other local individuals; ~~and~~
  - (E) explain how to contact elected and appointed leaders in state and local governments ; and □
  - (F) use voting as a method for group decision making.
- (16) Citizenship. The student understands the importance of effective leadership in a constitutional republic. The student is expected to:
- (A) identify leaders in state, local, and national governments, including the governor, local members of the Texas Legislature, the local mayor, U.S. senators, local U.S. representatives, and Texans who have been president of the United States; and
  - (B) identify leadership qualities of state and local leaders, past and present.
- (17) Culture. The student understands the contributions of people of various racial, ethnic, and religious groups to Texas culture. The student is expected to:
- (A) identify customs, celebrations, and traditions of various cultural, regional, and local groups in Texas such as Cinco de Mayo, Oktoberfest, and Fiesta San Antonio; and
  - (B) summarize the contributions of artists of various racial, ethnic, and religious groups in the development of Texas culture such as Lydia Mendoza, Chelo Silva, and Julius Lorenzo Cobb Bledsoe.
- (18) Science, technology, and society. The student understands the impact of science and technology on life in Texas. The student is expected to:
- (A) identify famous inventors and scientists such as Gail Borden, Joseph Glidden, Michael DeBakey, and Millie Hughes-Fulford and their contributions; and
  - (B) describe how scientific discoveries and innovations such as in aerospace, agriculture, energy, and technology have benefited individuals, businesses, and society in Texas.

- (19) Social studies skills. The student applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including technology. The student is expected to:
- (A) differentiate between, locate, and use valid primary and secondary sources such as technology; interviews; biographies; oral, print, and visual material; documents; and artifacts to acquire information about Texas;
  - (B) differentiate and compare the information about a specific issue or event provided in primary and secondary sources;
  - (C) ~~(B)~~ analyze information by applying absolute and relative chronology through sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, and drawing inferences and conclusions;
  - (D) ~~(C)~~ organize and interpret information in outlines, reports, databases, and visuals, including graphs, charts, timelines, and maps; ~~and~~
  - (E) ~~(D)~~ identify different points of view about an issue, topic, historical event, or current event ;  
;
  - (F) identify the central claim in a primary or secondary source; and
  - (G) develop and communicate a claim and supporting evidence visually, orally, or in writing related to a social studies topic.
- (20) Social studies skills. The student uses geographic tools to collect, analyze, and interpret data. The student is expected to:
- (A) apply mapping elements, including grid systems, legends, symbols, scales, and compass roses, to create and interpret maps; and
  - (B) interpret geographic data, population distribution, and natural resources into a variety of formats such as graphs and maps.
- (21) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly;
  - (B) incorporate main and supporting ideas in verbal and written communication;
  - (C) express ideas orally based on research and experiences; ~~and~~
  - (D) create written and visual material such as journal entries, reports, graphic organizers, outlines, and bibliographies ; ~~and~~ ;
  - (E) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.
- (22) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- (A) use democratic procedures to simulate making decisions on school, local, or state issues; and
  - (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.16. Social Studies, Grade 5, Adopted 2022 [~~2018~~].**

- (a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2025-2026 school year.



- (1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.
- (2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.
- (3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.

(b) ~~(a)~~ Introduction.

- (1) In Grade 5, students survey the history of the United States from 1565 to the present. Historical content includes the colonial period, the American Revolution, the establishment of the U.S. Constitution and American identity, westward expansion, the Civil War and Reconstruction, immigration and industrialization, and the 20th and 21st centuries. Students study a variety of regions in the United States that result from physical features and human activity and identify how people adapt to and modify the environment. Students explain the characteristics and benefits of the free enterprise system and describe economic activities in the United States. Students identify the roots of representative government in this nation as well as the important ideas in the Declaration of Independence and the U.S. Constitution. Students study the fundamental rights guaranteed in the Bill of Rights. Students examine the importance of effective leadership in a constitutional republic and identify important leaders in the national government. Students recite and explain the meaning of the Pledge of Allegiance to the United States Flag. Students describe the cultural impact of various racial, ethnic, and religious groups in the nation and identify the accomplishments of notable individuals in the fields of science and technology. Students explain symbols, traditions, and landmarks that represent American beliefs and principles. Students use critical-thinking skills to sequence, categorize, and summarize information and to draw inferences and conclusions.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as documents, biographies, novels, speeches, letters, poetry, songs, and artworks is encouraged. Motivating resources are available from museums, historical sites, presidential libraries, and local and state preservation societies.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection (c) ~~(b)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).

- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands the reasons for and the role of key people in the European colonization of North America beginning in 1565, the founding of St. Augustine. The student is expected to:
  - (A) explain when, where, and why groups of people explored, colonized, and settled in the United States, including the search for religious freedom and economic gain; and
  - (B) describe the accomplishments of significant individuals who settled for religious freedom and economic gain during the colonial period, including William Bradford, Anne Hutchinson, William Penn, John Smith, and Roger Williams.
- (2) History. The student understands how conflict between the American colonies and Great Britain led to American independence and the formation of the United States. The student is expected to:
  - (A) analyze the causes and effects of events prior to and during the American Revolution, including the taxation resulting from the French and Indian War and the colonist response to taxation such as the Boston Tea Party;
  - (B) identify the Founding Fathers and Patriot heroes, including John Adams, Benjamin Franklin, Thomas Jefferson, the Sons of Liberty, and George Washington, and their motivations and contributions during the revolutionary period; and
  - (C) summarize the results of the American Revolution, including the establishment of the United States.
- (3) History. The student understands the significant individuals who contributed to the creation of the U.S. Constitution and the government it established. The student is expected to identify the contributions of Founding Fathers James Madison and George Mason who helped create the U.S. Constitution.
- (4) History. The student understands political, economic, and social changes that occurred in the United States during the 19th century. The student is expected to:

- (A) describe the causes and effects of the War of 1812 such as impressment of sailors, territorial conflicts with Great Britain, and the increase in U.S. manufacturing;
  - (B) identify and explain how changes resulting from the Industrial Revolution led to conflict among sections of the United States;
  - (C) identify significant events and concepts associated with U.S. territorial expansion, including the Louisiana Purchase, the expedition of Lewis and Clark, and Manifest Destiny;
  - (D) explain the central role of the expansion of slavery in causing sectionalism, disagreement over states' rights, and the Civil War;
  - (E) explain the effects of the Civil War, including Reconstruction and the 13th, 14th, and 15th amendments to the U.S. Constitution; and
  - (F) identify the challenges, opportunities, and contributions of people from various American Indian and immigrant groups such as the settlement of the frontier and building of the Transcontinental Railroad.
- (5) History. The student understands important issues, events, and individuals in the United States during the 20th and 21st centuries. The student is expected to:
- (A) explain the significance of issues and events of the 20th century such as industrialization, urbanization, the Great Depression, the world wars, the civil rights movement, and military actions;
  - (B) analyze various issues and events of the 21st century such as the War on Terror and the 2008 presidential election; and
  - (C) identify the accomplishments and contributions of individuals and groups such as Susan B. Anthony, Martin Luther King Jr., Rosa Parks, Cesar Chavez, Franklin D. Roosevelt, Ronald Reagan, the Tuskegee Airmen, and the 442nd Regimental Combat Team in the areas of civil rights, women's rights, military actions, and politics.
- (6) Geography. The student understands places and regions in the United States. The student is expected to:
- (A) describe political and economic regions in the United States that result from patterns of human activity;
  - (B) describe regions in the United States based on physical characteristics such as landform, climate, and vegetation;
  - (C) locate on a map important political features such as the five largest cities by population in the United States and the 50 states; and
  - (D) create a map of important physical features such as the Appalachian Mountains, Great Lakes, Mississippi River, Great Plains, and Rocky Mountains.
- (7) Geography. The student understands the location and patterns of settlement and the geographic factors that influence where people live. The student is expected to:
- (A) identify and describe the patterns of settlement such as rural, urban, and suburban;
  - (B) explain the geographic factors that influence patterns of settlement and the distribution of population in the United States; and
  - (C) analyze the geographic factors that influence the location of the five largest urban areas in the United States and explain their distribution.
- (8) Geography. The student understands how people adapt to and modify their environment. The student is expected to:

- (A) describe how and why people have adapted to and modified their environment in the United States such as the use of human resources to meet basic needs; and
  - (B) analyze the positive and negative consequences of human modification of the environment in the United States.
- (9) Economics. The student understands the basic economic patterns of early societies in the United States. The student is expected to:
- (A) explain the economic patterns of early European colonies; and
  - (B) identify major industries of colonial America such as shipbuilding and growing of cash crops.
- (10) Economics. The student understands the development, characteristics, and benefits of the free enterprise system in the United States. The student is expected to:
- (A) identify the development of the free enterprise system in colonial America and the United States;
  - (B) describe how the free enterprise system works in the United States; and
  - (C) give examples of the benefits of the free enterprise system in the United States.
- (11) Economics. The student understands the impact of supply and demand on consumers and producers in a free enterprise system. The student is expected to:
- (A) explain how supply and demand affects consumers in the United States; and
  - (B) evaluate the effects of supply and demand on industry and agriculture, including the plantation system, in the United States.
- (12) Economics. The student understands patterns of work and economic activities in the United States. The student is expected to:
- (A) compare how people in different regions of the United States earn a living, past and present;
  - (B) identify and explain how geographic factors have influenced the location of economic activities in the United States;
  - (C) analyze the effects of immigration and migration on the economic development and growth of the United States; and
  - (D) describe the impact of mass production, specialization, and division of labor on the economic growth of the United States.
- (13) Government. The student understands the organization of governments in colonial America. The student is expected to:
- (A) compare the systems of government of early European colonists, including representative government and monarchy; and
  - (B) identify examples of representative government in the American colonies, including the Mayflower Compact and the Virginia House of Burgesses.
- (14) Government. The student understands important ideas in the Declaration of Independence, the U.S. Constitution, and the Bill of Rights. The student is expected to:
- (A) explain the purposes, key elements, and the importance of the Declaration of Independence;
  - (B) explain the purposes of the U.S. Constitution as identified in the Preamble; and
  - (C) explain the reasons for the creation of the Bill of Rights and its importance.

- (15) Government. The student understands the framework of government created by the U.S. Constitution of 1787. The student is expected to:
- (A) identify and explain the basic functions of the three branches of government;
  - (B) identify the reasons for and describe the system of checks and balances outlined in the U.S. Constitution; and
  - (C) distinguish between national and state governments and compare their responsibilities in the U.S. federal system.
- (16) Citizenship. The student understands important symbols, customs, celebrations, and landmarks that represent American beliefs and principles that contribute to our national identity. The student is expected to:
- (A) explain various patriotic symbols, including Uncle Sam; national celebrations such as Labor Day; and political symbols such as the donkey and elephant;
  - (B) sing or recite "The Star-Spangled Banner" and explain its history;
  - (C) recite and explain the meaning of the Pledge of Allegiance to the United States Flag; and
  - (D) explain the significance of important landmarks, including the White House, the Statue of Liberty, and Mount Rushmore.
- (17) Citizenship. The student understands the importance of individual participation in the democratic process at the local, state, and national levels. The student is expected to:
- (A) explain why individuals have a duty to participate in civic affairs at the local, state, and national levels; and
  - (B) explain how to contact elected and appointed leaders in local, state, and national governments ; and [ ]
  - (C) use voting as a method for group decision making.
- (18) Citizenship. The student understands the importance of effective leadership in a constitutional republic. The student is expected to:
- (A) identify past and present leaders in the national government, including the president and various members of Congress, and their political parties; and
  - (B) identify leadership qualities of national leaders, past and present.
- (19) Citizenship. The student understands the fundamental rights of American citizens guaranteed in the Bill of Rights. The student is expected to describe the fundamental rights guaranteed in the Bill of Rights, including freedom of religion, speech, and press; the right to assemble and petition the government; the right to keep and bear arms; the right to trial by jury; and the right to an attorney.
- (20) Culture. The student understands the relationship between the arts and the times during which they were created. The student is expected to:
- (A) identify significant examples of art, music, and literature from various periods in U.S. history such as the painting *American Progress*, "Yankee Doodle," and "Paul Revere's Ride"; and
  - (B) explain how examples of art, music, and literature reflect the times during which they were created.
- (21) Culture. The student understands the contributions of people of various racial, ethnic, and religious groups to the United States culture. The student is expected to:
- (A) describe customs and traditions of various racial, ethnic, and religious groups in the United States; and

- (B) summarize the contributions of people of various racial, ethnic, and religious groups to our national identity.
- (22) Science, technology, and society. The student understands the impact of science and technology on society in the United States. The student is expected to:
- (A) identify the accomplishments of notable individuals in the fields of science and technology such as Benjamin Franklin, Eli Whitney, John Deere, Thomas Edison, Alexander Graham Bell, George Washington Carver, the Wright Brothers, and Neil Armstrong;
- (B) identify how scientific discoveries, technological innovations, and the rapid growth of technology industries have advanced the economic development of the United States, including the transcontinental railroad and the space program; and
- (C) explain how scientific discoveries and technological innovations in the fields of medicine, communication, and transportation have benefited individuals and society in the United States.
- (23) Social studies skills. The student applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including technology. The student is expected to:
- (A) differentiate between, locate, and use valid primary and secondary sources such as technology; interviews; biographies; oral, print, and visual material; documents; and artifacts to acquire information about the United States;
- (B) identify and ask questions about the credibility of different kinds of primary and secondary sources;
- (C) ~~(B)~~ analyze information by applying absolute and relative chronology through sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, and drawing inferences and conclusions;
- (D) ~~(C)~~ organize and interpret information in outlines, reports, databases, and visuals, including graphs, charts, timelines, and maps;
- (E) ~~(D)~~ identify different points of view about an issue, topic, historical event, or current event; ~~and~~
- (F) ~~(E)~~ identify the historical context of an event ; [ ]
- (G) identify the central claim in a primary or secondary source; and
- (H) develop and communicate a claim and supporting evidence visually, orally, or in writing related to a social studies topic.
- (24) Social studies skills. The student uses geographic tools to collect, analyze, and interpret data. The student is expected to:
- (A) apply mapping elements, including grid systems, legends, symbols, scales, and compass roses, to create and interpret maps; and
- (B) interpret geographic data, population distribution, and natural resources into a variety of formats such as graphs and maps.
- (25) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly;
- (B) incorporate main and supporting ideas in verbal and written communication;
- (C) express ideas orally based on research and experiences; and

- (D) create written and visual material such as journal entries, reports, graphic organizers, outlines, and bibliographies ; and [ ]
  - (E) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.
- (26) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- (A) use democratic procedures to simulate making decisions on school, local, or state issues;  
and
  - (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

## Chapter 113. Texas Essential Knowledge and Skills for Social Studies

### Subchapter B. Middle School

#### ~~§113.17. Implementation of Texas Essential Knowledge and Skills for Social Studies, Middle School, Adopted 2018.~~

~~[The provisions of §§113.18-113.20 of this subchapter shall be implemented by school districts beginning with the 2019-2020 school year.]~~

#### §113.18. Social Studies, Grade 6, Adopted 2022 ~~[2018]~~ .

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 ~~[2025-2026]~~ school year.

~~[(1) — No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~

~~[(2) — If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~

~~[(3) — If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~[(a)]~~ Introduction.

- (1) In Grade 6, students study people, places, and societies of the contemporary world. Societies for study are from the following regions of the world: Europe, Russia and the Eurasian republics, North America, Central America and the Caribbean, South America, Southwest Asia-North Africa, Sub-Saharan Africa, South Asia, East Asia, Southeast Asia, Australia, and the Pacific realm. Students describe the influence of individuals and groups on historical and contemporary events in those societies and identify the locations and geographic characteristics of various societies. Students identify different ways of organizing economic and governmental systems. The concepts of limited and unlimited government are introduced, and students describe the nature of citizenship in various societies. Students compare institutions common to all societies such as government, education, and religious institutions. Students explain how the level of technology affects the development of the various societies and identify different points of view about events. The concept of frame of reference is introduced as an influence on an individual's point of view.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as biographies, autobiographies, novels, speeches, letters, poetry, songs, and artworks is encouraged. Motivating resources are available from museums, art galleries, and historical sites.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection ~~(c)~~ ~~[(b)]~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.



- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands that historical events influence contemporary events. The student is expected to:
  - (A) trace characteristics of various contemporary societies in regions that resulted from historical events or factors such as colonization, immigration, and trade; and
  - (B) analyze the historical background of various contemporary societies to evaluate relationships between past conflicts and current conditions.
- (2) History. The student understands the influences of individuals and groups from various cultures on various historical and contemporary societies. The student is expected to:
  - (A) identify and describe the historical influence of individuals or groups on various contemporary societies; and
  - (B) describe the social, political, economic, and cultural contributions of individuals and groups from various societies, past and present.
- (3) Geography. The student understands the factors that influence the locations and characteristics of locations of various contemporary societies on maps and/or globes. The student is expected to:

- (A) identify and explain the geographic factors responsible for patterns of population in places and regions;
  - (B) explain ways in which human migration influences the character of places and regions;
  - (C) identify and locate major physical and human geographic features such as landforms, water bodies, and urban centers of various places and regions; and
  - (D) identify the location of major world countries for each of the world regions.
- (4) Geography. The student understands how geographic factors influence the economic development and political relationships of societies. The student is expected to:
- (A) explain the geographic factors responsible for the location of economic activities in places and regions; and
  - (B) identify geographic factors such as location, physical features, transportation corridors and barriers, and distribution of natural resources that influence a society's political relationships.
- (5) Geography. The student understands the impact of interactions between people and the physical environment on the development and conditions of places and regions. The student is expected to:
- (A) describe ways people have been impacted by physical processes such as earthquakes and climate;
  - (B) identify and analyze ways people have adapted to the physical environment in various places and regions; and
  - (C) identify and analyze ways people have modified the physical environment such as mining, irrigation, and transportation infrastructure.
- (6) Economics. The student understands the factors of production in a society's economy. The student is expected to:
- (A) describe ways in which the factors of production (natural resources, labor, capital, and entrepreneurs) influence the economies of various contemporary societies;
  - (B) identify problems that may arise when one or more of the factors of production is in relatively short supply; and
  - (C) explain the impact of the distribution of resources on international trade and economic interdependence among and within societies.
- (7) Economics. The student understands the various ways in which people organize economic systems. The student is expected to:
- (A) compare ways in which various societies organize the production and distribution of goods and services;
  - (B) compare and contrast free enterprise, socialist, and communist economies in various contemporary societies, including the benefits of the U.S. free enterprise system; and
  - (C) understand the importance of ethics in maintaining a functional free enterprise system.
- (8) Economics. The student understands categories of economic activities and the data used to measure a society's economic level. The student is expected to:
- (A) define and give examples of agricultural, retail, manufacturing (goods), and service industries; and
  - (B) describe levels of economic development of various societies using indicators such as life expectancy, gross domestic product (GDP), GDP per capita, and literacy.
- (9) Government. The student understands the concepts of limited and unlimited governments. The student is expected to:

- (A) describe and compare examples of limited and unlimited governments such as constitutional (limited) and totalitarian (unlimited);
  - (B) identify reasons for limiting the power of government; and
  - (C) identify and describe examples of human rights abuses by limited or unlimited governments such as the oppression of religious, ethnic, and political groups.
- (10) Government. The student understands various ways in which people organize governments. The student is expected to:
- (A) identify and give examples of governments with rule by one, few, or many;
  - (B) compare ways in which various societies such as China, Germany, India, and Russia organize government and how they function; and
  - (C) identify historical origins of democratic forms of government such as Ancient Greece.
- (11) Citizenship. The student understands that the nature of citizenship varies among societies. The student is expected to:
- (A) describe and compare roles and responsibilities of citizens in various contemporary societies, including the United States; and
  - (B) explain how opportunities for citizens to participate in and influence the political process vary among various contemporary societies.
- (12) Citizenship. The student understands the relationship among individual rights, responsibilities, duties, and freedoms in societies with representative governments. The student is expected to:
- (A) identify and explain the duty of civic participation in societies with representative governments; and
  - (B) explain relationships among rights, responsibilities, and duties in societies with representative governments.
- (13) Culture. The student understands the similarities and differences within and among cultures in various world societies. The student is expected to:
- (A) identify and describe common traits that define cultures and culture regions;
  - (B) define a multicultural society;
  - (C) analyze the experiences and contributions of diverse groups to multicultural societies; and
  - (D) identify and explain examples of conflict and cooperation between and among cultures.
- (14) Culture. The student understands that all societies have basic institutions in common even though the characteristics of these institutions may differ. The student is expected to:
- (A) identify institutions basic to all societies, including government, economic, educational, and religious institutions;
  - (B) compare characteristics of institutions in various contemporary societies; and
  - (C) analyze the efforts and activities institutions use to sustain themselves over time.
- (15) Culture. The student understands relationships that exist among world cultures. The student is expected to:
- (A) identify and describe means of cultural diffusion such as trade, travel, and war;
  - (B) identify and describe factors that influence cultural change such as improvements in communication, transportation, and economic development;
  - (C) analyze the impact of improved communication technology among cultures; and

- (D) identify the impact of cultural diffusion on individuals and world societies.
- (16) Culture. The student understands the relationship that exists between the arts and the societies in which they are produced. The student is expected to:
- (A) explain the relationships that exist between societies and their architecture, art, music, and literature;
  - (B) describe ways in which contemporary issues influence creative expressions; and
  - (C) identify examples of art, music, and literature that convey universal themes such as religion, justice, and the passage of time.
- (17) Culture. The student understands the relationships among religion, philosophy, and culture. The student is expected to:
- (A) explain the relationship among religious ideas, philosophical ideas, and cultures; and
  - (B) explain the significance of religious holidays and observances such as Christmas, Easter, Ramadan, the annual hajj, Yom Kippur, Rosh Hashanah, Diwali, and Vaisakhi in various contemporary societies.
- (18) Science, technology, and society. The student understands the influences of science and technology on contemporary societies. The student is expected to:
- (A) identify examples of scientific discoveries, technological innovations, and scientists and inventors that have shaped the world;
  - (B) explain how resources, economic factors, and political decisions affect the use of technology; and
  - (C) make predictions about future social, political, economic, cultural, and environmental impacts that may result from future scientific discoveries and technological innovations.
- (19) Social studies skills. The student applies critical-thinking skills to organize and use information acquired through established research methodologies from a variety of valid sources, including technology. The student is expected to:
- (A) differentiate between, locate, and use valid primary and secondary sources such as oral, print, and visual material and artifacts to acquire information about various world cultures;
  - (B) analyze information by sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, and drawing inferences and conclusions;
  - (C) organize and interpret information from outlines, reports, databases, and visuals, including graphs, charts, timelines, and maps; ~~and~~
  - (D) identify different points of view about an issue or current topic ; [ ]
  - (E) formulate and communicate visually, orally, or in writing a claim supported by evidence and reasoning related to a social studies topic; and
  - (F) evaluate a variety of historical and contemporary sources for validity, credibility, bias, and accuracy.
- (20) Social studies skills. The student uses geographic tools to collect, analyze, and interpret data. The student is expected to:
- (A) answer geographic questions, including: Where is it located? Why is it there? What is significant about its location? How is its location related to the location of other people, places, and environments? Using latitude and longitude, where is it located?;
  - (B) pose and answer questions about geographic distributions and patterns for various world regions and countries shown on maps, graphs, and charts;

- (C) compare various world regions and countries using data from maps, graphs, and charts; and
  - (D) create and interpret regional sketch maps, thematic maps, graphs, and charts depicting aspects such as population, disease, and economic activities of various world regions and countries.
- (21) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly;
  - (B) incorporate main and supporting ideas in verbal and written communication based on research;
  - (C) express ideas orally based on research and experiences;
  - (D) create written and visual material such as journal entries, reports, graphic organizers, outlines, and bibliographies based on research; ~~and~~
  - (E) use effective written communication skills, including proper citations to avoid plagiarism ; and [.]
  - ~~(F) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.~~
- (22) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- ~~(A) describe governmental and democratic processes such as voting, due process, and caucuses using simulations and models; and~~
  - ~~(B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.~~

**§113.19. Social Studies, Grade 7, Adopted 2022 [~~2018~~].**

~~(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [~~2025-2026~~] school year.~~

~~[(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~

~~[(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~

~~[(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

~~(b) [(a)] Introduction.~~

- (1) In Grade 7, students study the history of Texas from early times to the present. Content is presented with more depth and breadth than in Grade 4. Students examine the full scope of Texas history, including Natural Texas and its People; Age of Contact; Spanish Colonial; Mexican National; Revolution and Republic; Early Statehood; Texas in the Civil War and Reconstruction; Cotton, Cattle, and Railroads; Age of Oil; Texas in the Great Depression and World War II; Civil Rights and Conservatism; and Contemporary Texas eras. The focus in each era is on key

individuals, events, and issues and their impact. Students identify regions of Texas and the distribution of population within and among the regions and explain the factors that caused Texas to change from an agrarian to an urban society. Students describe the structure and functions of municipal, county, and state governments, explain the influence of the U.S. Constitution on the Texas Constitution, and examine the rights and responsibilities of Texas citizens. Students use primary and secondary sources to examine the rich and diverse cultural background of Texas as they identify the different racial and ethnic groups that settled in Texas to build a republic and then a state. Students analyze the impact of scientific discoveries and technological innovations on the development of Texas in various industries such as agricultural, energy, medical, computer, and aerospace. Students use primary and secondary sources to acquire information about Texas.

- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as biographies, autobiographies, novels, speeches, letters, diaries, poetry, songs, and images is encouraged. Motivating resources are available from museums, historical sites, presidential libraries, and local and state preservation societies.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection (c) ~~(b)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."

- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands traditional historical points of reference in Texas history. The student is expected to:
- (A) identify the major eras in Texas history, describe their defining characteristics, and explain the purpose of dividing the past into eras, including Natural Texas and its People; Age of Contact; Spanish Colonial; Mexican National; Revolution and Republic; Early Statehood; Texas in the Civil War and Reconstruction; Cotton, Cattle, and Railroads; Age of Oil; Texas in the Great Depression and World War II; Civil Rights; and Contemporary Texas; and
  - (B) explain the significance of the following dates: 1519, mapping of the Texas coast and first mainland Spanish settlement; 1718, founding of San Antonio; 1821, independence from Spain; 1836, Texas independence; 1845, annexation; 1861, Civil War begins; 1876, adoption of current state constitution; and 1901, discovery of oil at Spindletop.
- (2) History. The student understands how individuals, events, and issues through the Mexican National Era shaped the history of Texas. The student is expected to:
- (A) compare the cultures of American Indians in Texas prior to European colonization such as Gulf, Plains, Puebloan, and Southeastern;
  - (B) identify important individuals, events, and issues related to European exploration of Texas such as Alonso Álvarez de Pineda, Álvar Núñez Cabeza de Vaca, the search for gold, and the conflicting territorial claims between France and Spain;
  - (C) identify important individuals, events, and issues related to European colonization of Texas, including the establishment of Catholic missions, towns, and ranches, and the contributions of individuals such as Fray Damián Massanet, Antonio Margil de Jesús, and Francisco Hidalgo;
  - (D) identify the individuals, issues, and events related to Mexico becoming an independent nation and its impact on Texas, including Father Miguel Hidalgo, Texas involvement in the fight for independence, José Gutiérrez de Lara, the Battle of Medina, the Mexican federal Constitution of 1824, the merger of Texas and Coahuila as a state, the State Colonization Law of 1825, and slavery;
  - (E) identify the contributions of significant individuals, including Moses Austin, Stephen F. Austin, Erasmo Seguín, Martín De León, and Green DeWitt, during the Mexican settlement of Texas; and
  - (F) contrast Spanish, Mexican, and Anglo purposes for and methods of settlement in Texas.
- (3) History. The student understands how individuals, events, and issues related to the Texas Revolution shaped the history of Texas. The student is expected to:
- (A) describe the chain of events that led to the Texas Revolution, including the Fredonian Rebellion, the Mier y Terán Report, the Law of April 6, 1830, the Turtle Bayou Resolutions, and the arrest of Stephen F. Austin;
  - (B) explain the roles played by significant individuals during the Texas Revolution, including George Childress, Lorenzo de Zavala, James Fannin, Sam Houston, Antonio López de Santa Anna, Juan N. Seguín, and William B. Travis; and
  - (C) explain the issues surrounding significant events of the Texas Revolution, including the Battle of Gonzales; the siege of the Alamo, William B. Travis's letter "To the People of Texas and All Americans in the World," and the heroism of the diverse defenders who gave their lives there; the Constitutional Convention of 1836; Fannin's surrender at Goliad; and the Battle of San Jacinto.

- (4) History. The student understands how individuals, events, and issues shaped the history of the Republic of Texas and early Texas statehood. The student is expected to:
- (A) identify individuals, events, and issues during the administrations of Republic of Texas Presidents Houston, Lamar, and Jones such as the Texas Navy, the Texas Rangers, Jack Coffee Hays, Chief Bowles, William Goyens, Mary Maverick, José Antonio Navarro, the Córdoba Rebellion, the Council House Fight, the Santa Fe Expedition, slavery, and the roles of racial and ethnic groups;
  - (B) analyze the causes of and events leading to Texas annexation such as security and public debt; and
  - (C) identify individuals, events, and issues during early Texas statehood, including the U.S.-Mexican War, the Treaty of Guadalupe-Hidalgo, slavery, and the Compromise of 1850.
- (5) History. The student understands how events and issues shaped the history of Texas during the Civil War and Reconstruction. The student is expected to:
- (A) explain the central role the expansion of slavery played in the involvement of Texas in the Civil War;
  - (B) identify significant events concerning Texas and the Civil War such as the Battle of Galveston, the Battle of Sabine Pass, and the Battle of Palmito Ranch; and
  - (C) explain the political, economic, and social effects of the Civil War and Reconstruction in Texas.
- (6) History. The student understands how individuals, events, and issues shaped the history of Texas from Reconstruction through the beginning of the 20th century. The student is expected to:
- (A) identify significant individuals, events, and issues, including the factors leading to the expansion of the Texas frontier, the effects of westward expansion on American Indians, the buffalo soldiers, and Quanah Parker;
  - (B) identify significant individuals, events, and issues, including the development of the cattle industry from its Spanish beginnings and the cowboy way of life;
  - (C) identify significant individuals, events, and issues, including the effects of the growth of railroads and the contributions of James Hogg; and
  - (D) explain the political, economic, and social impact of the agricultural industry and the development of West Texas resulting from the close of the frontier.
- (7) History. The student understands how individuals, events, and issues shaped the history of Texas during the late 19th, 20th, and early 21st centuries. The student is expected to:
- (A) explain how the oil industry led to the industrialization of Texas;
  - (B) define and trace the impact of "boom-and-bust" cycles of leading Texas industries throughout the 20th and early 21st centuries such as farming, oil and gas production, cotton, ranching, real estate, banking, and computer technology;
  - (C) describe and compare the impact of reform movements in Texas in the 19th and 20th centuries such as progressivism, populism, women's suffrage, agrarianism, labor reform, and the conservative movement of the late 20th century;
  - (D) describe and compare the civil rights and equal rights movements of various groups in Texas in the 20th century and identify key leaders in these movements such as James L. Farmer Jr., Hector P. Garcia, Oveta Culp Hobby, Lyndon B. Johnson, the League of United Latin American Citizens (LULAC), Jane McCallum, and Lulu Belle Madison White; and
  - (E) analyze the political, economic, and social impact of World War I, the Great Depression, World War II, and significant issues in the latter half of the 20th and early 21st centuries



such as political and economic controversies, immigration, and migration on the history of Texas.

- (8) Geography. The student understands the location and characteristics of places and regions of Texas. The student is expected to:
- (A) locate and compare the Mountains and Basins, Great Plains, North Central Plains, and Coastal Plains regions;
  - (B) locate and compare places of importance in Texas in terms of physical and human characteristics such as major cities, waterways, natural and historic landmarks, political and cultural regions, and local points of interest; and
  - (C) analyze the effects of physical and human factors such as climate, weather, landforms, irrigation, transportation, and communication on major events in Texas.
- (9) Geography. The student understands the effects of the interaction between humans and the environment in Texas. The student is expected to:
- (A) identify ways in which Texans have adapted to and modified the environment and explain the positive and negative consequences of the modifications; and
  - (B) explain ways in which geographic factors such as the Galveston Hurricane of 1900, the Dust Bowl, limited water resources, and alternative energy sources have affected the political, economic, and social development of Texas.
- (10) Geography. The student understands the characteristics, distribution, and migration of population in Texas in the 19th, 20th, and 21st centuries. The student is expected to:
- (A) identify why immigrant groups came to Texas and where they settled;
  - (B) describe how immigration and migration to Texas have influenced Texas;
  - (C) describe the structure of the population of Texas using demographic concepts such as growth rate and age distribution; and
  - (D) analyze the effects of the changing population distribution and growth in Texas and the additional need for education, health care, and transportation.
- (11) Economics. The student understands the factors that caused Texas to change from an agrarian to an urban society. The student is expected to:
- (A) explain economic factors and the development of major industries that led to the urbanization of Texas such as transportation, oil and gas, and manufacturing; and
  - (B) explain the changes in the types of jobs and occupations that have resulted from the urbanization of Texas.
- (12) Economics. The student understands the interdependence of the Texas economy with the United States and the world. The student is expected to:
- (A) explain the impact of national and international markets on the production of goods and services in Texas, including agriculture and oil and gas;
  - (B) explain the impact of economic concepts within the free enterprise system such as supply and demand, profit, and world competition on the economy of Texas; and
  - (C) analyze the impact of significant industries in Texas such as aerospace, medical, and computer technologies on local, national, and international markets.
- (13) Government. The student understands the basic principles reflected in the Texas Constitution. The student is expected to:
- (A) identify how the Texas Constitution reflects the principles of limited government, republicanism, checks and balances, federalism, separation of powers, popular sovereignty, and individual rights; and

- (B) compare the principles and concepts of the Texas Constitution to the U.S. Constitution, including the Texas and U.S. Bill of Rights.
- (14) Government. The student understands the structure and functions of government created by the Texas Constitution. The student is expected to:
- (A) describe the structure and functions of government at municipal, county, and state levels; and
  - (B) identify major sources of revenue for state and local governments such as property taxes, sales taxes, bonds, and fees.
- (15) Citizenship. The student understands the rights and responsibilities of Texas citizens in a democratic society. The student is expected to:
- (A) explain rights of Texas citizens; and
  - (B) explain civic responsibilities of Texas citizens and the importance of civic participation.
- (16) Citizenship. The student understands the importance of the expression of different points of view in a democratic society. The student is expected to:
- (A) identify different points of view of political parties and interest groups on important Texas issues, past and present; and
  - (B) describe the importance of free speech and press in a democratic society.
- (17) Citizenship. The student understands the importance of effective leadership in a democratic society. The student is expected to:
- (A) identify the leadership qualities of elected and appointed leaders of Texas, past and present, including Texans who have been president of the United States; and
  - (B) identify the contributions of Texas leaders such as Lawrence Sullivan "Sul" Ross, John Nance Garner ("Cactus Jack"), James A. Baker III, Henry B. González, Kay Bailey Hutchison, Barbara Jordan, Raymond L. Telles, Sam Rayburn, and Raul A. Gonzalez Jr.
- (18) Culture. The student understands the concept of diversity within unity in Texas. The student is expected to:
- (A) explain how the diversity of Texas is reflected in a variety of cultural activities and celebrations;
  - (B) describe how people from various racial, ethnic, and religious groups attempt to maintain their cultural heritage while adapting to the larger Texas culture;
  - (C) identify examples of Spanish influence and the influence of other cultures on Texas such as place names, vocabulary, religion, architecture, food, and the arts; and
  - (D) identify contributions to the arts by Texans such as Roy Bedichek, Diane Gonzales Bertrand, J. Frank Dobie, Scott Joplin, Elisabet Ney, Amado Peña Jr., Walter Prescott Webb, and Horton Foote.
- (19) Science, technology, and society. The student understands the impact of scientific discoveries and technological innovations on the political, economic, and social development of Texas. The student is expected to:
- (A) compare types and uses of technology, past and present;
  - (B) identify Texas leaders in science and technology such as Walter Cunningham, Michael DeBakey, Denton Cooley, Benjy Brooks, Michael Dell, and Howard Hughes Sr.;
  - (C) analyze the effects of various scientific discoveries and technological innovations on the development of Texas such as advancements in the agricultural, energy, medical, computer, and aerospace industries;

- (D) evaluate the effects of scientific discoveries and technological innovations on the use of resources such as fossil fuels, water, and land; and
  - (E) analyze how scientific discoveries and technological innovations have resulted in an interdependence among Texas, the United States, and the world.
- (20) Social studies skills. The student applies critical-thinking skills to organize and use information acquired through established research methodologies from a variety of valid sources, including technology. The student is expected to:
- (A) differentiate between, locate, and use valid primary and secondary sources such as media and news services, biographies, interviews, and artifacts to acquire information about Texas;
  - (B) analyze information by applying absolute and relative chronology through sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, and drawing inferences and conclusions;
  - (C) organize and interpret information from outlines, reports, databases, and visuals, including graphs, charts, timelines, and maps;
  - (D) identify bias and points of view from the historical context surrounding an event that influenced the participants;
  - ~~(E) formulate and communicate visually, orally, or in writing a claim supported by evidence and reasoning related to a social studies topic; and~~
  - ~~(F) evaluate a variety of historical and contemporary sources for validity, credibility, bias, and accuracy.~~
  - ~~[(E) support a point of view on a social studies issue or event; and]~~
  - ~~[(F) evaluate the validity of a source based on corroboration with other sources and information about the author.]~~
- (21) Social studies skills. The student uses geographic tools to collect, analyze, and interpret data. The student is expected to:
- (A) create and interpret thematic maps, graphs, and charts representing various aspects of Texas during the 19th, 20th, and 21st centuries; and
  - (B) analyze and interpret geographic distributions and patterns in Texas during the 19th, 20th, and 21st centuries.
- (22) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly;
  - (B) use effective written communication skills, including proper citations and avoiding plagiarism; ~~and~~
  - (C) create written, oral, and visual presentations of social studies information ; ~~and~~ [ ]
  - ~~(D) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.~~
- (23) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- ~~(A) describe governmental and democratic processes such as voting, due process, and caucuses using simulations and models; and~~

- (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.20. Social Studies, Grade 8, Adopted 2022 [~~2018~~].**

(a) ~~Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [2025-2026] school year.~~

~~[(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~

~~[(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~

~~[(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~(a)~~ Introduction.

- (1) In Grade 8, students study the history of the United States from the early colonial period through Reconstruction. The knowledge and skills in subsection (c) ~~(b)~~ of this section comprise the first part of a two-year study of U.S. history. The second part, comprising U.S. history from Reconstruction to the present, is provided in §113.41 of this title (relating to United States History Studies Since 1877 (One Credit), Beginning with School Year 2011-2012). The content in Grade 8 builds upon that from Grade 5 but provides more depth and breadth. Historical content focuses on the political, economic, religious, and social events and issues related to the colonial and revolutionary eras, the creation and ratification of the U.S. Constitution, challenges of the early republic, the Age of Jackson, westward expansion, sectionalism, Civil War, and Reconstruction. Students describe the physical characteristics of the United States and their impact on population distribution and settlement patterns in the past and present. Students analyze the various economic factors that influenced the development of colonial America and the early years of the republic and identify the origins of the free enterprise system. Students examine the American beliefs and principles, including limited government, checks and balances, federalism, separation of powers, and individual rights, reflected in the U.S. Constitution and other historical documents. Students evaluate the impact of Supreme Court cases and major reform movements of the 19th century and examine the rights and responsibilities of citizens of the United States as well as the importance of effective leadership in a constitutional republic. Students evaluate the impact of scientific discoveries and technological innovations on the development of the United States. Students use critical-thinking skills, including the identification of bias in written, oral, and visual material.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as the complete text of the U.S. Constitution and the Declaration of Independence, landmark cases of the U.S. Supreme Court, biographies, autobiographies, novels, speeches, letters, diaries, poetry, songs, and artworks is encouraged. Motivating resources are available from museums, historical sites, presidential libraries, and local and state preservation societies.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection (c) ~~(b)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must

be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(c) ~~(b)~~ Knowledge and skills.

- (1) History. The student understands traditional historical points of reference in U.S. history through 1877. The student is expected to:
  - (A) identify the major eras in U.S. history through 1877, including colonization, revolution, creation and ratification of the Constitution, early republic, the Age of Jackson, westward expansion, reform movements, sectionalism, Civil War, and Reconstruction, and describe their causes and effects; and
  - (B) explain the significance of the following dates: 1607, founding of Jamestown; 1620, arrival of the Pilgrims and signing of the Mayflower Compact; 1776, adoption of the Declaration of Independence; 1787, writing of the U.S. Constitution; 1803, Louisiana Purchase; and 1861-1865, Civil War.
- (2) History. The student understands the causes of exploration and colonization eras. The student is expected to:
  - (A) identify reasons for English, Spanish, and French exploration and colonization of North America; and

- (B) compare political, economic, religious, and social reasons for the establishment of the 13 English colonies.
- (3) History. The student understands the foundations of representative government in the United States. The student is expected to:
- (A) explain the reasons for the growth of representative government and institutions during the colonial period;
- (B) analyze the importance of the Mayflower Compact, the Fundamental Orders of Connecticut, and the Virginia House of Burgesses to the growth of representative government; and
- (C) describe how religion and virtue contributed to the growth of representative government in the American colonies.
- (4) History. The student understands significant political and economic issues of the revolutionary and Constitutional eras. The student is expected to:
- (A) analyze causes of the American Revolution, including the Proclamation of 1763, the Intolerable Acts, the Stamp Act, mercantilism, lack of representation in Parliament, and British economic policies following the French and Indian War;
- (B) explain the roles played by significant individuals during the American Revolution, including Abigail Adams, John Adams, Wentworth Cheswell, Samuel Adams, Mercy Otis Warren, James Armistead, Benjamin Franklin, Crispus Attucks, King George III, Patrick Henry, Thomas Jefferson, the Marquis de Lafayette, Thomas Paine, and George Washington;
- (C) explain the issues surrounding important events of the American Revolution, including declaring independence; fighting the battles of Lexington and Concord, Saratoga, and Yorktown; enduring the winter at Valley Forge; and signing the Treaty of Paris of 1783; and
- (D) analyze the issues of the Constitutional Convention of 1787, including the Great Compromise and the Three-Fifths Compromise.
- (5) History. The student understands the challenges confronted by the government and its leaders in the early years of the republic and the Age of Jackson. The student is expected to:
- (A) describe major domestic problems faced by the leaders of the new republic, including maintaining national security, creating a stable economic system, and setting up the court system;
- (B) explain the effects of the Fugitive Slave Act of 1793;
- (C) [~~B~~] summarize arguments regarding protective tariffs, taxation, and the banking system;
- (D) [~~C~~] explain the origin and development of American political parties;
- (E) [~~D~~] explain the causes, important events, and effects of the War of 1812;
- (F) [~~E~~] identify the foreign policies of presidents Washington through Monroe and explain the impact of Washington's Farewell Address and the Monroe Doctrine;
- (G) [~~F~~] explain the impact of the election of Andrew Jackson, including expanded suffrage; and
- (H) [~~G~~] analyze the reasons for the removal and resettlement of Cherokee Indians during the Jacksonian era, including the Indian Removal Act, Worcester v. Georgia, and the Trail of Tears.
- (6) History. The student understands westward expansion and its effects on the political, economic, and social development of the nation. The student is expected to:

- (A) explain how the Northwest Ordinance established principles and procedures for orderly expansion of the United States;
  - (B) analyze the westward growth of the nation, including the Louisiana Purchase and Manifest Destiny; and
  - (C) explain the causes and effects of the U.S.-Mexican War and their impact on the United States.
- (7) History. The student understands how political, economic, and social factors led to the growth of sectionalism and the Civil War. The student is expected to:
- (A) analyze the impact of tariff policies on sections of the United States before the Civil War;
  - (B) compare the effects of political, economic, and social factors on slaves and free Blacks [~~blacks~~];
  - (C) analyze the impact of the Fugitive Slave Act of 1850 on slavery, free Blacks, and abolitionists;
  - (D) [~~C~~] analyze the impact of slavery on different sections of the United States; and
  - (E) [~~D~~] identify the provisions and compare the effects of congressional conflicts and compromises prior to the Civil War, including the role of John Quincy Adams.
- (8) History. The student understands individuals, issues, and events of the Civil War. The student is expected to:
- (A) explain the roles played by significant individuals during the Civil War, including Jefferson Davis, Ulysses S. Grant, Robert E. Lee, and Abraham Lincoln, and heroes such as congressional Medal of Honor recipients William Carney and Philip Bazaar;
  - (B) explain the central role of the expansion of slavery in causing sectionalism, disagreement over states' rights, and the Civil War;
  - (C) explain significant events of the Civil War, including the firing on Fort Sumter; the battles of Antietam, Gettysburg, and Vicksburg; the Emancipation Proclamation; Lee's surrender at Appomattox Court House; and the assassination of Abraham Lincoln; and
  - (D) analyze Abraham Lincoln's ideas about liberty, equality, union, and government as contained in his first and second inaugural addresses and the Gettysburg Address and contrast them with the ideas contained in Jefferson Davis's inaugural address.
- (9) History. The student understands the effects of Reconstruction on the political, economic, and social life of the nation. The student is expected to:
- (A) evaluate legislative reform programs of the Radical Reconstruction Congress and reconstructed state governments;
  - (B) explain the impact of the election of African Americans from the South such as Hiram Rhodes Revels; and
  - (C) explain the economic, political, and social problems during Reconstruction and evaluate their impact on different groups.
- (10) Geography. The student understands the location and characteristics of places and regions of the United States, past and present. The student is expected to:
- (A) locate places and regions directly related to major eras and turning points in the United States during the 17th, 18th, and 19th centuries;
  - (B) compare places and regions of the United States in terms of physical and human characteristics; and

- (C) analyze the effects of physical and human geographic factors such as weather, landforms, waterways, transportation, and communication on major historical events in the United States.
- (11) Geography. The student understands the physical characteristics of North America and how humans adapted to and modified the environment through the mid-19th century. The student is expected to:
- (A) analyze how physical characteristics of the environment influenced population distribution, settlement patterns, and economic activities in the United States; and
  - (B) describe the positive and negative consequences of human modification of the physical environment of the United States.
- (12) Economics. The student understands why various sections of the United States developed different patterns of economic activity through 1877. The student is expected to:
- (A) identify economic differences among different regions of the United States;
  - (B) explain reasons for the development of the plantation system, the transatlantic slave trade, and the spread of slavery; and
  - (C) analyze the causes and effects of economic differences among different regions of the United States at selected times.
- (13) Economics. The student understands how various economic forces resulted in the Industrial Revolution in the 19th century. The student is expected to:
- (A) analyze the economic effects of the War of 1812; and
  - (B) identify the economic factors that brought about rapid industrialization and urbanization.
- (14) Economics. The student understands the origins and development of the free enterprise system in the United States. The student is expected to:
- (A) explain why a free enterprise system of economics developed in the new nation, including minimal government regulation, taxation, and property rights; and
  - (B) describe the characteristics and the benefits of the U.S. free enterprise system through 1877.
- (15) Government. The student understands the American beliefs and principles reflected in the Declaration of Independence, the U.S. Constitution, and other important historic documents. The student is expected to:
- (A) identify the influence of ideas from historic documents, including the Magna Carta, the English Bill of Rights, the Mayflower Compact, and the Federalist Papers, on the U.S. system of government;
  - (B) summarize the strengths and weaknesses of the Articles of Confederation;
  - (C) identify colonial grievances listed in the Declaration of Independence and explain how those grievances were addressed in the U.S. Constitution and the Bill of Rights;
  - (D) analyze how the U.S. Constitution reflects the principles of limited government, republicanism, checks and balances, federalism, separation of powers, popular sovereignty, and individual rights; and
  - (E) explain the role of significant individuals such as Thomas Hooker, Charles de Montesquieu, and John Locke in the development of self-government in colonial America.
- (16) Government. The student understands the purpose of changing the U.S. Constitution and the impact of amendments on American society. The student is expected to:
- (A) summarize the purposes for amending the U.S. Constitution; and



- (B) describe the impact of the 13th, 14th, and 15th amendments.
- (17) Government. The student understands the dynamic nature of the powers of the national government and state governments in a federal system. The student is expected to:
- (A) analyze the arguments of the Federalists and Anti-Federalists, including those of Alexander Hamilton, Patrick Henry, James Madison, and George Mason, and explain how their debates exemplify civil discourse; and
- (B) explain constitutional issues arising over the issue of states' rights, including the Nullification Crisis and the Civil War.
- (18) Government. The student understands the impact of landmark Supreme Court cases. The student is expected to:
- (A) identify the origin of judicial review;
- (B) summarize the issues, decisions, and significance of landmark Supreme Court cases, including *Marbury v. Madison*, *McCulloch v. Maryland*, and *Gibbons v. Ogden*; and
- (C) evaluate the impact of the landmark Supreme Court decision *Dred Scott v. Sandford* on life in the United States.
- (19) Citizenship. The student understands the rights and responsibilities of citizens of the United States. The student is expected to:
- (A) define and give examples of unalienable rights;
- (B) summarize rights guaranteed in the Bill of Rights; and
- (C) identify examples of responsible citizenship, including obeying rules and laws, staying informed on public issues, voting, and serving on juries.
- (20) Citizenship. The student understands the importance of voluntary individual participation in the democratic process. The student is expected to:
- (A) evaluate the contributions of the Founding Fathers as models of civic virtue; and
- (B) analyze reasons for and the impact of selected examples of civil disobedience in U.S. history such as the Boston Tea Party and Henry David Thoreau's refusal to pay a tax.
- (21) Citizenship. The student understands the importance of the expression of different points of view in a constitutional republic. The student is expected to:
- (A) identify different points of view of political parties and interest groups on important historical issues;
- (B) describe the importance of free speech and press in a constitutional republic; and
- (C) summarize historical events in which compromise resulted in a resolution such as the Missouri Compromise, Compromise of 1850, and Kansas-Nebraska Act.
- (22) Citizenship. The student understands the importance of effective leadership in a constitutional republic. The student is expected to:
- (A) analyze the leadership qualities of elected and appointed leaders of the United States such as George Washington, John Marshall, and Abraham Lincoln; and
- (B) describe the contributions of significant political, social, and military leaders of the United States such as Frederick Douglass, John Paul Jones, Susan B. Anthony, and Elizabeth Cady Stanton.
- (23) Culture. The student understands the relationships between and among people from various groups, including racial, ethnic, and religious groups, during the 17th, 18th, and 19th centuries. The student is expected to:

- (A) identify racial, ethnic, and religious groups that settled in the United States and explain their reasons for immigration;
  - (B) explain how urbanization contributed to conflicts resulting from differences in religion, social class, and political beliefs;
  - (C) identify ways conflicts between people from various racial, ethnic, and religious groups were addressed;
  - (D) analyze the contributions of people of various racial, ethnic, and religious groups to our national identity; and
  - (E) identify the political, social, and economic contributions of women to American society.
- (24) Culture. The student understands the major reform movements of the 19th century. The student is expected to:
- (A) describe and evaluate the historical development of the abolition [abolitionist] movement including activities that focused attention on the moral ills of slavery ; and
  - (B) evaluate the impact of reform movements, including educational reform, temperance, the women's rights movement, prison reform, the labor reform movement, and care of the disabled.
- (25) Culture. The student understands the impact of religion on the American way of life. The student is expected to:
- (A) trace the development of religious freedom in the United States;
  - (B) describe religious influences on social movements, including the impact of the first and second Great Awakenings; and
  - (C) analyze the impact of the First Amendment guarantees of religious freedom on the American way of life.
- (26) Culture. The student understands the relationship between the arts and the times during which they were created. The student is expected to:
- (A) identify examples of American art, music, and literature that reflect society in different eras such as the Hudson River School artists, the "Battle Hymn of the Republic," and transcendental literature; and
  - (B) analyze the relationship between the arts and continuity and change in the American way of life.
- (27) Science, technology, and society. The student understands the impact of science and technology on the economic development of the United States. The student is expected to:
- (A) explain the effects of technological and scientific innovations such as the steamboat, the cotton gin, the telegraph, and interchangeable parts;
  - (B) analyze how technological innovations changed the way goods were manufactured and distributed, nationally and internationally; and
  - (C) analyze how technological innovations brought about economic growth such as the development of the factory system and the construction of the Transcontinental Railroad.
- (28) Science, technology, and society. The student understands the impact of scientific discoveries and technological innovations on daily life in the United States. The student is expected to:
- (A) compare the effects of scientific discoveries and technological innovations that have influenced daily life in different periods in U.S. history; and
  - (B) identify examples of how industrialization changed life in the United States.

- (29) Social studies skills. The student applies critical-thinking skills to organize and use information acquired through established research methodologies from a variety of valid sources, including technology. The student is expected to:
- (A) differentiate between, locate, and use valid primary and secondary sources such as media and news services, biographies, interviews, and artifacts to acquire information about the United States;
  - (B) analyze information by applying absolute and relative chronology through sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, and drawing inferences and conclusions;
  - (C) organize and interpret information from outlines, reports, databases, and visuals, including graphs, charts, timelines, and maps;
  - (D) identify bias and points of view created by the historical context surrounding an event;
  - ~~(E) formulate and communicate visually, orally, or in writing a claim supported by evidence and reasoning related to a social studies topic;~~
  - ~~(F) evaluate a variety of historical and contemporary sources for validity, credibility, bias, and accuracy;~~
  - ~~[(E) support a point of view on a social studies issue or event;]~~
  - ~~[(F) evaluate the validity of a source based on corroboration with other sources and information about the author;]~~
  - (G) create a visual representation of historical information such as thematic maps, graphs, and charts representing various aspects of the United States; and
  - (H) pose and answer questions about geographic distributions and patterns shown on maps, graphs, and charts.
- (30) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly;
  - (B) use effective written communication skills, including proper citations and avoiding plagiarism; ~~and~~
  - (C) create written, oral, and visual presentations of social studies information ; ~~and~~ [;]
  - ~~(D) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.~~
- (31) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- ~~(A) describe governmental and democratic processes such as voting, due process, and caucuses using simulations and models; and~~
  - ~~(B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.~~

## Chapter 113. Texas Essential Knowledge and Skills for Social Studies

### Subchapter C. High School

#### §113.31. Economics with Emphasis on the Free Enterprise System and Its Benefits, High School (One-Half Credit), Adopted 2022 [~~2018~~].

- (a) ~~Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [2025-2026] school year.~~
- ~~(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.~~
- ~~(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.~~
- ~~(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.~~
- (b) ~~(a)~~ General requirements. This course will be taught in the social studies department and is recommended to be taught in Grade 12.
- (c) ~~(b)~~ Introduction.
- (1) Economics with Emphasis on the Free Enterprise System and Its Benefits is the culmination of the economic content and concepts studied from Kindergarten through required secondary courses. The focus is on the basic principles concerning production, consumption, and distribution of goods and services (the problem of scarcity) in the United States and a comparison with those in other countries around the world. Students analyze the interaction of supply, demand, and price. Students will investigate the concepts of specialization and international trade, economic growth, key economic measurements, and monetary and fiscal policy. Students will study the roles of the Federal Reserve System and other financial institutions, government, and businesses in a free enterprise system. Types of business ownership and market structures are discussed. The course also incorporates instruction in personal financial literacy. Students apply critical-thinking skills using economic concepts to evaluate the costs and benefits of economic issues.
  - (2) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
  - (3) Economics with Emphasis on the Free Enterprise System and Its Benefits builds upon the foundation in economics and social studies laid by the social studies essential knowledge and skills in Kindergarten-Grade 12. The course will apply these skills to current economic situations. The content enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
  - (4) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
  - (5) As referenced in House Bill 492, an act of the Texas Legislature signed into law in 2005, the concepts of personal financial literacy are to be mastered by students in order that they may become self-supporting adults who can make informed decisions relating to personal financial matters. These concepts are incorporated into the student expectations of Economics with

Emphasis on the Free Enterprise System and Its Benefits: understanding interest, avoiding and eliminating credit card debt; understanding the rights and responsibilities of renting or buying a home; managing money to make the transition from renting a home to home ownership; starting a small business; being a prudent investor in the stock market and using other investment options; beginning a savings program and planning for retirement; bankruptcy; types of bank accounts available to consumers and benefits of maintaining a bank account; balancing a checkbook; types of loans available to consumers and becoming a low-risk borrower; understanding insurance; and charitable giving.

- (6) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
- (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
- (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (7) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(d) [(e)] Knowledge and skills.

- (1) Economics. The student understands the concepts of scarcity and opportunity costs. The student is expected to:
- (A) explain why scarcity and choice are basic economic problems faced by every society;
- (B) describe how societies answer the basic economic questions: what to produce, how to produce, and for whom to produce;
- (C) describe the economic factors of production: land, labor, capital, and entrepreneurship; and
- (D) interpret a production-possibilities curve and apply the concepts of opportunity costs and scarcity.
- (2) Economics. The student understands the interaction of supply, demand, and price. The student is expected to:
- (A) understand the effect of changes in price on the quantity demanded and quantity supplied;
- (B) identify the non-price determinants that create changes in supply and demand, which result in a new equilibrium price; and
- (C) interpret a supply-and-demand graph using supply-and-demand schedules.
- (3) Economics. The student understands the reasons for international trade and its importance to the United States and the global economy. The student is expected to:
- (A) apply the concepts of absolute and comparative advantages;

- (B) compare the effects of free trade and trade barriers on economic activities, including the benefits and costs of participating in international trade; and
  - (C) analyze the effects of changes in exchange rates on imports and exports.
- (4) Economics. The student understands free enterprise, socialist, and communist economic systems. The student is expected to:
- (A) explain the basic characteristics of economic systems, including property rights, incentives, economic freedom, competition, and the role of government;
  - (B) contrast current and historic examples of the free enterprise system, socialism, and communism using the basic characteristics of economic systems; and
  - (C) analyze the contributions of various economic philosophers, including Friedrich Hayek, Milton Friedman, John Maynard Keynes, and Adam Smith, and their impact on the U.S. free enterprise system.
- (5) Economics. The student understands the basic characteristics and benefits of the U.S. free enterprise system. The student is expected to:
- (A) explain the benefits of the U.S. free enterprise system, including individual freedom of consumers and producers, variety of goods, responsive prices, investment opportunities, and the creation of wealth; and
  - (B) analyze recent changes in the basic characteristics, including private property, incentives, economic freedom, competition, and the limited role of government, of the U.S. economy.
- (6) Economics. The student understands the right to own, use, and dispose of private property. The student is expected to:
- (A) analyze the costs and benefits of the purchase, use, or disposal of personal and business property; and
  - (B) identify and evaluate examples of restrictions that the government places on the use of business and individual property.
- (7) Economics. The student understands the circular-flow model of the economy. The student is expected to:
- (A) interpret the roles of resource owners and firms in a circular-flow model of the economy and provide real-world examples to illustrate elements of the model; and
  - (B) explain how government actions affect the circular-flow model.
- (8) Economics. The student understands types of market structures. The student is expected to:
- (A) describe characteristics and give examples of pure competition, monopolistic competition, oligopoly, and monopoly; and
  - (B) identify regulations that apply to the establishment and operation of various types of market structures.
- (9) Economics. The student understands key economic measurements. The student is expected to:
- (A) interpret economic data, including unemployment rate, gross domestic product, gross domestic product per capita as a measure of national wealth, and rate of inflation; and
  - (B) analyze business cycles using key economic indicators.
- (10) Economics. The student understands key components of economic growth. The student is expected to:
- (A) analyze how productivity relates to growth;
  - (B) analyze how technology relates to growth; and

- (C) analyze how trade relates to growth.
- (11) Economics. The student understands the role of money in an economy. The student is expected to:
- (A) describe the functions of money;
  - (B) describe the characteristics of money, including commodity money, fiat money, and representative money; and
  - (C) analyze the positive and negative aspects of barter, currency, and debit cards.
- (12) Economics. The student understands the role of the Federal Reserve System in establishing monetary policy. The student is expected to:
- (A) explain the structure of the Federal Reserve System;
  - (B) analyze the three basic tools used to implement U.S. monetary policy, including reserve requirements, the discount rate and the federal funds rate target, and open-market operations;
  - (C) explain how the actions of the Federal Reserve System affect the nation's money supply; and
  - (D) describe the current role of the U.S. dollar in trade in the world market and analyze how that has changed over time, in particular since departing from the gold standard in 1971.
- (13) Economics. The student understands the role that the government plays in the U.S. free enterprise system. The student is expected to:
- (A) describe the role of government in the U.S. free enterprise system and the changes in that role over time; and
  - (B) analyze the costs and benefits of U.S. economic policies, rules, and regulations related to the economic goals of economic growth, stability, full employment, freedom, security, equity (equal opportunity versus equal outcome), and efficiency.
- (14) Economics. The student understands the economic impact of fiscal policy decisions at the local, state, and national levels. The student is expected to:
- (A) identify types of taxes at the local, state, and national levels and the economic importance of each;
  - (B) explain the categories of revenues and expenditures in the U.S. federal budget; and
  - (C) analyze the impact of fiscal policy decisions on the economy.
- (15) Personal financial literacy. The student understands types of business ownership. The student is expected to:
- (A) explain the characteristics of sole proprietorships, partnerships, and corporations; and
  - (B) analyze the advantages and disadvantages of sole proprietorships, partnerships, and corporations.
- (16) Personal financial literacy. The student understands the role of financial markets/institutions in saving, borrowing, and capital formation. The student is expected to:
- (A) explain the functions of financial institutions and how they affect households and businesses;
  - (B) explain how the amount of savings in an economy is the basis of capital formation;
  - (C) analyze the role of interest and risk in allocating savings to its most productive use; and
  - (D) examine the types of accounts available to consumers from financial institutions and the risks, monetary costs, and benefits of maintaining these accounts.

- (17) Personal financial literacy. The student understands the role of individuals in financial markets. The student is expected to:
- (A) assess ways to be a wise investor in the stock market and in other personal investment options such as developing a personal retirement plan;
  - (B) explain how to begin a savings program;
  - (C) demonstrate how to maintain a checking account, including reconciling a bank statement;
  - (D) identify the types of loans available to consumers;
  - (E) explain the responsibilities and obligations of borrowing money; and
  - (F) develop strategies to become a low-risk borrower by improving and understanding one's personal credit score.
- (18) Personal financial literacy. The student applies critical-thinking skills to analyze the costs and benefits of personal financial decisions. The student is expected to:
- (A) examine ways to avoid and eliminate credit card debt;
  - (B) evaluate the costs and benefits of declaring personal bankruptcy;
  - (C) evaluate the costs and benefits of buying insurance; and
  - (D) evaluate the costs and benefits of charitable giving.
- (19) Personal financial literacy. The student understands how to provide for basic needs while living within a budget. The student is expected to:
- (A) evaluate the costs and benefits of renting a home versus buying a home; and
  - (B) assess the financial aspects of making the transition from renting to home ownership.
- (20) Personal financial literacy. The student understands the various methods available to pay for college and other postsecondary education and training. The student is expected to:
- (A) understand how to complete the Free Application for Federal Student Aid (FAFSA) provided by the United States Department of Education;
  - (B) research and evaluate various scholarship opportunities such as those from state governments, schools, employers, individuals, private companies, nonprofits, and professional organizations;
  - (C) analyze and compare student grant options;
  - (D) analyze and compare student loan options, including private and federal loans; and
  - (E) research and evaluate various work-study program opportunities.
- (21) Social studies skills. The student applies critical-thinking skills to organize and use information acquired through established research methodologies from a variety of valid sources, including technology. The student is expected to:
- (A) analyze economic information by sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, and drawing inferences and conclusions;
  - (B) create economic models, including production-possibilities curves, circular-flow charts, and supply-and-demand graphs, to analyze economic concepts or issues;
  - (C) explain a point of view on an economic issue;
  - (D) analyze and evaluate a variety ~~[the validity]~~ of economic information from primary and secondary sources for validity, credibility, accuracy, bias, propaganda, point of view, and frame of reference; ~~[and]~~



- (E) evaluate economic data using charts, tables, graphs, and maps ; and [ ]
  - (F) formulate and communicate visually, orally, or in writing a claim supported by evidence and reasoning for an intended audience and purpose.
- (22) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly; [~~and~~]
  - (B) create written, oral, and visual presentations of economic information using effective communication skills, including proper citations and avoiding plagiarism ; and [ ]
  - (C) apply foundational language skills to engage in civil discourse about economics topics, including those with multiple perspectives.
- (23) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.41. United States History Studies Since 1877 (One Credit), Adopted 2022 [2018] .**

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [~~2025-2026~~] school year.

~~[(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~

~~[(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~

~~[(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~[(a)]~~ General requirements. Students shall be awarded one unit of credit for successful completion of this course.

(c) ~~[(b)]~~ Introduction.

- (1) In United States History Studies Since 1877, which is the second part of a two-year study that begins in Grade 8, students study the history of the United States from 1877 to the present. The course content is based on the founding documents of the U.S. government, which provide a framework for its heritage. Historical content focuses on the political, economic, and social events and issues related to industrialization and urbanization, major wars, domestic and foreign policies, and reform movements, including civil rights. Students examine the impact of geographic factors on major events and eras and analyze their causes and effects. Students examine the impact of constitutional issues on American society, evaluate the dynamic relationship of the three branches of the federal government, and analyze efforts to expand the democratic process. Students describe the relationship between the arts and popular culture and the times during which they were created. Students analyze the impact of technological innovations on American life. Students use critical-thinking skills and a variety of primary and secondary source material to explain and apply different methods that historians use to understand and interpret the past, including multiple points of view and historical context.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as biographies, autobiographies, landmark cases of the U.S.

Supreme Court, novels, speeches, letters, diaries, poetry, songs, and artworks is encouraged. Motivating resources are available from museums, historical sites, presidential libraries, and local and state preservation societies.

- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection (d) ~~(e)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(d) ~~(e)~~ Knowledge and skills.

- (1) History. The student understands the principles included in the Celebrate Freedom Week program. The student is expected to:
  - (A) analyze and evaluate the text, intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights;
  - (B) analyze and evaluate the application of these founding principles to historical events in U.S. history; and

- (C) explain the meaning and historical significance of the mottos "E Pluribus Unum" and "In God We Trust."
- (2) History. The student understands traditional historical points of reference in U.S. history from 1877 to the present. The student is expected to:
- (A) identify the major eras in U.S. history from 1877 to the present and describe their defining characteristics; and
  - (B) explain the significance of the following years as turning points: 1898 (Spanish-American War), 1914-1918 (World War I), 1929 (the Great Depression begins), 1939-1945 (World War II), 1957 (Sputnik launch ignites U.S.-Soviet space race), 1968 (Martin Luther King Jr. assassination), 1969 (U.S. lands on the moon), 1991 (Cold War ends), 2001 (terrorist attacks on World Trade Center and the Pentagon), and 2008 (election of first black president, Barack Obama).
- (3) History. The student understands the political, economic, and social changes in the United States from 1877 to 1898. The student is expected to:
- (A) analyze political issues such as Indian policies, the growth of political machines, and civil service reform;
  - (B) analyze economic issues such as industrialization, the growth of railroads, the growth of labor unions, farm issues, the cattle industry boom, the growth of entrepreneurship, and the pros and cons of big business; and
  - (C) analyze social issues affecting women, minorities, children, immigrants, and urbanization.
- (4) History. The student understands the emergence of the United States as a world power between 1898 and 1920. The student is expected to:
- (A) explain why significant events, policies, and individuals, including the Spanish-American War, U.S. expansionism, Alfred Thayer Mahan, Theodore Roosevelt, and Sanford B. Dole moved the United States into the position of a world power;
  - (B) evaluate American expansionism, including acquisitions such as Guam, Hawaii, the Philippines, and Puerto Rico;
  - (C) identify the causes of World War I and reasons for U.S. entry;
  - (D) understand the contributions of the American Expeditionary Forces (AEF) led by General John J. Pershing, including the Battle of Argonne Forest;
  - (E) analyze the impact of machine guns, airplanes, tanks, poison gas, and trench warfare as significant technological innovations in World War I on the Western Front; and
  - (F) analyze major issues raised by U.S. involvement in World War I, including isolationism, neutrality, Woodrow Wilson's Fourteen Points, and the Treaty of Versailles.
- (5) History. The student understands the effects of reform and third-party movements in the early 20th century. The student is expected to:
- (A) analyze the impact of Progressive Era reforms, including initiative, referendum, recall, and the passage of the 16th, 17th, 18th, and 19th amendments;
  - (B) evaluate the impact of muckrakers and reform leaders such as Upton Sinclair, Susan B. Anthony, Jane Addams, Ida B. Wells, and W. E. B. DuBois on American society; and
  - (C) analyze the impact of third parties, including the Populist and Progressive parties.
- (6) History. The student understands significant events, social issues, and individuals of the 1920s. The student is expected to:

- (A) analyze causes and effects of events and social issues such as immigration, Social Darwinism, the Scopes Trial, eugenics, race relations, nativism, the Red Scare, Prohibition, and the changing role of women; and
  - (B) analyze the impact of significant individuals such as Henry Ford, Marcus Garvey, and Charles A. Lindbergh.
- (7) History. The student understands the domestic and international impact of U.S. participation in World War II. The student is expected to:
- (A) identify reasons for U.S. involvement in World War II, including the aggression of Italian, German, and Japanese dictatorships, especially the attack on Pearl Harbor;
  - (B) evaluate the domestic and international leadership of Franklin D. Roosevelt and Harry Truman during World War II, including the U.S. relationship with its allies;
  - (C) analyze major issues of World War II, including the Holocaust, the internment of Japanese Americans as a result of Executive Order 9066, and the development of atomic weapons;
  - (D) analyze major military events of World War II, including fighting the war on multiple fronts, the Bataan Death March, the U.S. military advancement through the Pacific Islands, the Battle of Midway, the invasion of Normandy, and the liberation of concentration camps;
  - (E) describe the military contributions of leaders during World War II, including Dwight Eisenhower, Douglas MacArthur, and Chester W. Nimitz;
  - (F) explain issues affecting the home front, including volunteerism, the purchase of war bonds, and Victory Gardens and opportunities and obstacles for women and ethnic minorities; and
  - (G) explain how American patriotism inspired high levels of military enlistment and the bravery and contributions of the Tuskegee Airmen, the Flying Tigers, and the Navajo Code Talkers.
- (8) History. The student understands the impact of significant national and international decisions and conflicts in the Cold War on the United States. The student is expected to:
- (A) describe U.S. responses to Soviet aggression after World War II, including the Truman Doctrine, the Marshall Plan, the Berlin Airlift, the North Atlantic Treaty Organization, and John F. Kennedy's role in the Cuban Missile Crisis;
  - (B) describe how Cold War tensions were intensified by the House Un-American Activities Committee (HUAC), McCarthyism, the arms race, and the space race;
  - (C) explain reasons and outcomes for U.S. involvement in the Korean War and its relationship to the containment policy;
  - (D) explain reasons and outcomes for U.S. involvement in foreign countries and their relationship to the Domino Theory, including the Vietnam War;
  - (E) analyze the major events of the Vietnam War, including the escalation of forces, the Tet Offensive, Vietnamization, and the fall of Saigon; and
  - (F) describe the responses to the Vietnam War, including [such as] the draft, the 26th Amendment, the role of the media, the credibility gap, the silent majority, and the anti-war movement.
- (9) History. The student understands the impact of the American civil rights movement. The student is expected to:
- (A) trace the historical development of the civil rights movement from the late 1800s through the 21st century, including the 13th, 14th, 15th, and 19th amendments;

- (B) explain how Jim Crow laws and the Ku Klux Klan created obstacles to civil rights for minorities such as the suppression of voting;
  - (C) describe the roles of political organizations that promoted African American, Chicano, American Indian, and women's civil rights;
  - (D) identify the roles of significant leaders who supported various rights movements, including Martin Luther King Jr., Cesar Chavez, Dolores Huerta, Rosa Parks, and Betty Friedan;
  - (E) compare and contrast the approach taken by the Black Panthers with the nonviolent approach of Martin Luther King Jr.;
  - (F) discuss the impact of the writings of Martin Luther King Jr. ,including ~~such as~~ his "I Have a Dream" speech and "Letter from Birmingham Jail" on the civil rights movement;
  - (G) describe presidential actions and congressional votes to address minority rights in the United States, including desegregation of the armed forces, the Civil Rights Act of 1964, and the Voting Rights Act of 1965;
  - (H) explain how George Wallace, Orval Faubus, and the Congressional bloc of southern Democrats sought to maintain the status quo;
  - (I) evaluate changes in the United States that have resulted from the civil rights movement, including increased participation of minorities in the political process; and
  - (J) describe how Sweatt v. Painter and Brown v. Board of Education played a role in protecting the rights of the minority during the civil rights movement.
- (10) History. The student understands the impact of political, economic, and social factors in the U.S. from the 1970s through 1990. The student is expected to:
- (A) describe Richard M. Nixon's leadership in the normalization of relations with China and the policy of détente;
  - (B) describe Ronald Reagan's leadership in domestic and international policies, including Reagan's economic policies and Peace Through Strength;
  - (C) describe U.S. involvement in the Middle East such as support for Israel, the Camp David Accords, the Iran Hostage Crisis, Marines in Lebanon, and the Iran-Contra Affair;
  - (D) describe the causes and key organizations of the conservative resurgence of the 1980s such as the Heritage Foundation and the Moral Majority; and
  - (E) describe significant societal issues of this time period such as the War on Drugs and the AIDS epidemic.
- (11) History. The student understands the emerging political, economic, and social issues of the United States from the 1990s into the 21st century. The student is expected to:
- (A) describe U.S. involvement in world affairs, including the end of the Cold War, the Persian Gulf War, the events surrounding September 11, 2001, and the global War on Terror;
  - (B) identify significant social and political issues such as health care, immigration, and education from different viewpoints across the political spectrum;
  - (C) analyze the impact of third parties on the 1992 and 2000 presidential elections; and
  - (D) identify the impact of international events, multinational corporations, government policies, and individuals on the 21st century economy.
- (12) Geography. The student understands the impact of geographic factors on major events. The student is expected to analyze the impact of physical and human geographic factors on the

Klondike Gold Rush, the Panama Canal, the Dust Bowl, and the levee failure in New Orleans after Hurricane Katrina.

- (13) Geography. The student understands the causes and effects of migration and immigration on American society. The student is expected to:
- (A) analyze the causes and effects of changing demographic patterns resulting from migration within the United States, including western expansion, rural to urban, the Great Migration, and the Rust Belt to the Sun Belt; and
  - (B) analyze the causes and effects of changing demographic patterns resulting from immigration to the United States.
- (14) Geography. The student understands the relationship between population growth and the physical environment. The student is expected to:
- (A) identify the effects of population growth and distribution on the physical environment; and
  - (B) identify the roles of governmental entities and private citizens in managing the environment such as the establishment of the National Park System, the Environmental Protection Agency (EPA), and the Endangered Species Act.
- (15) Economics. The student understands domestic and foreign issues related to U.S. economic growth from the 1870s to 1920. The student is expected to:
- (A) describe how the economic impact of the Transcontinental Railroad and the Homestead Act contributed to the close of the frontier in the late 19th century;
  - (B) describe the changing relationship between the federal government and private business, including the growth of free enterprise, costs and benefits of laissez-faire, Sherman Antitrust Act, Interstate Commerce Act, and Pure Food and Drug Act;
  - (C) explain how foreign policies affected economic issues such as the Chinese Exclusion Act of 1882, the Open Door Policy, Dollar Diplomacy, and immigration quotas; and
  - (D) describe the economic effects of international military conflicts, including the Spanish-American War and World War I, on the United States.
- (16) Economics. The student understands significant economic developments between World War I and World War II. The student is expected to:
- (A) analyze causes of economic growth and prosperity in the 1920s, including Warren Harding's Return to Normalcy, reduced taxes, and increased production efficiencies;
  - (B) identify the causes of the Great Depression, including the impact of tariffs on world trade, stock market speculation, bank failures, and the monetary policy of the Federal Reserve System;
  - (C) analyze the effects of the Great Depression on the U.S. economy and society such as widespread unemployment and deportation and repatriation of people of Mexican heritage;
  - (D) compare the New Deal policies and its opponents' approaches to resolving the economic effects of the Great Depression; and
  - (E) describe how various New Deal agencies and programs, including the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, and the Social Security Administration, continue to affect the lives of U.S. citizens.
- (17) Economics. The student understands the economic effects of government policies from World War II through the present. The student is expected to:

- (A) describe the economic effects of World War II on the home front such as mobilization, the end of the Great Depression, rationing, and increased opportunity for women and minority employment;
  - (B) identify the causes of prosperity in the 1950s, including the Baby Boom and the impact of the GI Bill (Servicemen's Readjustment Act of 1944), and the effects of prosperity in the 1950s such as increased consumption and the growth of agriculture and business;
  - (C) describe the economic impact of defense spending on the business cycle and education priorities from 1945 to the 1990s;
  - (D) identify the actions and outcomes of government policies intended to create economic opportunities for citizens such as the Great Society, affirmative action, and Title IX; and
  - (E) describe the dynamic relationship between U.S. international trade policies and the U.S. free enterprise system such as the Organization of Petroleum Exporting Countries (OPEC) oil embargo, the General Agreement on Tariffs and Trade (GATT), and the North American Free Trade Agreement (NAFTA).
- (18) Government. The student understands changes over time in the role of government. The student is expected to:
- (A) evaluate the impact of New Deal legislation on the historical roles of state and federal government;
  - (B) explain constitutional issues raised by federal government policy changes during times of significant events, including World War I, the Great Depression, World War II, the 1960s, and September 11, 2001;
  - (C) describe the effects of political scandals, including Teapot Dome, Watergate, and Bill Clinton's impeachment, on the views of U.S. citizens concerning trust in the federal government and its leaders; and
  - (D) describe the role of contemporary government legislation in the private and public sectors such as the Community Reinvestment Act of 1977, USA PATRIOT Act of 2001, and the American Recovery and Reinvestment Act of 2009.
- (19) Government. The student understands the changing relationships among the three branches of the federal government. The student is expected to:
- (A) describe the impact of events such as the Gulf of Tonkin Resolution and the War Powers Act on the relationship between the legislative and executive branches of government; and
  - (B) evaluate the impact of relationships among the legislative, executive, and judicial branches of government, including Franklin D. Roosevelt's attempt to increase the number of U.S. Supreme Court justices and the presidential election of 2000.
- (20) Government. The student understands the impact of constitutional issues on American society. The student is expected to:
- (A) analyze the effects of landmark U.S. Supreme Court decisions, including Plessy v. Ferguson, Brown v. Board of Education, Hernandez v. Texas, Tinker v. Des Moines, and Wisconsin v. Yoder; and
  - (B) explain why landmark constitutional amendments have been proposed and ratified from 1877 to the present.
- (21) Citizenship. The student understands the concept of American exceptionalism as identified by Alexis de Tocqueville. The student is expected to:
- (A) discuss values crucial to America's success as a constitutional republic, including liberty, egalitarianism, individualism, populism, and laissez-faire; and

- (B) describe how American values are different and unique from those of other nations.
- (22) Citizenship. The student understands the promises of the Declaration of Independence and the protections of the U.S. Constitution and the Bill of Rights. The student is expected to:
- (A) identify and analyze methods of expanding the right to participate in the democratic process, including lobbying, non-violent protesting, litigation, and amendments to the U.S. Constitution;
  - (B) evaluate various means of achieving equality of political rights, including the 19th, 24th, and 26th amendments and congressional acts such as the American Indian Citizenship Act of 1924;
  - (C) explain how participation in the democratic process reflects our national identity, patriotism, and civic responsibility; and
  - (D) summarize the criteria and explain the process for becoming a naturalized citizen of the United States.
- (23) Citizenship. The student understands the importance of effective leadership in a constitutional republic. The student is expected to:
- (A) evaluate the contributions of significant political and social leaders in the United States such as Andrew Carnegie, Thurgood Marshall, Billy Graham, Sandra Day O'Connor, and Hillary Clinton; and
  - (B) explain the importance of Congressional Medal of Honor recipients such as Army First Lieutenant Vernon J. Baker, Army Corporal Alvin York, and Army Master Sergeant Raul "Roy" Perez Benavidez.
- (24) Culture. The student understands the relationship between the arts and the times during which they were created. The student is expected to:
- (A) describe how the characteristics of and issues in U.S. history have been reflected in various genres of art, music, film, and literature;
  - (B) describe the impacts of cultural movements in art, music, and literature such as Tin Pan Alley, the Harlem Renaissance, the Beat Generation, rock and roll, the Chicano Mural Movement, and country and western music on American society; and
  - (C) identify and analyze the global diffusion of American culture through various media.
- (25) Culture. The student understands how people from various groups contribute to our national identity. The student is expected to:
- (A) explain actions taken by people to expand economic opportunities and political rights for racial, ethnic, gender, and religious groups in American society;
  - (B) describe the Americanization movement to assimilate immigrants and American Indians into American culture;
  - (C) explain how the contributions of people of various racial, ethnic, gender, and religious groups shape American culture; and
  - (D) identify the contributions of women such as Rosa Parks, Eleanor Roosevelt, and Sonia Sotomayor to American society.
- (26) Science, technology, and society. The student understands the impact of science, technology, and the free enterprise system on the economic development of the United States. The student is expected to:
- (A) explain the effects of scientific discoveries and technological innovations such as electric power, telephone and satellite communications, petroleum-based products, steel production, and computers on the economic development of the United States;



- (B) explain how specific needs result in scientific discoveries and technological innovations in agriculture, the military, and medicine; and
  - (C) describe the effect of technological innovations in the workplace such as assembly line manufacturing and robotics.
- (27) Science, technology, and society. The student understands the influence of scientific discoveries, technological innovations, and the free enterprise system on the standard of living in the United States. The student is expected to:
- (A) analyze how scientific discoveries, technological innovations, space exploration, and the application of these by the free enterprise system improve the standard of living in the United States, including changes in transportation and communication; and
  - (B) describe how the free enterprise system drives technological innovation and its application in the marketplace such as cell phones, inexpensive personal computers, and global positioning products.
- (28) Social studies skills. The student understands how historians use historiography to interpret the past and applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including technology. The student is expected to:
- (A) analyze primary and secondary sources such as maps, graphs, speeches, political cartoons, and artifacts to acquire information to answer historical questions;
  - (B) analyze information by applying absolute and relative chronology through sequencing, categorizing, identifying cause-and-effect relationships, comparing and contrasting, finding the main idea, summarizing, making generalizations, making predictions, drawing inferences, and drawing conclusions;
  - (C) apply the process of historical inquiry to research, interpret, and use multiple types of sources of evidence;
  - (D) evaluate a variety of historical and contemporary sources for validity, credibility, bias, and accuracy;
  - ~~[(D) — evaluate the validity of a source based on corroboration with other sources and information about the author, including points of view, frames of reference, and historical context; and]~~
  - (E) identify bias and support with historical evidence a point of view on a social studies issue or event ; and [ ]
  - (F) formulate and communicate visually, orally, or in writing a claim supported by evidence and reasoning for an intended audience and purpose.
- (29) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) create written, oral, and visual presentations of social studies information using effective communication skills, including proper citations and avoiding plagiarism; [and]
  - (B) use social studies terminology correctly ; and [ ]
  - (C) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.
- (30) Social studies skills. The student uses geographic tools to collect, analyze, and interpret data. The student is expected to:
- (A) create a visual representation of historical information such as thematic maps, graphs, and charts; and
  - (B) pose and answer questions about geographic distributions and patterns shown on maps, graphs, charts, and available databases.

- (31) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- (A) explain governmental and democratic processes such as voting, due process, and caucuses using simulations and models; and
- (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.42. World History Studies (One Credit), Adopted 2022 [~~2018~~] .**

(a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [~~2025-2026~~] school year.

~~[(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~

~~[(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~

~~[(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~[(a)]~~ General requirements. Students shall be awarded one unit of credit for successful completion of this course.

(c) ~~[(b)]~~ Introduction.

- (1) World History Studies is a survey of the history of humankind. Due to the expanse of world history and the time limitations of the school year, the scope of this course should focus on "essential" concepts and skills that can be applied to various eras, events, and people within the standards in subsection (d) ~~[(e)]~~ of this section. The major emphasis is on the study of significant people, events, and issues from the earliest times to the present. Traditional historical points of reference in world history are identified as students analyze important events and issues in western civilization as well as in civilizations in other parts of the world. Students evaluate the causes and effects of political and economic imperialism and of major political revolutions since the 17th century. Students examine the impact of geographic factors on major historic events and identify the historic origins of contemporary economic systems. Students analyze the process by which constitutional governments evolved as well as the ideas from historic documents that influenced that process. Students trace the historical development of important legal and political concepts. Students examine the history and impact of major religious and philosophical traditions. Students analyze the connections between major developments in science and technology and the growth of industrial economies, and they use the process of historical inquiry to research, interpret, and use multiple sources of evidence.
- (2) The following periodization should serve as the framework for the organization of this course: 8000 BC-500 BC (Development of River Valley Civilizations); 500 BC-AD 600 (Classical Era); 600-1450 (Post-classical Era); 1450-1750 (Connecting Hemispheres); 1750-1914 (Age of Revolutions); and 1914-present (20th Century to the Present). Specific events and processes may transcend these chronological boundaries.
- (3) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as state papers, legal documents, charters, constitutions, biographies, autobiographies, speeches, letters, literature, music, art, and architecture is encouraged. Motivating resources are available from museums, art galleries, and historical sites.

- (4) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection (d) ~~[(e)]~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies.
- (5) A greater depth of understanding of complex content material can be attained by integrating social studies content and skills and by analyzing connections between and among historical periods and events. The list of events and people in this course curriculum should not be considered exhaustive. Additional examples can and should be incorporated. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (6) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (7) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation, as referenced in the Texas Education Code (TEC), §28.002(h).
- (8) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (9) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (10) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(d) ~~[(e)]~~ Knowledge and skills.

- (1) History. The student understands traditional historical points of reference in world history. The student is expected to:
  - (A) identify major causes and describe the major effects of the following events from 8000 BC to 500 BC: the development of agriculture and the development of the river valley civilizations;
  - (B) identify major causes and describe the major effects of the following events from 500 BC to AD 600: the development of the classical civilizations of Greece, Rome, Persia, India

- (Maurya and Gupta), China (Zhou, Qin, and Han), and the development of major world religions;
- (C) identify major causes and describe the major effects of the following important turning points in world history from 600 to 1450: the spread of major world religions and their impact on Asia, Africa, and Europe and the Mongol invasions and their impact on Europe, China, India, and Southwest Asia;
  - (D) identify major causes and describe the major effects of the following important turning points in world history from 1450 to 1750: the rise of the Ottoman Empire, the influence of the Ming dynasty on world trade, European exploration and the Columbian Exchange, European expansion, and the Renaissance and the Reformation;
  - (E) identify major causes and describe the major effects of the following important turning points in world history from 1750 to 1914: the Scientific Revolution, the Industrial Revolution and its impact on the development of modern economic systems, European imperialism, and the Enlightenment's impact on political revolutions; and
  - (F) identify major causes and describe the major effects of the following important turning points in world history from 1914 to the present: the world wars and their impact on political, economic, and social systems; communist revolutions and their impact on the Cold War; independence movements; and globalization.
- (2) History. The student understands how early civilizations developed from 8000 BC to 500 BC. The student is expected to:
- (A) summarize the impact of the development of farming (Neolithic Revolution) on the creation of river valley civilizations;
  - (B) identify the characteristics of civilization; and
  - (C) explain how major river valley civilizations influenced the development of the classical civilizations.
- (3) History. The student understands the contributions and influence of classical civilizations from 500 BC to AD 600 on subsequent civilizations. The student is expected to:
- (A) describe the major political, religious/philosophical, and cultural influences of Persia, India, China, Israel, Greece, and Rome;
  - (B) explain the impact of the fall of Rome on Western Europe; and
  - (C) compare the factors that led to the collapse of Rome and Han China.
- (4) History. The student understands how, after the collapse of classical empires, new political, economic, and social systems evolved and expanded from 600 to 1450. The student is expected to:
- (A) explain the development of Roman Catholicism and Eastern Orthodoxy as social and political factors in medieval Europe and the Byzantine Empire;
  - (B) describe the major characteristics of and the factors contributing to the development of the political/social system of feudalism and the economic system of manorialism;
  - (C) explain the political, economic, and social impact of Islam on Europe, Asia, and Africa;
  - (D) describe the interactions among Muslim, Christian, and Jewish societies in Europe, Asia, and North Africa;
  - (E) describe the interactions between Muslim and Hindu societies in South Asia;
  - (F) explain how the Crusades, the Black Death, and the Hundred Years' War contributed to the end of medieval Europe;
  - (G) summarize the major political, economic, and cultural developments in Tang and Song China and their impact on Eastern Asia;

- (H) explain the evolution and expansion of the slave trade;
  - (I) analyze how the Silk Road and the African gold-salt trade facilitated the spread of ideas and trade; and
  - (J) summarize the changes resulting from the Mongol invasions of Russia, China, and the Islamic world.
- (5) History. The student understands the causes, characteristics, and impact of the European Renaissance and the Reformation from 1450 to 1750. The student is expected to:
- (A) explain the political, intellectual, artistic, economic, and religious impact of the Renaissance; and
  - (B) explain the political, intellectual, artistic, economic, and religious impact of the Reformation.
- (6) History. The student understands the characteristics and impact of the Maya, Inca, and Aztec civilizations. The student is expected to:
- (A) compare the major political, economic, social, and cultural developments of the Maya, Inca, and Aztec civilizations and explain how prior civilizations influenced their development; and
  - (B) explain how the Inca and Aztec empires were impacted by European exploration/colonization.
- (7) History. The student understands the causes and impact of increased global interaction from 1450 to 1750. The student is expected to:
- (A) analyze the causes of European expansion from 1450 to 1750;
  - (B) explain the impact of the Columbian Exchange;
  - (C) explain the impact of the Atlantic slave trade on West Africa and the Americas;
  - (D) explain the impact of the Ottoman Empire on Eastern Europe and global trade;
  - (E) explain Ming China's impact on global trade; and
  - (F) explain new economic factors and principles of Europe's Commercial Revolution.
- (8) History. The student understands the causes and the global impact of the Industrial Revolution and European imperialism from 1750 to 1914. The student is expected to:
- (A) explain how the Industrial Revolution led to political, economic, and social changes;
  - (B) identify the major political, economic, and social motivations that influenced European imperialism;
  - (C) explain the major characteristics and impact of European imperialism; and
  - (D) explain the effects of free enterprise in the Industrial Revolution.
- (9) History. The student understands the causes and effects of major political revolutions between 1750 and 1914. The student is expected to:
- (A) compare the causes, characteristics, and consequences of the American and French revolutions, emphasizing the role of the Enlightenment;
  - (B) explain the impact of Napoleon Bonaparte and the Napoleonic Wars on Europe and Latin America;
  - (C) trace the influence of the American and French revolutions on Latin America, including the role of Simón Bolívar; and

- (D) identify the influence of ideas such as separation of powers, checks and balances, liberty, equality, democracy, popular sovereignty, human rights, constitutionalism, and nationalism on political revolutions.
- (10) History. The student understands the causes and impact of World War I. The student is expected to:
- (A) identify the importance of imperialism, nationalism, militarism, and the alliance system in causing World War I;
  - (B) identify major characteristics of World War I, including total war, trench warfare, modern military technology, and high casualty rates;
  - (C) explain the political and economic impact of the Treaty of Versailles, including changes in boundaries and the mandate system; and
  - (D) identify the causes of the February (March) and October (November) revolutions of 1917 in Russia, their effects on the outcome of World War I, and the Bolshevik establishment of the Union of Soviet Socialist Republics.
- (11) History. The student understands the causes and impact of the global economic depression immediately following World War I. The student is expected to:
- (A) summarize the international, political, and economic causes of the global depression; and
  - (B) explain the responses of governments to the global depression such as in the United States, Germany, Great Britain, and France.
- (12) History. The student understands the causes and impact of World War II. The student is expected to:
- (A) describe the emergence and characteristics of totalitarianism;
  - (B) explain the roles of various world leaders, including Benito Mussolini, Adolf Hitler, Hideki Tojo, Joseph Stalin, Franklin D. Roosevelt, and Winston Churchill, prior to and during World War II; and
  - (C) explain the major causes and events of World War II, including the German invasions of Poland and the Soviet Union, the Holocaust, the attack on Pearl Harbor, the Normandy landings, and the dropping of the atomic bombs.
- (13) History. The student understands the impact of major events associated with the Cold War and independence movements. The student is expected to:
- (A) summarize how the outcome of World War II contributed to the development of the Cold War;
  - (B) summarize the factors that contributed to communism in China, including Mao Zedong's role in its rise;
  - (C) identify major events of the Cold War, including the Korean War, the Vietnam War, and the arms race;
  - (D) explain the roles of modern world leaders, including Ronald Reagan, Mikhail Gorbachev, Lech Walesa, and Pope John Paul II, in the collapse of communism in Eastern Europe and the Soviet Union;
  - (E) summarize the rise of independence movements in Africa, the Middle East, and South Asia and reasons for ongoing conflicts; and
  - (F) discuss factors contributing to the Arab-Israeli conflict, including the rejection of the existence of the state of Israel by the Arab League and a majority of Arab nations.
- (14) History. The student understands the development and use of radical Islamic terrorism in the second half of the 20th century and the early 21st century. The student is expected to:

- (A) explain the impact of geopolitical influences on the development of radical Islamic terrorism;
  - (B) explain the impact of radical Islamic terrorism on global events; and
  - (C) explain the U.S. response to the events surrounding September 11, 2001, and other acts of radical Islamic terrorism.
- (15) Geography. The student understands the impact of geographic factors on major historic events and processes. The student is expected to:
- (A) locate places and regions of historical significance directly related to major eras and turning points in world history;
  - (B) analyze the influence of human and physical geographic factors on major events in world history such as the development of river valley civilizations, trade in the Indian Ocean, and the opening of the Panama and Suez canals; and
  - (C) interpret maps, charts, and graphs to explain how geography has influenced people and events in the past.
- (16) Economics. The student understands the impact of the Neolithic and Industrial revolutions and globalization on humanity. The student is expected to:
- (A) identify important changes in human life caused by the Neolithic Revolution;
  - (B) summarize the role of economics in driving political changes as related to the Industrial Revolution; and
  - (C) describe the economic impact of globalization.
- (17) Economics. The student understands the historical origins of contemporary economic systems and the benefits of free enterprise in world history. The student is expected to:
- (A) identify the historical origins and characteristics of the free enterprise system, including the influence of Adam Smith;
  - (B) identify the historical origins and characteristics of communism, including the influence of Karl Marx;
  - (C) identify the historical origins and characteristics of socialism;
  - (D) identify the historical origins and characteristics of fascism; and
  - (E) explain why communist command economies collapsed in competition with free market economies at the end of the 20th century.
- (18) Government. The student understands the characteristics of major political systems throughout history. The student is expected to:
- (A) identify the characteristics of monarchies and theocracies as forms of government in early civilizations; and
  - (B) identify the characteristics of the following political systems: theocracy, absolute monarchy, democracy, republic, oligarchy, limited monarchy, and totalitarianism.
- (19) Government. The student understands how contemporary political systems have developed from earlier systems of government. The student is expected to:
- (A) explain the development of democratic-republican government from its beginnings in Judeo-Christian legal tradition and classical Greece and Rome through the French Revolution;
  - (B) identify the impact of political and legal ideas contained in the following documents: Hammurabi's Code, the Jewish Ten Commandments, Justinian's Code of Laws, Magna

- Carta, the English Bill of Rights, the Declaration of Independence, the U.S. Constitution, and the Declaration of the Rights of Man and of the Citizen;
- (C) explain the political philosophies of individuals such as John Locke, Thomas Hobbes, Voltaire, Charles de Montesquieu, Jean Jacques Rousseau, Thomas Aquinas, John Calvin, and William Blackstone; and
- (D) explain the significance of the League of Nations and the United Nations.
- (20) Citizenship. The student understands the significance of political choices and decisions made by individuals, groups, and nations throughout history. The student is expected to:
- (A) describe how people have participated in supporting or changing their governments;
- (B) describe the rights and responsibilities of citizens and noncitizens in civic participation throughout history; and
- (C) identify examples of key persons who were successful in shifting political thought, including William Wilberforce.
- (21) Citizenship. The student understands the historical development of significant legal and political concepts related to the rights and responsibilities of citizenship. The student is expected to:
- (A) summarize the development of the rule of law from ancient to modern times;
- (B) identify the origins of ideas regarding the right to a "trial by a jury of your peers" and the concepts of "innocent until proven guilty" and "equality before the law" from sources including the Judeo-Christian legal tradition and in Greece and Rome;
- (C) identify examples of politically motivated mass murders such as in Cambodia, China, Latin America, and the Soviet Union;
- (D) identify examples of genocide, including the Holocaust and genocide in Armenia, the Balkans, Rwanda, and Darfur;
- (E) identify examples of individuals who led resistance to political oppression such as Nelson Mandela, Mohandas Gandhi, Las Madres de la Plaza de Mayo, and Chinese student protestors in Tiananmen Square; and
- (F) identify examples of American ideals that have advanced human rights and democratic ideas throughout the world.
- (22) Culture. The student understands the history and relevance of major religious and philosophical traditions. The student is expected to:
- (A) describe the historical origins and central ideas in the development of monotheism;
- (B) describe the historical origins, central ideas, and spread of major religious and philosophical traditions, including Buddhism, Christianity, Confucianism, Hinduism, Islam, Judaism, and Sikhism; and
- (C) identify examples of religious influence on various events referenced in the major eras of world history.
- (23) Culture. The student understands the roles of women, children, and families in different historical cultures. The student is expected to:
- (A) describe the changing roles of women, children, and families during major eras of world history; and
- (B) describe the major influences of women during major eras of world history such as Elizabeth I, Queen Victoria, Mother Teresa, Indira Gandhi, Margaret Thatcher, and Golda Meir.
- (24) Culture. The student understands how the development of ideas has influenced institutions and societies. The student is expected to:



- (A) summarize the fundamental ideas and institutions of Eastern civilizations that originated in China and India;
  - (B) summarize the fundamental ideas and institutions of Western civilizations that originated in Greece and Rome;
  - (C) explain how the relationship between Christianity and Humanism that began with the Renaissance influenced subsequent political developments; and
  - (D) explain how geopolitical and religious influences have impacted law and government in the Muslim world.
- (25) Culture. The student understands the relationship between the arts and the times during which they were created. The student is expected to:
- (A) analyze examples of how art, architecture, literature, music, and drama reflect the history of the cultures in which they are produced; and
  - (B) describe examples of art, music, and literature that transcend the cultures in which they were created and convey universal themes.
- (26) Science, technology, and society. The student understands how major scientific and mathematical discoveries and technological innovations affected societies prior to 1750. The student is expected to:
- (A) identify the origin and diffusion of major ideas in mathematics, science, and technology that occurred in river valley civilizations, classical Greece and Rome, classical India, the Islamic caliphates between 700 and 1200, and China from the Tang to Ming dynasties;
  - (B) summarize the major ideas in astronomy, mathematics, and architectural engineering that developed in the Maya, Inca, and Aztec civilizations;
  - (C) explain the impact of the printing press on the Renaissance and the Reformation in Europe;
  - (D) describe the origins of the Scientific Revolution in 16th century Europe and explain its impact on scientific thinking worldwide; and
  - (E) identify the contributions of significant scientists such as Archimedes, Copernicus, Eratosthenes, Galileo, Pythagoras, Isaac Newton, and Robert Boyle.
- (27) Science, technology, and society. The student understands how major scientific and mathematical discoveries and technological innovations have affected societies from 1750 to the present. The student is expected to:
- (A) explain the role of textile manufacturing, steam technology, development of the factory system, and transportation technology in the Industrial Revolution;
  - (B) explain the roles of military technology, transportation technology, communication technology, and medical advancements in initiating and advancing 19th century imperialism;
  - (C) explain the effects of major new military technologies on World War I, World War II, and the Cold War;
  - (D) explain the role of telecommunication technology, computer technology, transportation technology, and medical advancements in developing the modern global economy and society; and
  - (E) identify the contributions of significant scientists and inventors such as Marie Curie, Thomas Edison, Albert Einstein, Louis Pasteur, and James Watt.
- (28) Social studies skills. The student understands how historians use historiography to interpret the past and applies critical-thinking skills to organize and use information acquired from a variety of valid sources, including technology. The student is expected to:

- (A) identify methods used by archaeologists, anthropologists, historians, and geographers to analyze evidence;
  - (B) explain how historians analyze sources for frame of reference, historical context, and point of view to interpret historical events;
  - (C) analyze primary and secondary sources to determine frame of reference, historical context, and point of view;
  - ~~(D) evaluate a variety of historical and contemporary sources for validity, credibility, bias, and accuracy;~~
  - ~~[(D) evaluate the validity of a source based on bias, corroboration with other sources, and information about the author.]~~
  - (E) analyze information by sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, drawing inferences and conclusions, and developing connections between historical events over time; and
  - ~~(F) formulate and communicate visually, orally, or in writing a claim supported by evidence and reasoning for an intended audience and purpose.~~
  - ~~[(F) construct a thesis on a social studies issue or event supported by evidence.]~~
- (29) Social studies skills. The student uses geographic skills and tools to collect, analyze, and interpret data. The student is expected to:
- (A) create and interpret thematic maps, graphs, and charts to demonstrate the relationship between geography and the historical development of a region or nation; and
  - (B) analyze and compare geographic distributions and patterns in world history shown on maps, graphs, charts, and models.
- (30) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly;
  - (B) use effective written communication skills, including proper citations and avoiding plagiarism; ~~and~~
  - (C) interpret and create written, oral, and visual presentations of social studies information ; ~~and~~ [;]
  - ~~(D) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.~~
- (31) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :
- ~~(A) explain governmental and democratic processes such as voting, due process, and caucuses using simulations and models; and~~
  - ~~(B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.~~

**§113.43. World Geography Studies (One Credit), Adopted 2022 [~~2018~~].**

- (a) ~~Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 [~~2025-2026~~] school year.~~

- ~~[(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~
- ~~[(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~
- ~~[(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~(a)~~ General requirements. Students shall be awarded one unit of credit for successful completion of this course.

(c) ~~(b)~~ Introduction.

- (1) In World Geography Studies, students examine people, places, and environments at local, regional, national, and international scales from the spatial and ecological perspectives of geography. Students describe the influence of geography on events of the past and present with emphasis on contemporary issues. A significant portion of the course centers around the physical processes that shape patterns in the physical environment; the characteristics of major landforms, climates, and ecosystems and their interrelationships; the political, economic, and social processes that shape cultural patterns of regions; types and patterns of settlement; the distribution and movement of the world population; relationships among people, places, and environments; and the concept of region. Students analyze how location affects economic activities in different economic systems. Students identify the processes that influence political divisions of the planet and analyze how different points of view affect the development of public policies. Students compare how components of culture shape the characteristics of regions and analyze the impact of technology and human modifications on the physical environment. Students use problem-solving and decision-making skills to ask and answer geographic questions.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as contemporary and historic maps of various types, satellite-produced images, photographs, graphs, map sketches, and diagrams is encouraged.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection ~~(d)~~ ~~(e)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).
- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.

- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
- (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
- (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(d) ~~(e)~~ Knowledge and skills.

- (1) History. The student understands how geography and processes of spatial exchange (diffusion) influenced events in the past and helped to shape the present. The student is expected to:
- (A) analyze significant physical features and environmental conditions that have influenced the past and migration patterns and have shaped the distribution of culture groups today; and
- (B) trace the spatial diffusion of phenomena such as the Columbian Exchange or the diffusion of American popular culture and describe the effects on regions of contact.
- (2) History. The student understands how people, places, and environments have changed over time and the effects of these changes. The student is expected to:
- (A) describe the human and physical characteristics of the same regions at different periods of time to analyze relationships between past events and current conditions; and
- (B) explain how changes in societies such as population shifts, technological advancements, and environmental policies have led to diverse uses of physical features over time such as terrace farming, dams, and polders.
- (3) Geography. The student understands how physical processes shape patterns in the physical environment. The student is expected to:
- (A) explain weather conditions and climate in relation to annual changes in Earth-Sun relationships;
- (B) describe the physical processes that affect the environments of regions, including weather, tectonic forces, erosion, and soil-building processes; and
- (C) describe how physical processes such as hurricanes, El Niño, earthquakes, and volcanoes affect the lithosphere, atmosphere, hydrosphere, and biosphere.
- (4) Geography. The student understands the patterns and characteristics of major landforms, climates, and ecosystems of Earth and the interrelated processes that produce them. The student is expected to:

- (A) explain how elevation, latitude, wind systems, ocean currents, position on a continent, and mountain barriers influence temperature, precipitation, and distribution of climate regions;
  - (B) describe different landforms such as plains, mountains, and islands and the physical processes that cause their development; and
  - (C) explain the influence of climate on the distribution of biomes in different regions.
- (5) Geography. The student understands how political, economic, and social processes shape cultural patterns and characteristics in various places and regions. The student is expected to:
- (A) analyze how the character of a place is related to its political, economic, social, and cultural elements; and
  - (B) interpret political, economic, social, and demographic indicators (gross domestic product per capita, life expectancy, literacy, and infant mortality) to determine the level of development and standard of living in nations using the levels as defined by the Human Development Index.
- (6) Geography. The student understands the types, patterns, and processes of settlement. The student is expected to:
- (A) locate and describe human and physical features that influence the size and distribution of settlements; and
  - (B) explain the processes that have caused changes in settlement patterns, including urbanization, transportation, access to and availability of resources, and economic activities.
- (7) Geography. The student understands the growth, distribution, movement, and characteristics of world population. The student is expected to:
- (A) analyze population pyramids and use other data, graphics, and maps to describe the population characteristics of different societies and to predict future population trends;
  - (B) explain how physical geography and push and pull forces, including political, economic, social, and environmental conditions, affect the routes and flows of human migration;
  - (C) describe trends in world population growth and distribution; and
  - (D) analyze how globalization affects connectivity, standard of living, pandemics, and loss of local culture.
- (8) Geography. The student understands how people, places, and environments are connected and interdependent. The student is expected to:
- (A) compare ways that humans depend on, adapt to, and modify the physical environment, including the influences of culture and technology;
  - (B) analyze the consequences of extreme weather and other natural disasters such as El Niño, floods, tsunamis, and volcanoes on people and their environment; and
  - (C) evaluate the economic and political relationships between settlements and the environment, including sustainable development and renewable/non-renewable resources.
- (9) Geography. The student understands the concept of region as an area of Earth's surface with related geographic characteristics. The student is expected to:
- (A) identify physical and/or human factors such as climate, vegetation, language, trade networks, political units, river systems, and religion that constitute a region; and
  - (B) describe different types of regions, including formal, functional, and perceptual regions.
- (10) Economics. The student understands the distribution, characteristics, and interactions of the economic systems in the world. The student is expected to:

- (A) describe the forces that determine the distribution of goods and services in traditional, free enterprise, socialist, and communist economic systems;
  - (B) classify countries along the economic spectrum between free enterprise and communism;
  - (C) compare the ways people satisfy their basic needs through the production of goods and services such as subsistence agriculture versus commercial agriculture or cottage industries versus commercial industries; and
  - (D) compare global trade patterns over time and analyze the implications of globalization, including outsourcing and free trade zones.
- (11) Economics. The student understands how geography influences economic activities. The student is expected to:
- (A) understand the connections between levels of development and economic activities (primary, secondary, tertiary, and quaternary);
  - (B) identify the factors affecting the location of different types of economic activities, including subsistence and commercial agriculture, manufacturing, and service industries; and
  - (C) assess how changes in climate, resources, and infrastructure (technology, transportation, and communication) affect the location and patterns of economic activities.
- (12) Economics. The student understands the economic importance of, and issues related to, the location and management of resources. The student is expected to:
- (A) analyze how the creation, distribution, and management of key natural resources affects the location and patterns of movement of products, money, and people; and
  - (B) evaluate the geographic and economic impact of policies related to the development, use, and scarcity of natural resources such as regulations of water.
- (13) Government. The student understands the spatial characteristics of a variety of global political units. The student is expected to:
- (A) interpret maps to explain the division of land, including man-made and natural borders, into separate political units such as cities, states, or countries; and
  - (B) compare maps of voting patterns and political boundaries to make inferences about the distribution of political power.
- (14) Government. The student understands the processes that influence political divisions, relationships, and policies. The student is expected to:
- (A) analyze current events to infer the physical and human processes that lead to the formation of boundaries and other political divisions;
  - (B) compare how democracy, dictatorship, monarchy, republic, theocracy, and totalitarian systems operate in specific countries; and
  - (C) analyze the human and physical factors that influence control of territories and resources, conflict/war, and international relations of sovereign nations such as China, the United States, Japan, and Russia and international organizations such as the United Nations (UN) and the European Union (EU).
- (15) Citizenship. The student understands how different points of view influence the development of public policies and decision-making processes at national and international levels. The student is expected to:
- (A) identify and give examples of different points of view that influence the development of public policies and decision-making processes at national and international levels; and

- (B) explain how citizenship practices, public policies, and decision making may be influenced by cultural beliefs, including nationalism and patriotism.
- (16) Culture. The student understands how the components of culture affect the way people live and shape the characteristics of regions. The student is expected to:
- (A) describe distinctive cultural patterns and landscapes associated with different places in Texas, the United States, and other regions of the world and how these patterns influenced the processes of innovation and diffusion;
  - (B) describe elements of culture, including language, religion, beliefs, institutions, and technologies; and
  - (C) describe life in a variety of urban and rural areas in the world to compare political, economic, social, and environmental changes.
- (17) Culture. The student understands the distribution, patterns, and characteristics of different cultures. The student is expected to:
- (A) describe and compare patterns of culture such as language, religion, land use, education, and customs that make specific regions of the world distinctive;
  - (B) describe central ideas and spatial distribution of major religious traditions, including Buddhism, Christianity, Hinduism, Islam, Judaism, and Sikhism;
  - (C) compare economic, political, or social opportunities in different cultures for underrepresented populations such as women and ethnic and religious minorities; and
  - (D) evaluate the experiences and contributions of diverse groups to multicultural societies.
- (18) Culture. The student understands the ways in which cultures change and maintain continuity. The student is expected to:
- (A) analyze cultural changes in specific regions caused by migration, war, trade, innovations, and diffusion;
  - (B) assess causes and effects of conflicts between groups of people, including modern genocides and terrorism;
  - (C) identify examples of cultures that maintain traditional ways, including traditional economies; and
  - (D) evaluate the spread of cultural traits to find examples of cultural convergence and divergence such as the spread of democratic ideas, language, foods, technology, or global sports.
- (19) Science, technology, and society. The student understands the impact of technology and human modifications on the physical environment. The student is expected to:
- (A) evaluate the significance of major technological innovations in the areas of transportation and energy that have been used to modify the physical environment;
  - (B) analyze ways technological innovations such as air conditioning and desalinization have allowed humans to adapt to places; and
  - (C) analyze the environmental, economic, and social impacts of advances in technology on agriculture and natural resources.
- (20) Science, technology, and society. The student understands how current technology affects human interaction. The student is expected to:
- (A) describe the impact of new information technologies such as the Internet, Global Positioning System (GPS), or Geographic Information Systems (GIS); and
  - (B) examine the economic, environmental, and social effects of technology such as medical advancements or changing trade patterns on societies at different levels of development.

- (21) Social studies skills. The student applies critical-thinking skills to organize and use information acquired through established research methodologies from a variety of valid sources, including technology. The student is expected to:
- (A) analyze and evaluate a variety of ~~[the validity and utility of multiple]~~ sources of geographic information such as primary and secondary sources, aerial photographs, and maps for validity, utility, credibility, bias, and accuracy ;
  - (B) identify places of contemporary geopolitical significance on a map;
  - (C) create and interpret different types of maps to answer geographic questions, infer relationships, and analyze change;
  - (D) analyze information by sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, drawing inferences and conclusions, and developing connections over time; ~~[and]~~
  - (E) identify different points of view about an issue or current topic ; ~~and~~ [;]
  - (F) formulate and communicate visually, orally, or in writing a claim supported by evidence and reasoning for an intended audience and purpose.
- (22) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) create appropriate graphics such as maps, diagrams, tables, and graphs to communicate geographic features, distributions, and relationships;
  - (B) generate summaries, generalizations, and thesis statements supported by evidence;
  - (C) use social studies terminology correctly; ~~[and]~~
  - (D) create original work using effective written communication skills, including proper citations and understanding and avoiding plagiarism ; ~~and~~ [;]
  - (E) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.
- (23) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to:
- (A) explain governmental and democratic processes such as voting, due process, and caucuses using simulations and models;
  - (B) ~~[(A)]~~ plan, organize, and complete a research project that involves asking geographic questions; acquiring, organizing, and analyzing information; answering questions; and communicating results;
  - (C) ~~[(B)]~~ use case studies and GIS to identify contemporary challenges and to answer real-world questions; and
  - (D) ~~[(C)]~~ use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

**§113.44. United States Government (One-Half Credit), Adopted 2022 ~~[2018]~~ .**

- (a) Implementation. The provisions of this section shall be implemented by school districts beginning with the 2024-2025 ~~[2025-2026]~~ school year.
- ~~[(1) No later than July 31, 2024, the commissioner of education shall determine whether instructional materials funding has been made available to Texas public schools for materials that cover the essential knowledge and skills identified in this section.]~~



~~[(2) If the commissioner makes the determination that instructional materials funding has been made available, this section shall be implemented beginning with the 2025-2026 school year and apply to the 2025-2026 and subsequent school years.]~~

~~[(3) If the commissioner does not make the determination that instructional materials funding has been made available under this subsection, the commissioner shall determine no later than August 31 of each subsequent school year whether instructional materials funding has been made available. If the commissioner determines that instructional materials funding has been made available, the commissioner shall notify the State Board of Education and school districts that this section shall be implemented for the following school year.]~~

(b) ~~(a)~~ General requirements. Students shall be awarded one-half unit of credit for successful completion of this course.

(c) ~~(b)~~ Introduction.

- (1) In United States Government, the focus is on the principles and beliefs upon which the United States was founded and on the structure, functions, and powers of government at the national, state, and local levels. This course is the culmination of the civic and governmental content and concepts studied from Kindergarten through required secondary courses. Students learn major political ideas and forms of government in history. A significant focus of the course is on the U.S. Constitution, its underlying principles and ideas, and the form of government it created. Students analyze major concepts of republicanism, federalism, checks and balances, separation of powers, popular sovereignty, and individual rights and compare the U.S. system of government with other political systems. Students identify the role of government in the U.S. free enterprise system and examine the strategic importance of places to the United States. Students analyze the impact of individuals, political parties, interest groups, and the media on the American political system, evaluate the importance of voluntary individual participation in a constitutional republic, and analyze the rights guaranteed by the U.S. Constitution. Students examine the relationship between governmental policies and the culture of the United States. Students identify examples of government policies that encourage scientific research and use critical-thinking skills to create a product on a contemporary government issue.
- (2) To support the teaching of the essential knowledge and skills, the use of a variety of rich primary and secondary source material such as the complete text of the U.S. Constitution, selected Federalist Papers, landmark cases of the U.S. Supreme Court (such as those studied in Grade 8 and U.S. History Since 1877), biographies, autobiographies, memoirs, speeches, letters, and periodicals that feature analyses of political issues and events is encouraged.
- (3) The eight strands of the essential knowledge and skills for social studies are intended to be integrated for instructional purposes. Skills listed in the social studies skills strand in subsection ~~(d)~~ ~~(e)~~ of this section should be incorporated into the teaching of all essential knowledge and skills for social studies. A greater depth of understanding of complex content material can be attained when integrated social studies content from the various disciplines and critical-thinking skills are taught together. Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.
- (4) Students identify the role of the U.S. free enterprise system within the parameters of this course and understand that this system may also be referenced as capitalism or the free market system.
- (5) Throughout social studies in Kindergarten-Grade 12, students build a foundation in history; geography; economics; government; citizenship; culture; science, technology, and society; and social studies skills. The content, as appropriate for the grade level or course, enables students to understand the importance of patriotism, function in a free enterprise society, and appreciate the basic democratic values of our state and nation as referenced in the Texas Education Code (TEC), §28.002(h).

- (6) Students understand that a constitutional republic is a representative form of government whose representatives derive their authority from the consent of the governed, serve for an established tenure, and are sworn to uphold the constitution.
- (7) State and federal laws mandate a variety of celebrations and observances, including Celebrate Freedom Week.
  - (A) Each social studies class shall include, during Celebrate Freedom Week as provided under the TEC, §29.907, or during another full school week as determined by the board of trustees of a school district, appropriate instruction concerning the intent, meaning, and importance of the Declaration of Independence and the U.S. Constitution, including the Bill of Rights, in their historical contexts. The study of the Declaration of Independence must include the study of the relationship of the ideas expressed in that document to subsequent American history, including the relationship of its ideas to the rich diversity of our people as a nation of immigrants, the American Revolution, the formulation of the U.S. Constitution, and the abolitionist movement, which led to the Emancipation Proclamation and the women's suffrage movement.
  - (B) Each school district shall require that, during Celebrate Freedom Week or other week of instruction prescribed under subparagraph (A) of this paragraph, students in Grades 3-12 study and recite the following text from the Declaration of Independence: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the Governed."
- (8) Students discuss how and whether the actions of U.S. citizens and the local, state, and federal governments have achieved the ideals espoused in the founding documents.

(d) ~~(e)~~ Knowledge and skills.

- (1) History. The student understands how constitutional government, as developed in America and expressed in the Declaration of Independence, the Articles of Confederation, and the U.S. Constitution, has been influenced by ideas, people, and historical documents. The student is expected to:
  - (A) explain major political ideas in history, including the laws of nature and nature's God, unalienable rights, divine right of kings, social contract theory, and the rights of resistance to illegitimate government;
  - (B) identify major intellectual, philosophical, political, and religious traditions that informed the American founding, including Judeo-Christian (especially biblical law), English common law and constitutionalism, Enlightenment, and republicanism, as they address issues of liberty, rights, and responsibilities of individuals;
  - (C) identify the individuals whose principles of laws and government institutions informed the American founding documents, including those of Moses, William Blackstone, John Locke, and Charles de Montesquieu;
  - (D) identify the contributions of the political philosophies of the Founding Fathers, including John Adams, Alexander Hamilton, Thomas Jefferson, James Madison, John Jay, George Mason, Roger Sherman, and James Wilson, on the development of the U.S. government;
  - (E) analyze debates and compromises that impacted the creation of the founding documents; and
  - (F) identify significant individuals in the field of government and politics, including George Washington, Thomas Jefferson, John Marshall, Andrew Jackson, Abraham Lincoln, Theodore Roosevelt, Franklin D. Roosevelt, and Ronald Reagan.
- (2) History. The student understands the roles played by individuals, political parties, interest groups, and the media in the U.S. political system, past and present. The student is expected to:

- (A) describe the processes used by individuals, political parties, interest groups, or the media to affect public policy; and
  - (B) analyze the impact of political changes brought about by individuals, political parties, interest groups, or the media, past and present.
- (3) Geography. The student understands how geography can influence U.S. political districts and policies. The student is expected to:
- (A) explain how population shifts affect voting patterns;
  - (B) examine political boundaries to make inferences regarding the distribution of political power; and
  - (C) explain how political districts are crafted and how they are affected by Supreme Court decisions such as *Baker v. Carr*.
- (4) Economics. The student understands the roles played by local, state, and national governments in both the public and private sectors of the U.S. free enterprise system. The student is expected to:
- (A) explain how government fiscal, and regulatory policies influence the economy at the local, state, and national levels;
  - (B) compare the role of government in the U.S. free enterprise system and other economic systems; and
  - (C) explain how government taxation, expenditures, and regulation can influence the U.S. economy and impact private enterprise.
- (5) Economics. The student understands the relationship between U.S. government policies and the economy. The student is expected to:
- (A) analyze how economic and natural resources influence U.S. foreign policy; and
  - (B) describe the roles of the executive and legislative branches in setting international trade and fiscal policies.
- (6) Government. The student understands the American beliefs and principles reflected in the U.S. Constitution and why these are significant. The student is expected to:
- (A) explain the importance of a written constitution;
  - (B) explain how the federal government serves the purposes set forth in the Preamble to the U.S. Constitution;
  - (C) analyze how the Federalist Papers such as Number 10 and Number 51 explain the principles of the American constitutional system of government;
  - (D) evaluate constitutional provisions for limiting the role of government, including republicanism, checks and balances, federalism, separation of powers, popular sovereignty, and individual rights;
  - (E) describe the constitutionally prescribed procedures by which the U.S. Constitution can be changed and analyze the role of the amendment process in a constitutional government; and
  - (F) identify how the Declaration of Independence and the U.S. Constitution continue to shape American beliefs and principles in the United States today.
- (7) Government. The student understands the structure and functions of the government created by the U.S. Constitution. The student is expected to:
- (A) analyze the structure and functions of the legislative branch of government, including the bicameral structure of Congress, the role of committees, and the procedure for enacting laws;

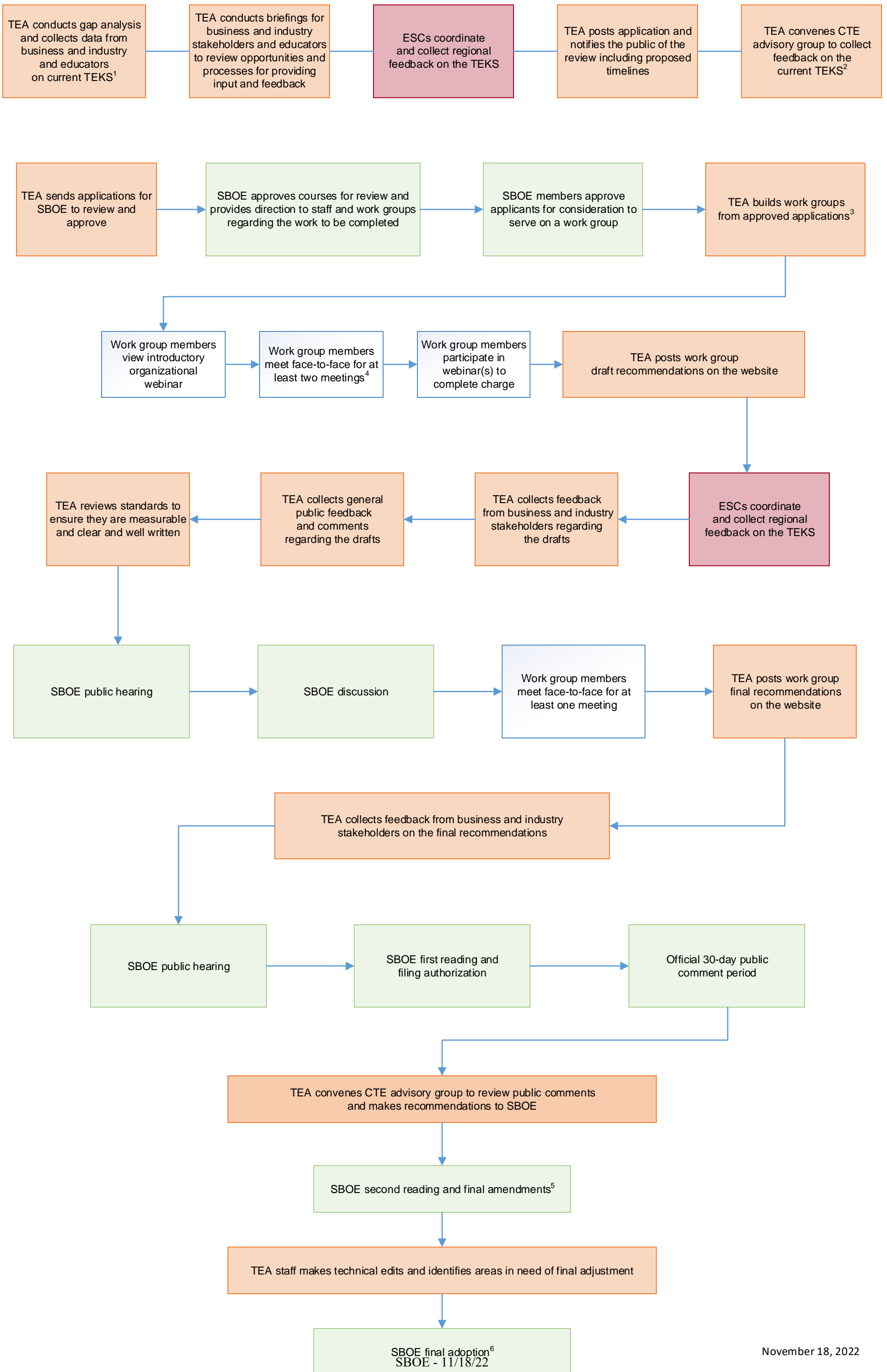
- (B) analyze the structure and functions of the executive branch of government, including the constitutional powers of the president, the growth of presidential power, and the role of the Cabinet and executive departments;
  - (C) analyze the structure and functions of the judicial branch of government, including the federal court system, types of jurisdiction, and judicial review;
  - (D) identify the purpose of selected independent executive agencies, including the National Aeronautics and Space Administration (NASA), and regulatory commissions, including the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), Food and Drug Administration (FDA), and Federal Communications Commission (FCC);
  - (E) explain how provisions of the U.S. Constitution provide for checks and balances among the three branches of government;
  - (F) analyze selected issues raised by judicial activism and judicial restraint;
  - (G) explain the major responsibilities of the federal government for domestic and foreign policy such as national defense; and
  - (H) compare the structures, functions, and processes of national, state, and local governments in the U.S. federal system.
- (8) Government. The student understands the concept of federalism. The student is expected to:
- (A) explain why the Founding Fathers created a distinctly new form of federalism and adopted a federal system of government instead of a unitary system;
  - (B) categorize government powers as national, state, or shared;
  - (C) analyze historical and contemporary conflicts over the respective roles of national and state governments; and
  - (D) explain how the U.S. Constitution limits the power of national and state governments.
- (9) Government. The student understands the processes for filling public offices in the U.S. system of government. The student is expected to:
- (A) identify different methods of filling public offices, including elected and appointed offices at the local, state, and national levels;
  - (B) explain the process of electing the president of the United States and analyze the Electoral College; and
  - (C) analyze the impact of the passage of the 17th Amendment.
- (10) Government. The student understands the role of political parties in the U.S. system of government. The student is expected to:
- (A) analyze the functions of political parties and their role in the electoral process at local, state, and national levels; and
  - (B) explain the two-party system and evaluate the role of third parties in the United States.
- (11) Government. The student understands the similarities and differences that exist among the U.S. system of government and other political systems. The student is expected to:
- (A) compare the U.S. constitutional republic to historical and contemporary forms of government such as monarchy, a classical republic, authoritarian, socialist, direct democracy, theocracy, tribal, and other republics; and
  - (B) analyze advantages and disadvantages of presidential and parliamentary systems of government.

- (12) Citizenship. The student understands the rights that are protected and secured by the U.S. Constitution and Bill of Rights. The student is expected to:
- (A) explain the roles of limited government and the rule of law in the protection of individual rights;
  - (B) identify and define the unalienable rights;
  - (C) identify the freedoms and rights protected and secured by each amendment in the Bill of Rights;
  - (D) analyze the reasons the Founding Fathers protected religious freedom in America and guaranteed its free exercise by saying that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof," and compare this to the concept of separation of church and state;
  - (E) analyze U.S. Supreme Court interpretations of rights guaranteed by the U.S. Constitution in selected cases, including *Engel v. Vitale*, *Schenck v. United States*, *Texas v. Johnson*, *Miranda v. Arizona*, *Gideon v. Wainwright*, *Mapp v. Ohio*, and *Roe v. Wade*;
  - (F) explain the importance of due process rights to the protection of individual rights and in limiting the powers of government; and
  - (G) recall the conditions that produced the 14th Amendment and describe subsequent efforts to selectively extend some of the Bill of Rights to the states through U.S. Supreme Court rulings and analyze the impact on the scope of fundamental rights and federalism.
- (13) Citizenship. The student understands the difference between personal and civic responsibilities. The student is expected to:
- (A) describe scenarios where good citizenship may require the subordination of personal desire for the sake of the public good;
  - (B) explain the responsibilities, duties, and obligations of citizenship such as being well informed about civic affairs, serving in the military, voting, serving on a jury, observing the laws, paying taxes, and serving the public good; and
  - (C) describe the voter registration process and the criteria for voting in elections.
- (14) Citizenship. The student understands the importance of voluntary individual participation in the U.S. constitutional republic. The student is expected to:
- (A) analyze the effectiveness of various methods of participation in the political process at local, state, and national levels;
  - (B) analyze historical and contemporary examples of citizen movements to bring about political change or to maintain continuity; and
  - (C) describe the factors that influence an individual's political attitudes and actions.
- (15) Citizenship. The student understands the importance of the expression of different points of view in a constitutional republic. The student is expected to:
- (A) analyze different points of view of political parties and interest groups such as the League of United Latin American Citizens (LULAC), the National Rifle Association (NRA), and the National Association for the Advancement of Colored People (NAACP) on important contemporary issues; and
  - (B) analyze the importance of the First Amendment rights of petition, assembly, speech, and press and the Second Amendment right to keep and bear arms.
- (16) Culture. The student understands the relationship between government policies and the culture of the United States. The student is expected to:

- (A) evaluate a U.S. government policy or court decision that has affected a particular racial, ethnic, or religious group, including ~~[such as]~~ the Civil Rights Act of 1964 and the U.S. Supreme Court cases of Hernandez v. Texas and Grutter v. Bollinger; and
  - (B) explain changes in American culture brought about by government policies such as voting rights, the Servicemen's Readjustment Act of 1944 (GI Bill of Rights), the Immigration and Nationality Act of 1965, the Immigration Reform and Control Act of 1986, affirmative action, and racial integration.
- (17) Science, technology, and society. The student understands the role the government plays in developing policies and establishing conditions that influence scientific discoveries and technological innovations. The student is expected to:
- (A) explain how U.S. constitutional protections such as patents have fostered competition and entrepreneurship; and
  - (B) identify examples of government-assisted research that, when shared with the private sector, have resulted in improved consumer products such as computer and communication technologies.
- (18) Science, technology, and society. The student understands the impact of advances in science and technology on government. The student is expected to:
- (A) describe the potential impact of recent scientific discoveries and technological innovations on government policy; and
  - (B) evaluate the impact of the Internet and other electronic information on the political process.
- (19) Social studies skills. The student applies critical-thinking skills to organize and use information acquired through established research methodologies from a variety of valid sources, including technology. The student is expected to:
- (A) analyze information by sequencing, categorizing, identifying cause-and-effect relationships, comparing, contrasting, finding the main idea, summarizing, making generalizations and predictions, and drawing inferences and conclusions;
  - (B) create a product on a contemporary government issue or topic using critical methods of inquiry;
  - (C) analyze and defend a point of view on a current political issue;
  - (D) analyze and evaluate a variety of historical and contemporary sources for [the] validity of information, arguments, ~~[and]~~ counterarguments, credibility, accuracy, ~~[from primary and secondary sources for]~~ bias, propaganda, point of view, and frame of reference; ~~[and]~~
  - (E) evaluate government data using charts, tables, graphs, and maps ; and [ ]
  - (F) formulate and communicate visually, orally, or in writing a claim supported by evidence and reasoning for an intended audience and purpose.
- (20) Social studies skills. The student communicates in written, oral, and visual forms. The student is expected to:
- (A) use social studies terminology correctly; ~~[and]~~
  - (B) create written, oral, and visual presentations of social studies information using effective communication skills, including proper citations and avoiding plagiarism ; and [ ]
  - (C) apply foundational language skills to engage in civil discourse about social studies topics, including those with multiple perspectives.
- (21) Social studies skills. The student uses problem-solving and decision-making skills, working independently and with others. The student is expected to :

- (A) explain governmental and democratic processes such as voting, due process, and caucuses using simulations and models; and
- (B) use problem-solving and decision-making processes to identify a problem, gather information, list and consider options, consider advantages and disadvantages, choose and implement a solution, and evaluate the effectiveness of the solution.

## TEKS Review and Revision Process for Career and Technical Education





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1 TEA will collect information and engage subject matter experts to develop a job skills analysis between the TEKS and the necessary job skills within programs of study. This gap analysis will identify course standards that should be added and deleted in order to better prepare students for postsecondary opportunities.

2 TEA will identify an advisory board of CTE educators and administrators with demonstrated experience in the program(s) of study under review. The advisory board will provide feedback during the review and revision of the CTE TEKS. SBOE members may identify individuals to serve on the advisory board and will have an opportunity to review and approve or deny advisory board members. If a recommended advisory board member is not denied by SBOE members within the determined deadline, the advisory board member will be considered approved.

3 CTE TEKS work groups will be instructed to do the following:

- Review the gap analysis and feedback from various stakeholders
- Ensure the College and Career Readiness Standards (CCRS) are adequately addressed in the TEKS
- Ensure revisions are in compliance with all relevant statutes
- Provide written justifications for all suggested revisions
- Track all revisions to show what has been changed
- Ensure that student expectations are content driven and clearly measurable
- Carefully consider the amount of time necessary for students to develop mastery of the content and ensure that all student expectations reasonably can be taught within the amount of time typically allotted for the subject or course prior to the end of the school year
- Leave any and all official documents with TEA staff

CTE TEKS work groups may be instructed to do the following:

- Use the current CTE TEKS as the foundation document

4 CTE TEKS work groups will include educators, parents, business and industry leaders, and employers [TEC, 28.002(c)] and will include representation from all SBOE members to the extent possible.

5 A member wishing to amend any Texas Essential Knowledge and Skills (TEKS) being considered by the board for second reading and final adoption shall submit the amendment in writing to the staff no later than noon on the day prior to the final vote on the adoption of the TEKS. All amendments shall be made available to the public to the extent possible. This rule may be suspended by a two-thirds vote.

6 The SBOE must specify an implementation date.

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# Minutes

State Board of Education Committees

November 16-17, 2022

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**Report of the State Board of Education  
Committee of the Full Board  
Wednesday, November 16, 2022**

The State Board of Education Committee of the Full Board met at 9:09 a.m. on Wednesday, November 16, 2022, in the State Board of Education Room, #1-104, of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. Attendance was noted as follows:

Present: Keven Ellis, chair; Lawrence A. Allen, Jr.; Rebecca Bell-Metereau; Ruben Cortez, Jr.; Aicha Davis; Patricia Hardy; Will Hickman; Jay Johnson; Pam Little; Tom Maynard; Sue Melton-Malone; Georgina C. Pérez; Marisa B. Perez-Diaz; Matt Robinson; Audrey Young

**Public Testimony**

The Committee of the Full Board heard public testimony on agenda items #2 and #4. Information regarding the individuals who presented public testimony is included in the discussion of that item.

**ACTION ITEMS**

**1. Decision on the Percentage Distribution of the Permanent School Fund for Fiscal Years 2024 and 2025**

(Board agenda page I-1)

[Consent agenda item #1]

Holland Timmins, executive administrator and chief investment officer, presented an overview of the Permanent School Fund (PSF) distribution rate decision-making process.

Carlos Veintemillas, deputy chief investment officer and director of fixed income, provided background on the distribution limits, adoption process, intergenerational equity analysis, and recent related board actions. Mr. Veintemillas presented the PSF staff recommendation for a distribution rate of between 2.66% and 3.32% for fiscal years 2024-2025. Keith Stronkowsky, senior consultant, NEPC and the PSF general consultant, then presented NEPC's recommendation that a distribution rate of up to 3.29% would be acceptable.

**MOTION AND VOTE:** *It was moved by Mr. Maynard, seconded by Ms. Hardy, and carried to recommend that the State Board of Education approve a percentage distribution of 3.32% from the Permanent School Fund to the Available School Fund for the 2024-2025 state fiscal biennium which would produce an estimated annual distribution of \$1.551 billion.*

**2. Legislative Recommendations for the 88<sup>th</sup> Texas Legislature**

(Board agenda page I-3)

[Official agenda item #3]

Hunter Thompson, director, governmental relations, provided an update regarding the State Board of Education's recommendations for the 87th Texas Legislature.

Public testimony was provided by the following individuals:

NAME: Jackie Besinger  
AFFILIATION: Moms for America

NAME: Mary Castle  
AFFILIATION: Texas Values

NAME: Arvind Kumar  
AFFILIATION: Self

Mr. Thompson facilitated a discussion among board members to identify recommendations for the 88th Texas Legislature.

**MOTION AND VOTE:** *It was moved by Dr. Ellis and carried unanimously to recommend that the State Board of Education make the following recommendation to the 88th Texas Legislature under the header “Charter Approval Process.”*

“Grant SBOE veto authority over charter expansions.”

**MOTION AND VOTE:** *It was moved by Mr. Hickman to recommend that the State Board of Education make the following recommendation to the 88th Texas Legislature.*

“New charters approved by SBOE would be granted a charter for 3 years and return to SBOE for a progress report and veto/no action prior to being granted a permanent charter.”

*The motion failed.*

**MOTION AND VOTE:** *It was moved by Mr. Hickman to recommend that the State Board of Education make the following recommendation to the 88th Texas Legislature.*

“SBOE vetoes would be based on adopted criteria (start with list from last session).”

*The motion failed.*

**MOTION AND VOTE:** *It was moved by Mr. Hickman and carried unanimously to recommend that the State Board of Education make the following recommendation under the header “Charter Regulation.”*

“Charter schools in the State of Texas would follow the same rules as ISDs.”

**MOTION AND VOTE:** *It was moved by Dr. Ellis and carried that the State Board of Education make the following recommendations to the 88th Texas Legislature under the header “Instructional Materials.”*

“Textbooks – All LEAs would use SBOE textbooks approved by SBOE or seek a TEA waiver.”

“Combine SBOE approval process with Texas Resource Review with SBOE approval of rubric.”

“Align instructional materials to cover 100% of TEKS/standards.”

**MOTION AND VOTE:** *It was moved by Dr. Ellis and carried unanimously to recommend that the State Board of Education add the following recommendation to the 88th Texas Legislature under the header “SBOE Member Benefits/Staff Support.”*

“Provide SBOE member benefits and staff support.”

**MOTION AND VOTE:** *It was moved by Dr. Ellis and carried to recommend that the State Board of Education make the following recommendation to the 88th Texas Legislature under the header “Funding & PSF Appropriations.”*

“That the Texas State Board of Education calls on the Texas Legislature to reject all attempts to divert public dollars away from public schools in the form of vouchers, an education savings account, taxpayer savings grants, tuition-tax credits, a business franchise tax credit or an insurance premium tax credit, or any other mechanisms that have the effect of reducing funding to public schools.”

*(Mr. Hickman and Dr. Robinson were absent for the vote.)*

**MOTION AND VOTE:** *It was moved by Dr. Ellis and carried unanimously to recommend that the State Board of Education make the following recommendation to the 88th Texas Legislature under the header “Funding & PSF Appropriations,”*

“Raise the floor of the minimum salary schedule by a minimum of 50% and fully fund it.”

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

3. **Proposed Amendment to 19 TAC Chapter 112, Texas Essential Knowledge and Skills for Science, Subchapter C, High School, §112.41, Implementation of Texas Essential Knowledge and Skills for Science, High School, Adopted 2020**  
**(Second Reading and Final Adoption)**

(Board agenda page I-4)

[Consent agenda item #2]

Shelly Ramos, senior director, curriculum standards and student support division, explained that the proposal would update the rule to move the implementation year for the Texas Essential Knowledge and Skills (TEKS) for Biology, Chemistry, Integrated Physics and Chemistry, and Physics to the beginning of the 2024-25 school year to align with the instructional materials timeline, the implementation timeline for the Kindergarten-Grade 8 science TEKS, and the TEKS for all other high school science courses.



**MOTION AND VOTE:** *It was moved by Mr. Maynard, seconded by Dr. Robinson, and carried unanimously to recommend that the State Board of Education approve for second reading and final adoption the proposed amendment to 19 TAC Chapter 112, Texas Essential Knowledge and Skills for Science, Subchapter C, High School, §112.41, Implementation of Texas Essential Knowledge and Skills for Science, High School, Adopted 2020; and*

*Make an affirmative finding that immediate adoption of the proposed amendment to 19 TAC Chapter 112, Texas Essential Knowledge and Skills for Science, Subchapter C, High School, §112.41, Implementation of Texas Essential Knowledge and Skills for Science, High School, Adopted 2020, is necessary and shall have an effective date of 20 days after filing as adopted with the Texas Register.*

*(Dr. Bell-Metereau, Mr. Allen, and Ms. Perez-Diaz were absent for the vote.)*

**4. Proposed Revisions to 19 TAC Chapter 113, Texas Essential Knowledge and Skills for Social Studies, Subchapter A, Elementary, Subchapter B, Middle School, and Subchapter C, High School**

**(Second Reading and Final Adoption)**

(Board agenda page I-9)

[Official agenda item #4]

Public testimony was provided by the following individuals:

NAME: Arvind Kumar

AFFILIATION: Self

NAME: Jackie Besinger

AFFILIATION: Moms for America

NAME: Julia Brookins

AFFILIATION: American Historical Association

NAME: Andrew Pierce

AFFILIATION: University High School

NAME: Alex Harris

AFFILIATION: Self

NAME: Mary Castle

AFFILIATION: Texas Values

Ms. Ramos explained that the proposed revisions address statutory requirements of Senate Bill 3, 87th Texas Legislature, 2021. Ms. Ramos explained that additional public comments that had been received over the weekend had been shared with board members. She also stated that no changes were recommended since approved for first reading.

**MOTION AND VOTE:** *It was moved by Mr. Maynard, seconded by Ms. Hardy, and carried to recommend that the State Board of Education approve for second reading and final adoption proposed revisions to 19 TAC Chapter 113, Texas Essential Knowledge and Skills for Social Studies, Subchapter A, Elementary, Subchapter B, Middle School, and Subchapter C, High School.*

*(Dr. Bell-Metereau and Ms. Perez-Diaz were absent for the vote.)*

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

(Board agenda page I-98)

[Official agenda item #5]

Monica Martinez, associate commissioner, standards and programs, shared recommendations from staff for a specific process to be used in the review and revision of the career and technical education (CTE) Texas Essential Knowledge and Skills (TEKS). Ms. Martinez explained that the proposed process largely follows the process for TEKS review for other subject areas but was adjusted to account for differences specific to CTE.

**MOTION AND VOTE:** *It was moved by Mr. Maynard, seconded by Ms. Hardy, and carried unanimously to recommend that the State Board of Education approve the TEKS review and revision process for career and technical education (Attachment A).*

Ms. Martinez also shared a proposed timeline for the review of CTE courses for 2022-2025 (Attachment B). She explained that there are no current TEKS-based courses that address standards for Occupational Safety and Health Administration (OSHA), though there are several innovative courses that address related content. Ms. Martinez stated that it would be beneficial for students to have access to a TEKS-based OSHA course beginning in the 2023-2024 school year.

**MOTION AND VOTE:** *It was moved by Mr. Maynard, seconded by Ms. Hardy, and carried to recommend that the State Board of Education request that TEA staff develop TEKS for an Occupational Safety and Health Administration (OSHA) course.*

*(Dr. Bell-Metereau was absent for the vote.)*

Finally, Ms. Martinez asked the committee if they intend to issue *Proclamation 2025* that was scheduled to call for social studies instructional materials. Aimee Phillips, director, instructional materials review, open education resources division, explained the current timelines related to instructional materials contracts including contract end dates and potential implications resulting from shifts in the schedule.

**DISCUSSION ITEM**

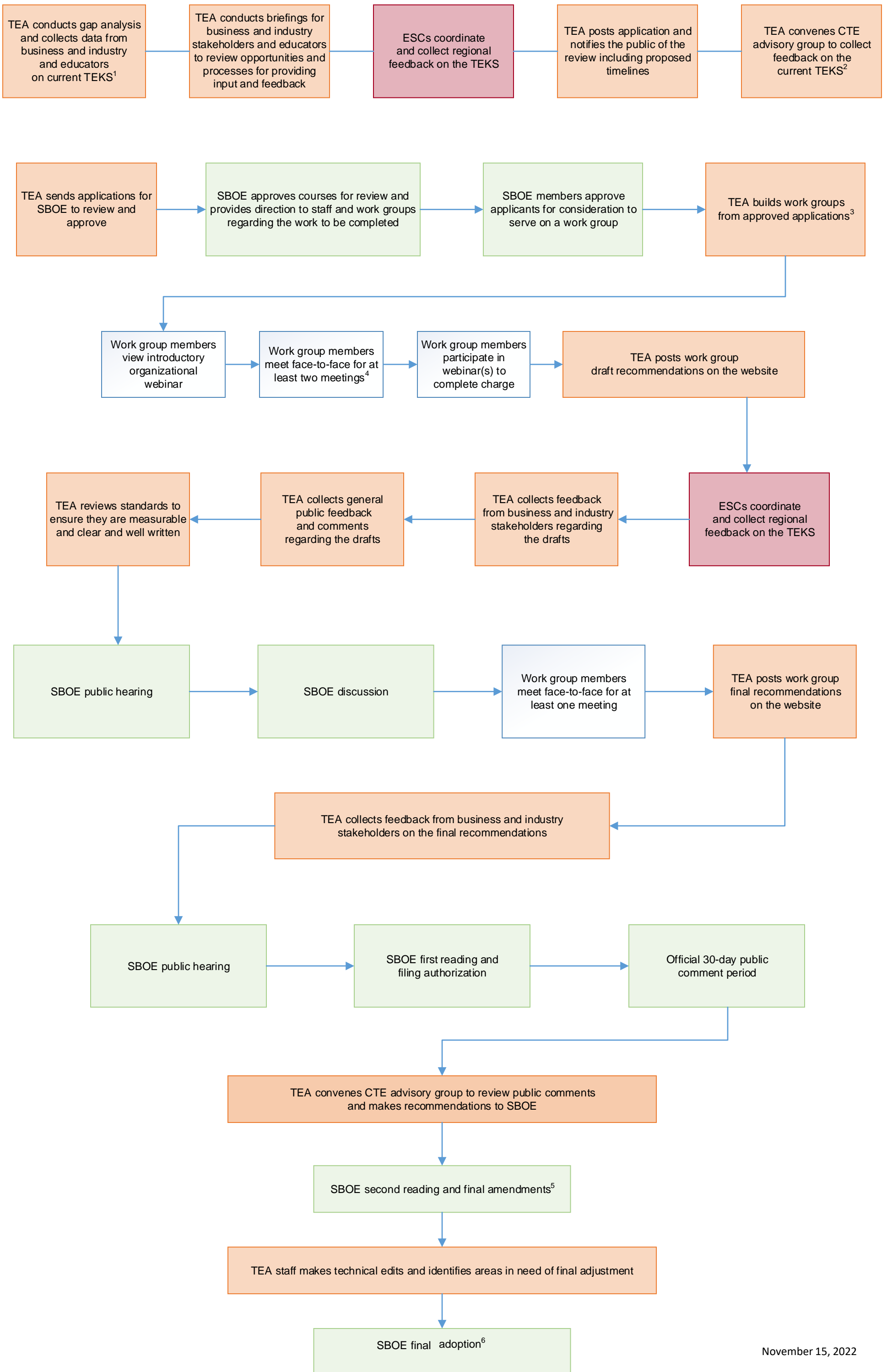
**6. Discussion of Pending Litigation**

(Board agenda page I-100)

The committee did not discuss pending litigation; therefore, no executive session was held.

Dr. Ellis adjourned the meeting at 3:03 p.m.

## TEKS Review and Revision Process for Career and Technical Education



1 TEA will collect information and engage subject matter experts to develop a job skills analysis between the TEKS and the necessary job skills within programs of study. This gap analysis will identify course standards that should be added and deleted in order to better prepare students for postsecondary opportunities.

2 TEA will identify an advisory board of CTE educators and administrators with demonstrated experience in the program(s) of study under review. The advisory board will provide feedback during the review and revision of the CTE TEKS. SBOE members will have an opportunity to review and approve or deny advisory board members. If a recommended advisory board member is not approved or denied within a determined deadline, the advisory board member will be considered approved.

3 CTE TEKS work groups will be instructed to do the following:

- Review the gap analysis and feedback from various stakeholders
- Ensure the College and Career Readiness Standards (CCRS) are adequately addressed in the TEKS
- Ensure revisions are in compliance with all relevant statutes
- Provide written justifications for all suggested revisions
- Track all revisions to show what has been changed
- Ensure that student expectations are content driven and clearly measurable
- Carefully consider the amount of time necessary for students to develop mastery of the content and ensure that all student expectations reasonably can be taught within the amount of time typically allotted for the subject or course prior to the end of the school year
- Leave any and all official documents with TEA staff

CTE TEKS work groups may be instructed to do the following:

- Use the current CTE TEKS as the foundation document

4 CTE TEKS work groups will include educators, parents, business and industry leaders, and employers [TEC, 28.002(c)] and will include representation from all SBOE members to the extent possible.

5 A member wishing to amend any Texas Essential Knowledge and Skills (TEKS) being considered by the board for second reading and final adoption shall submit the amendment in writing to the staff no later than noon on the day prior to the final vote on the adoption of the TEKS. All amendments shall be made available to the public to the extent possible. This rule may be suspended by a two-thirds vote."

6 The SBOE must specify an implementation date.

2022				2023												2024												2025			
Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April

OSHA

SBOE discuss			SBOE 1stRdg		SBOE 2ndRdg		Implement
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No Proc (Entrepreneurship and Career Prep Courses)

SBOE aprvls		Work group meetings							SBOE discuss			SBOE 1stRdg		SBOE 2ndRdg	
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Career Preparation I  
 Career Preparation II  
 Project-Based Research  
 Entrepreneurship I  
 Entrepreneurship II  
 Practicum in Entrepreneurship

Proc 2026 (AFNR courses)

Post applic		SBOE aprvls				Work group meetings								SBOE discuss		SBOE 1stRdg			SBOE 2ndRdg and Issue Proc 2026		
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Scientific Research and Design  
 Principles of Technology  
 Advanced Animal Science (science credit)  
 Livestock Production/Lab  
 Veterinary Medical Applications/Lab  
 Small Animal Management (semester course)  
 Equine Science (semester course)  
 Advanced Plant and Soil Science (science credit)  
 Advanced Floral Design\*

Viticulture\*  
 Floral Design/Lab  
 Horticultural Science/Lab  
 Principles of AFNR  
 Agricultural Leadership, Research, and Communications\*  
 Professional Standards in Agribusiness  
 Practicum in AFNR  
 Ext. Practicum in AFNR

POS Refresh Track 1 new courses

Post applic			SBOE aprvls		Work group meetings							SBOE discuss		SBOE 1stRdg		SBOE 2ndRdg
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POS Refresh Track 2 Courses TBD

Post Applic		SBOE aprvls				Work group meetings							SBOE disc		SBOE 1stRdg			SBOE 2ndRdg and Issue Proc 2027
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**Report of the State Board of Education  
Committee on Instruction  
Thursday, November 17, 2022**

The State Board of Education Committee on Instruction met at 9:03 a.m. on Thursday, November 17, 2022, in Room #1-100 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. Attendance was noted as follows:

Present: Sue Melton-Malone, chair; Rebecca Bell-Metereau; Pam Little; Georgina C. Pérez; Audrey Young, vice-chair

Non-committee members present: Will Hickman

**Public Testimony**

The Committee on Instruction heard public testimony on agenda items #3 and #6. Information regarding the individuals who presented public testimony is included in the discussion of that item.

**ACTION ITEMS**

- 1. Proposed Amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter C, Other Provisions, §74.27, Innovative Courses and Programs  
(Second Reading and Final Adoption)  
(Board agenda page II-1)  
[Official agenda item #6]**

Jessica Snyder, director of special projects, curriculum standards and student support division, explained that this item would update the rule to require that new innovative courses must be piloted in their entirety in a Texas school prior to seeking approval and that the applicants must provide data that demonstrates successful piloting of the course.

**MOTION AND VOTE:** *It was moved by Dr. Young, seconded by Mrs. Little, and carried unanimously to recommend that the State Board of Education approve for second reading and final adoption the proposed amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter C, Other Provisions, §74.27, Innovative Courses and Programs; and*

*Make an affirmative finding that immediate adoption of the proposed amendment to 19 TAC Chapter 74, Curriculum Requirements, Subchapter C, Other Provisions, §74.27, Innovative Courses and Programs, is necessary and shall have an effective date of 20 days after filing with the Texas Register.*

2. **Proposed New 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit)**  
**(First Reading and Filing Authorization)**  
(Board agenda page II-5)  
[Official agenda item #7]

Ms. Snyder explained that this item would add a new Advanced Placement (AP) mathematics course, AP Precalculus, to align with current offerings from the College Board.

**MOTION AND VOTE:** *It was moved by Mrs. Little, seconded by Dr. Bell-Metereau, and carried unanimously to recommend that the State Board of Education approve for first reading and filing authorization proposed new 19 TAC Chapter 111, Texas Essential Knowledge and Skills for Mathematics, Subchapter D, Other High School Mathematics Courses, §111.56, Advanced Placement (AP) Precalculus (One Credit).*

3. **Proposed Revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School**  
**(First Reading and Filing Authorization)**  
(Board agenda page II-9)  
[Official agenda item #8]

Public testimony was provided by the following individual:

NAME: Mark Bosher  
AFFILIATION: Career and Technical Association of Texas

Monica Martinez, associate commissioner, standards and programs, explained that the proposed revisions would repeal two existing middle school career and technical education courses, add a new middle school course that combines elements from the two existing courses, and repeal implementation language that will no longer be relevant.

The committee requested that staff develop two course codes to allow students to take the new course up to two different times. The committee also requested that staff explore the possibility of requesting that the State Board for Educator Certification (SBEC) expand the certifications that would allow an educator to teach the course.

**MOTION AND VOTE:** *It was moved by Dr. Young, seconded by Mrs. Little, and carried unanimously to recommend that the State Board of Education approve for first reading and filing authorization the proposed revisions to 19 TAC Chapter 127, Texas Essential Knowledge and Skills for Career Development and Career and Technical Education, Subchapter A, Middle School.*

**4. Approval of Updates and Substitutions to Adopted Instructional Materials**

(Board agenda page II-18)

[Consent agenda item #3]

Amie Phillips, director, instructional materials review, open education resources division, shared additional information from Learning A–Z explaining the reason for the various updates to its product. She stated that Learning A–Z is requesting approval to update digital content in its adopted product, *Raz Plus ELL Texas Edition*, grades K–5 and that staff reviewed the requested changes and determined that the updated material addresses the TEKS in a manner equivalent to the original content.

**MOTION AND VOTE:** *It was moved by Dr. Bell-Metereau, seconded by Dr. Young, and carried unanimously to recommend that the State Board of Education approve the request from Learning A-Z to update content in its product RAZ Plus ELL Texas Edition, grades K-5, adopted under Proclamation 2019.*

**5. Approval of Agricultural Education Programs List**

(Board agenda page II-20)

[Official agenda item #9]

Ms. Snyder explained that the 87th Texas Legislature passed Senate Bill 801, which requires TEA to compile a list of elementary agricultural education programs that promote students’ understanding of and appreciation for agriculture and the agriculture industry. The programs must be developed for elementary age students and be available at no cost to schools and educators. The legislation also requires that the list be approved by the SBOE.

**MOTION AND VOTE:** *It was moved by Dr. Young, seconded by Mrs. Little, and carried unanimously to recommend that the State Board of Education approve the list of elementary agriculture education programs available for use by school districts and charter schools.*

**6. Consideration of Petition for Amendment of Rule Concerning 19 TAC Chapter 74, Curriculum Requirements, Subchapter B, Graduation Requirements, §74.12, Foundation High School Program**

(Board agenda page II-21)

[Official agenda item #10]

Public testimony was provided by the following individuals:

NAME: Ryan Lovell  
AFFILIATION: Texas Speech Communication Association

NAME: Perry Crafton  
AFFILIATION: Texas Education Theatre Association

NAME: Robert Floyd  
AFFILIATION: Texas Music Educators Association

NAME: JD Janda  
AFFILIATION: Texas Music Administrators Conference



NAME: Stephanie Cambra  
AFFILIATION: Texas Speech Communication Association

Shelly Ramos, senior director, curriculum standards and student support division, explained that the agency received a petition from the Texas Speech Communication Association requesting that the board amend the graduation requirements to allow participation in Oral Interpretation I-III to satisfy a fine arts graduation requirement. She stated that staff recommended that the board deny the petition because the courses are not aligned with fine arts courses, the petition did not require a student to successfully complete the courses in order to satisfy a fine arts credit requirement, and the petition requested that students use the courses to satisfy both an elective requirement and a fine arts requirement for graduation which is inconsistent with award of credit for all other courses.

**MOTION AND VOTE:** *It was moved by Dr. Young, seconded by Dr. Bell-Metereau, and carried unanimously to recommend that the State Board of Education deny the petition to amend the rule concerning fine arts courses eligible for graduation requirements because Oral Interpretation I, II, and III are not aligned with fine arts courses.*

The meeting of the Committee on Instruction adjourned at 10:11 a.m.

**Report of the State Board of Education  
Committee on School Finance/Permanent School Fund  
Thursday, November 17, 2022**

The State Board of Education Committee on School Finance/Permanent School Fund met at 10:02 a.m. on Thursday, November 17, 2022, in Room #1-104 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. Attendance was noted as follows:

Present: Tom Maynard, chair; Lawrence A. Allen, Jr., vice chair; Keven Ellis; Patricia Hardy; Marisa B. Perez-Diaz

**Public Testimony**

The Committee on School Finance/Permanent School Fund received no presentations of public testimony.

**ACTION ITEMS**

**1. Approval of Costs to Administer the 2022–2023 State-Developed Assessments to Private School Students**

(Board agenda page III-1)  
[Consent agenda item #4]

Julie Cole, director of policy and publications, student assessment division, explained that Texas Education Code, §39.033 allows private schools to voluntarily use state-developed assessments to evaluate their students. She explained that the State Board of Education is required to approve the cost per assessment for private schools each year.

**MOTION AND VOTE:** *It was moved by Mr. Allen, seconded by Ms. Perez, and carried unanimously to recommend that the State Board of Education approve the recommended per-student costs for administering the state assessments to private school students in the 2022–2023 school year as listed in Attachment A.*

**2. Proposed Repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting (First Reading and Filing Authorization)**

(Board agenda page III-5)  
[Consent agenda item #5]

David Marx, senior director, financial compliance division, explained that this item is a proposed repeal of 19 Texas Administrative Code (TAC) Chapter 129. The proposed repeal would implement changes required by House Bill 3, 86th Texas Legislature, 2019, which removed the State Board of Education's rulemaking authority related to student attendance.

**MOTION AND VOTE:** *It was moved by Mr. Allen, seconded by Ms. Hardy, and carried unanimously to recommend that the State Board of Education approve for first reading and filing authorization the proposed repeal of 19 TAC Chapter 129, Student Attendance, Subchapter A, Student Attendance Allowed, and Subchapter B, Student Attendance Accounting, and that this item be placed on the November 18, 2022, consent agenda.*

**3. Report on Permanent School Fund Securities Transactions and the Investment Portfolio and Ratification of Purchases and Sales for the Months of July and August 2022**

(Board agenda page III-10)

[Consent agenda item #6]

David Trice, senior managing director of investment finance and operations, provided a summary of the status of the Permanent School Fund (PSF) portfolio. Reports presented to the committee were for the reporting period July 1, 2022, through August 31, 2022, unless otherwise noted. Mr. Trice's report included reporting on the current fair market value of the Fund; the asset allocation mix as of August 31, 2022; PSF transaction activity occurring in the reporting period; revenues and expenditures for the fiscal period beginning September 1, 2021, through August 31, 2022; the activity in the securities lending program for the fiscal period beginning September 1, 2021, through August 31, 2022; the status of transfers from the General Land Office through August 31, 2022; current status of the Bond Guarantee Program and the available capacity in the program; broker commissions on both the internal and external equity portfolios and the internal commodities portfolio for the calendar year to date period January 1, 2022, through August 31, 2022; fixed income rating changes for the fiscal period September 1, 2021, through August 31, 2022; short-term cash investments; and ratification of purchases and sales from July 1, 2022, through August 31, 2022.

**MOTION AND VOTE:** *Based on the information provided by staff and the recommendation of the executive administrator and chief investment officer and the commissioner of education, the committee recommended by unanimous consent that the State Board of Education ratify the purchases and sales for the months of July 2022 and August 2022, in the amount of \$1,631,746,929 and \$1,896,145,452, respectively (Attachment B).*

**4. Report on Permanent School Fund Liquid Account and Ratification of Purchases and Sales for the Months of July and August 2022**

(Board agenda page III-11)

[Consent agenda item #7]

Mr. Trice provided a summary of the status of the PSF Liquid Account. Reports presented to the committee were for the reporting period July 1, 2022, through August 31, 2022. Mr. Trice's report included reporting on the current fair market value of the Liquid Account; the asset allocation mix as of August 31, 2022; transfer activity between the GLO and the Liquid Account; cumulative Income and Realized Gains transferred to the SBOE from the Liquid Account as of August 31, 2022; transactions occurring in the reporting period; broker commissions on equity portfolios for the calendar year to date period January 1, 2022, through August 31, 2022; and ratification of the cumulative Purchases and Sales of the Liquid Account from July 1, 2022, through August 31, 2022.

**MOTION AND VOTE:** *Based on the information provided by staff and the recommendation of the executive administrator and chief investment officer and the commissioner of education, the committee recommended by unanimous consent that the State Board of Education ratify the purchases and sales of the Permanent School Fund Liquid Account for the period July 1, 2022, through August 31, 2022, in the amounts of \$1,166,571,366 and \$316,668,187, respectively (Attachment C).*

**5. Proposed Amendments to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund**  
**(First Reading and Filing Authorization)**

(Board agenda page III-12)

[Consent agenda item #8]

Holland Timmins, executive administrator, and chief investment officer, provided an overview of the transition based need to revise administrative rules. Mr. Timmins called on John Wright, PSF general counsel, and Chuck Campbell, Fiduciary Counsel, Jackson Walker LLP, to provide additional information related to changes in the proposed rule since revisions were presented at the September board meeting.

Mr. Wright reviewed the collaborative process used among the PSF; Texas Education Agency (TEA); McCall, Parkhurst and Horton, LLP; and Jackson Walker, LLP teams to develop the proposed amendments. Mr. Wright also reviewed the purpose and nature of the addition of §33.8, Compliance with Securities and Exchange Commission (SEC) Rule 15c2-12 Pertaining to Disclosure of Information Relating to the Bond Guarantee Program.

Mr. Campbell and Chris Maska, TEA ethics advisor, reviewed key components of the SBOE code of ethics provisions.

**MOTION AND VOTE:** *It was moved by Mr. Allen, seconded by Ms. Hardy, and carried without objection to recommend that the State Board of Education approve for first reading and filing authorization proposed revisions to 19 TAC Chapter 33, Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund, as presented (Attachment D).*

**6. Approval of the Date to Transfer Management of the Permanent School Fund to the Texas Permanent School Fund Corporation as Contemplated in Senate Bill 1232**

(Board agenda page III-16)

[Consent agenda item #9]

Mr. Maynard provided a summary of the approval process, timeline, and requirements of the Joint Resolution document to transfer the management and assets of the PSF to the Texas Permanent School Fund Corporation pursuant to Senate Bill 1232, 87th Texas Legislature, 2021.

Mr. Maynard requested that this item be removed from the consent agenda.

**MOTION AND VOTE:** *By unanimous consent, the committee recommended that the State Board of Education approve January 1, 2023, as the agreed-upon transfer date of the management and investment of the Permanent School Fund and transfer of related assets as contemplated and described in Article 2 of Senate Bill 1232 and further set forth in the Joint Resolution of the State Board of Education and the Texas Permanent School Fund Corporation, as presented.*

**DISCUSSION ITEM**

**7. Report of the Permanent School Fund Executive Administrator and Chief Investment Officer**  
(Board agenda page III-17)

Mr. Timmins provided an update on Bond Guarantee Program capacity issues and ongoing efforts to achieve resolution.

The meeting of the Committee on School Finance/Permanent School Fund adjourned at 10:59 a.m.

## Recommended Private School Costs for the 2022–2023 School Year

### State of Texas Assessments of Academic Readiness (STAAR®) and Texas English Language Proficiency Assessment System (TELPAS)

<b>Program</b>	<b>Test</b>	<b>Number of Tests Based on Eligible Testers</b>	<b>Total Cost</b>	<b>Cost per Student per Test</b>	<b>Recommended Cost per Private School Student per Test</b>
STAAR	Grades RLA*	3,739,020	\$42,778,492.12	\$11.44	\$11.44
	Mathematics*	2,937,444	\$14,453,783.57	\$4.92	\$4.92
	Science*	1,377,284	\$9,335,406.27	\$6.78	\$6.78
	Social Studies	878,620	\$6,140,304.95	\$6.99	\$6.99
TELPAS	Kindergarten–Grade 12	1,063,533	\$14,759,557.65	\$13.88	\$13.88

\*Includes English and Spanish versions for grades 3–5.

**TEXAS PERMANENT SCHOOL FUND  
SUMMARY OF TRANSACTIONS FOR APPROVAL  
(Including External Manager's Trades)  
For July 1, 2022 through August 31, 2022**

Purchases/Capital Calls:

Long Term Fixed Income	\$ 851,248,262
Public Market Equities	532,751,768
Alternative Investments	<u>247,746,899</u>
<b>TOTAL</b>	<b><u>\$ 1,631,746,929</u></b>

Sales/Distributions:

Long Term Fixed Income	\$ 1,497,180,234
Public Market Equities	115,709,503
Alternative Investments	<u>283,255,715</u>
<b>TOTAL</b>	<b><u>\$ 1,896,145,452</u></b>

General Land Office Contributions:

FY 2021 Cumulative August 2021	FY 2022 Cumulative August 2022
\$45,000,000	\$0

Based on the above information provided by staff including a report that deposits to the Permanent School Fund from the General Land Office were \$45,000,000 through August 2021 for fiscal year 2021 versus \$0 through August 2022 for fiscal year 2022, and the recommendation of the Executive Administrator and Chief Investment Officer and the Commissioner of Education; it is moved by unanimous consent that the Committee on School Finance/Permanent School Fund ratify for the months of July 2022 through August 2022 Permanent School Fund portfolio purchases of \$1,631,746,929 and sales of \$1,896,145,452.

**TEXAS PERMANENT SCHOOL FUND  
SUMMARY OF TRANSACTIONS FOR APPROVAL  
FOR PSF LIQUID ACCOUNTS  
For July 1, 2022 through August 31, 2022**

<u>Purchases:</u>		
	Fixed Income	\$ -
	Public Market Equities	<u>1,166,571,366</u>
	 TOTAL	 <u><u>\$ 1,166,571,366</u></u>
 <u>Sales:</u>		
	Fixed Income	\$ 308,107,064
	Public Market Equities	<u>8,561,123</u>
	 TOTAL	 <u><u>\$ 316,668,187</u></u>

Based on the above information provided by staff and the recommendation of the Executive Administrator and Chief Investment officer and the Commissioner of Education: It is moved by unanimous consent that the Committee on School Finance/Permanent School Fund ratify for the period July 1, 2022 through August 31, 2022 Permanent School Fund Liquid Account purchases of \$1,166,571,366 and sales of \$316,668,187.



**ATTACHMENT**  
**Text of Proposed New 19 TAC**

**Chapter 33. Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund**

**Subchapter A. State Board of Education Rules**

**§33.3. Duties and Responsibilities of the State Board of Education Related to the Texas Permanent School Fund Corporation.**

- (a) The Texas Constitution, Article VII, §§1-8, establish the Available School Fund, the Texas Permanent School Fund (PSF), and the State Board of Education (SBOE) and specify the standard of care SBOE members must exercise in managing PSF assets. In addition, the constitution directs the legislature to establish suitable provisions for supporting and maintaining an efficient public free school system, defines the composition of the PSF and the Available School Fund, and requires the SBOE to set aside sufficient funds to provide free instructional materials for the use of children attending the public free schools of this state. The members of the SBOE serve as fiduciaries of the PSF.
- (b) Pursuant to Texas Education Code, Chapter 43, Subchapter B, the SBOE delegated the authority to manage and invest the PSF to the Texas PSF Corporation, a special-purpose governmental corporation that is an instrumentality of the state of Texas with all necessary and implied powers to accomplish its purpose. The SBOE has the following duties and responsibilities with respect to the Texas PSF Corporation:
- (1) establish by rule the terms of the five members of the SBOE appointed to the Texas PSF Corporation Board of Directors;
  - (2) adopt the certificate of formation for the Texas PSF Corporation;
  - (3) approve the adoption and amendment of the Texas PSF Corporation bylaws; and
  - (4) act as the sole member of the Texas PSF Corporation.

**§33.4. Ethical Standards for Members of the State Board of Education.**

- (a) Definitions. For purposes of this section, the following definitions have the following meanings.
- (1) Commissioner--the commissioner of education. As the commissioner is an employee of the Texas Education Agency (TEA), any provisions that apply to TEA employees apply to the commissioner.
  - (2) Official act or official action--a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority.
  - (3) Permanent School Fund (PSF) service provider--any person who provides services to the PSF or relating to the management or investment of the PSF, including, but not limited to, external investment managers and consultants, banks, custodians, and professional services (attorneys, accountants, etc.). Notwithstanding the foregoing, for all purposes under this section, the term PSF service provider excludes State Board of Education (SBOE) members, TEA employees, and private fund managers. PSF service providers who provide services to the Texas PSF Corporation are covered by the Texas PSF Corporation's ethics policy.
  - (4) Personal securities transactions--
    - (A) transactions for a member's or employee's own account, including an individual retirement account; or
    - (B) transactions for an account, other than an account over which the member or employee has no direct or indirect influence or control, in which the member or employee (or the member's or employee's spouse, minor child, or other dependent relative):
      - (i) is an income or principal beneficiary or other equity owner of the account; or

- (ii) receives compensation for managing the account for the benefit of persons other than the member or employee or his or her family.
- (5) Private fund manager--a person who controls a non-publicly traded investment fund or other investment vehicle (including, but not limited to, a partnership, limited liability company, trust, association, or other entity) in which the PSF is invested. A private fund manager may include the vehicle's sponsor, general partner, managing member, manager, advisor, or other agent thereof. For purposes of this section, private fund managers are not considered to be PSF service providers.
- (6) Publicly traded securities--securities of a class that is listed on a national securities exchange or quoted on the NASDAQ national market system in the United States or that is publicly traded on any foreign stock exchange or other foreign market.
- (7) Relative--an individual related within the third degree by consanguinity (blood relative) or the second degree by affinity (marriage) determined in accordance with Texas Government Code, §§573.021-573.025. For purposes of this definition:
  - (A) examples of a relative within the third degree by consanguinity are a child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, uncle, aunt, niece, or nephew;
  - (B) examples of a relative within the second degree by affinity are a spouse, an individual related to a spouse within the second degree by consanguinity, or a spouse of such an individual;
  - (C) an individual adopted into a family is considered a relative on the same basis as a natural born family member; and
  - (D) an individual is considered a spouse even if the marriage has been dissolved by death or divorce if there are surviving children of that marriage.
- (8) Texas Education Agency (TEA) employee--a person employed by TEA who provides advice to the SBOE, commissioner, or TEA concerning the PSF.
- (b) General principles. Under Texas Education Code (TEC), §43.0031, members of the SBOE, the commissioner, TEA employees, and persons providing services to the SBOE relating to the PSF are subject to general ethical standards relating to the PSF. The PSF is held in public trust for the benefit of the schoolchildren of Texas. The members of the SBOE serve as fiduciaries of the PSF in accordance with the Texas Constitution, Article VII, §5(f). SBOE members or anyone acting on their behalf shall aspire to the highest standards of ethical conduct and shall comply with the provisions of this section, the Texas Constitution, Texas statutes, and all other applicable provisions governing the responsibilities of a fiduciary.
- (c) General ethical standards.
  - (1) SBOE members must comply with all laws applicable to them, which may include one or more of the following statutes: Texas Government Code, §572.051 (Standards of Conduct; State Agency Ethics Policy), §552.352 (Distribution or Misuse of Confidential Information), §572.002 (General Definitions), §572.004 (Definition: Regulation), §572.054 (Representation by Former Officer or Employee of Regulatory Agency Restricted; Criminal Offense), §572.058 (Private Interest in Measure or Decision; Disclosure; Removal from Office for Violation), §572.021 (Financial Statement Required), §2252.908 (Disclosure of Interested Parties), Chapter 573 (Degrees of Relationship; Nepotism Prohibitions), and Chapter 305 (Registration of Lobbyists); Texas Penal Code, Chapter 36 (Bribery and Corrupt Influence) and Chapter 39 (Abuse of Office); and TEC, §43.0032 (Conflicts of Interest) and §43.0033 (Reports of Expenditures). The omission of any applicable statute listed in this paragraph does not excuse violation of its provisions.
  - (2) SBOE members must be honest in the exercise of their duties and must not take actions that will discredit the PSF.
  - (3) SBOE members shall be loyal to the interests of the PSF to the extent that such loyalty is not in conflict with other duties that legally have priority.

(4) SBOE members shall not use nonpublic information gained through their relationship with the PSF to seek or obtain personal gain beyond agreed compensation and/or any properly authorized expense reimbursement. This should not be interpreted to forbid the use of PSF as a reference or the communication to others of the fact that a relationship with PSF exists, provided that no misrepresentation is involved.

(5) This section is adopted to satisfy the requirements of TEC, §43.0031.

(d) Conflicts of interest.

(1) A conflict of interest exists whenever SBOE members, the commissioner, or TEA employees have business, commercial, or other relationships, including, but not limited to, personal and private relationships, that could reasonably be expected to diminish their independence of judgment in the performance of their duties. Conflicts include, but are not limited to, beneficial interests in securities, corporate memberships, trustee positions, familial relationships, or other special relationships that could reasonably be considered a conflict of interest with the fiduciary duties to the PSF. Further, TEC, §43.0032, requires disclosure and no participation in a matter affected by the possible conflict of interest, unless a waiver is granted, when an SBOE member, the commissioner, a TEA employee, or a person who provides services to the SBOE that relate to management or investment of the PSF has a business, commercial, or other relationship that could reasonably be expected to diminish a person's independence of judgment in the performance of the person's responsibilities relating to the PSF. Such business, commercial, or other relationship is defined to be a relationship that is prohibited under Texas Government Code, §572.051, or that would require public disclosure under Texas Government Code, §572.058, or a relationship that does not rise to this level but that is determined by the SBOE to create an unacceptable risk to the integrity and reputation of the PSF investment program.

(2) Any person who has a possible conflict of interest as defined in paragraph (1) of this subsection shall, upon discovery, promptly disclose the possible conflict to the commissioner and the chair and vice chair of the SBOE on a disclosure form prescribed by the commissioner.

(e) Prohibited transactions and interests. SBOE members, the commissioner, and TEA employees may not:

(1) engage in any personal securities transaction when the person has actual knowledge that the Texas PSF Corporation is trading such securities or has acquired information through his or her position that is not otherwise available to the public. An SBOE member, the commissioner, or a TEA employee may otherwise buy or sell a publicly traded security of an issuer that is held by the Texas PSF Corporation;

(2) accept or solicit any gifts, favors, services, or benefits that might reasonably tend to influence the person in the discharge of his or her duties for the PSF or that the person knows, or should know, is being offered with the intent to influence the person's conduct on behalf of the PSF;

(3) accept employment or engage in a business or professional activity while serving as an SBOE member or a TEA employee that the member or employee might reasonably expect would require or induce the member or employee to disclose confidential information acquired by reason of his or her position concerning the PSF;

(4) accept employment or compensation while serving as a member or employee that could reasonably be expected to impair the member's or employee's independence of judgment in the performance of his or her duties;

(5) make personal investments that could reasonably be expected to create a substantial conflict of interest between the member's or employee's private interest and the interests of the PSF;

(6) intentionally or knowingly solicit, accept, or agree to accept any gifts, favors, services, or benefits for the exercise of the member's or employee's authority or performance of the member's or employee's duties;

(7) purchase, sell, exchange, or lease property to or from the Texas PSF Corporation if such person holds an interest in the property (whether direct or indirect);

- (8) purchase, sell, or exchange any interest in an entity with the Texas PSF Corporation if such person holds an interest in the entity (whether direct or indirect);
- (9) accept offers, under any circumstances, by reason of their official position to trade in any security or other investment on terms more favorable than those available to the general investing public or, in the case of private market investments, a similarly situated investor;
- (10) lend to or borrow from the Texas PSF Corporation, PSF service providers, private fund managers, or other third parties with which the Texas PSF Corporation has a business relationship, unless such entities are normally engaged in such lending in the usual course of their business, and then only on customary terms offered to others under similar circumstances to finance proper and usual activities; or
- (11) act as a representative or agent of a third party, including a PSF service provider or private fund manager, in connection with the acquisition of services or an investment for the Texas PSF Corporation.
- (f) Gifts and entertainment. An SBOE member, the commissioner, or a TEA employee (or the spouse, minor child, or dependent relative thereof) may not:

  - (1) accept any gift or benefit, unless such gift is a permissible gift as defined in subsection (g) of this section;
  - (2) solicit, offer, or accept a gift or benefit (for the personal benefit of the member or employee or for the benefit of a third party), regardless of whether it is a permissible gift, that the member or employee knows, or should know, is being offered or given because of the member's or employee's official position, in exchange for an official act, or with the intent to influence the member's or employee's conduct on behalf of the PSF;
  - (3) solicit, accept, or agree to accept an honorarium in consideration for services that the member or employee would not have been requested to provide but for his or her official position or duties;
  - (4) accept any gift or benefit from a lobbyist, or a person who is required to be registered as a lobbyist, that is not expressly permitted by Texas Government Code, Chapter 305; or
  - (5) accept a gift or benefit if the source of the gift or benefit is not identified or if the member or employee knows, or has reason to know, that a prohibited gift is being offered through an intermediary.
- (g) Definition of permissible gift. The term "permissible gift" means a gift or benefit that is offered or accepted in compliance with all applicable statutes and rules and is one of the following:

  - (1) an occasional gift that is not cash or money, including checks, gift cards, or negotiable instruments, and does not exceed \$50 in value;
  - (2) food, lodging, entertainment, and transportation, if accepted as a guest (i.e., the donor is present) and, if required, the member or employee reports the gift as required by law;
  - (3) an item is given in the context of a personal relationship, such as kinship, or a professional or business relationship that is independent of the member's or employee's official capacity; or
  - (4) transportation, lodging, and meals in connection with attendance at a conference or similar event in which the member or employee renders services, such as speaking, if the services are more than perfunctory.
- (h) Receipt of prohibited gift. A member or employee who receives a gift that is not a permissible gift should return the gift to its source or, if that is not possible or feasible, donate the gift to a recognized tax-exempt charitable organization or governmental entity.
- (i) Contributions and solicitation of support.

  - (1) All SBOE members, the commissioner, and TEA employees (and their respective agents) shall follow all applicable laws governing campaign contributions, including, without limitation, the

rules promulgated by the Securities and Exchange Commission relating to political contributions by certain investment advisors.

(2) An SBOE member shall not request that a PSF service provider or private fund manager make any gift or donation to a school or other charitable interest on behalf of or at the request of a member.

(j) Compliance and enforcement.

(1) The SBOE will enforce this section through its chair or vice chair or the commissioner.

(2) Any violation of this section will be reported to the chair and vice chair of the SBOE and the commissioner, and a recommended action will be presented to the SBOE by the chair of the SBOE or the commissioner.

(3) The ethics advisor of TEA shall respond to inquiries from SBOE members, the commissioner, and TEA employees concerning the provisions of this section. The ethics advisor may confer with the general counsel.

(k) Ethics training. The SBOE shall receive annual training regarding state ethics laws through the Texas Ethics Commission or TEA's ethics advisor. TEA employees shall complete all ethics training required by TEA.

### **§33.6. Bond Guarantee Program for School Districts.**

(a) Statutory provision. The commissioner of education must administer the guarantee program for school district bonds according to the provisions of Texas Education Code (TEC), Chapter 45, Subchapter C.

(b) Definitions. The following definitions apply to the guarantee program for school district bonds.

(1) Annual debt service--payments of principal and interest on outstanding bonded debt scheduled to occur between September 1 and August 31 during the fiscal year in which the guarantee is sought as reported by the Municipal Advisory Council (MAC) of Texas or its successor, if the district has outstanding bonded indebtedness.

(A) The annual debt service will be determined by the current report of the bonded indebtedness of the district as reported by the MAC of Texas or its successor as of the date of the application deadline.

(B) The annual debt service does not include:

(i) the amount of debt service to be paid on the bonds for which the reservation is sought; or

(ii) the amount of debt service attributable to any debt that is no longer outstanding at the application deadline, provided that the Texas Education Agency (TEA) has sufficient evidence of the discharge or defeasance of such debt.

(C) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement, or if there is no official statement, debt service amounts based on the maximum rate permitted by the bond order or other bond proceeding that establishes a maximum interest rate for the bonds.

(2) Application deadline--the last business day of the month in which an application for a guarantee is filed. Applications must be submitted electronically through the website of the MAC of Texas or its successor by 5:00 p.m. on the last business day of the month to be considered in that month's application processing.

(3) Average daily attendance (ADA)--total refined average daily attendance as defined by TEC, §42.005.

(4) Bond--a debt security issuance approved by the attorney general, issued under TEC, §45.003 or §45.004, to provide long-term financing with a maturity schedule of at least three years.

- (5) Bond Guarantee Program (BGP)--the guarantee program that is described by this section and established under TEC, Chapter 45, Subchapter C.
- (6) Bond order--the order adopted by the governing body of a school district that authorizes the issuance of bonds and the pricing certificate, if any, establishing the terms of the bonds executed pursuant to such order.
- (7) Combination issue--an issuance of bonds for which an application for a guarantee is filed that includes both a new money portion and a refunding portion, as permitted by the Texas Government Code, Chapter 1207. The eligibility of combination issues for the guarantee is limited by the eligibility of the new money and refunding portions as defined in this subsection.
- (8) Enrollment growth--growth in student enrollment, as defined by §129.1025 of this title (relating to Adoption by Reference: Student Attendance Accounting Handbook), that has occurred over the previous five school years.
- (9) Nationally recognized investment rating firm--an investment rating firm that is designated by the United States Securities and Exchange Commission as a nationally recognized statistical rating organization (NRSRO) and is demonstrating that it has:
- (A) had its current NRSRO designation for at least three consecutive years;
  - (B) provided credit ratings to each of the following:
    - (i) fifteen or more fixed income securities denominated in United States dollars and issued during the immediately preceding three years; and
    - (ii) ten or more school districts in the United States; and
  - (C) a documented separation of duties between employees involved in credit analysis and employees involved in business relationships with clients.
- (10) New money issue--an issuance of bonds for the purposes of constructing, renovating, acquiring, and equipping school buildings; the purchase of property; or the purchase of school buses. An issuance of bonds for the purpose of constructing teacher or student housing is eligible for the guarantee for new money only if it is an integral part of the educational mission of the school district as determined by the commissioner. Eligibility for the guarantee for new money issues is limited to the issuance of bonds authorized under TEC, §45.003. A new money issue does not include the issuance of bonds to purchase a facility from a public facility corporation created by the school district or to purchase any property that is currently under a lease-purchase contract under the Local Government Code, Chapter 271, Subchapter A. A new money issue does not include an issuance of bonds to refinance any type of maintenance tax-supported debt. Maintenance tax-supported debt includes, but is not limited to:
- (A) time warrants or loans entered under TEC, Chapter 45, Subchapter E; or
  - (B) any other type of loan or warrant that is not supported by bond taxes as defined by TEC, §45.003.
- (11) Notes issued to provide interim financing--an issuance of notes, including commercial paper notes, designed to provide short-term financing for the purposes of constructing, renovating, acquiring, and equipping school buildings; the purchase of property; or the purchase of school buses. For notes to be eligible for the guarantee under this section, the notes must be:
- (A) issued to pay costs for which bonds have been authorized at an election occurring before the issuance of the notes;
  - (B) approved by the attorney general or issued in accordance with proceedings that have been approved by the attorney general; and
  - (C) refunded by bonds issued to provide long-term financing no more than three years from the date of issuance of such notes, provided that the date of issuance of notes will be determined by reference to the date on which the notes were issued for capital

expenditures and the intervening date or dates of issuance of any notes issued to refinance outstanding notes will be disregarded.

- (12) Refunding issue--an issuance of bonds for the purpose of refunding bonds, including notes issued to provide interim financing, that are supported by bond taxes as defined by TEC, §45.003. Eligibility for the guarantee for refunding issues is limited to refunding issues that refund bonds, including notes issued to provide interim financing, that were authorized by a bond election under TEC, §45.003.
- (13) Total debt service--total outstanding principal and interest on bonded debt.
- (A) The total debt service will be determined by the current report of the bonded indebtedness of the district as reported by the MAC of Texas or its successor as of the date of the application deadline, if the district has outstanding bonded indebtedness.
- (B) The total debt service does not include:
- (i) the amount of debt service to be paid on the bonds for which the reservation is sought; or
- (ii) the amount of debt service attributable to any debt that is no longer outstanding at the application deadline, provided that TEA has sufficient evidence of the discharge or defeasance of such debt.
- (C) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement, or if there is no official statement, debt service amounts based on the maximum rate permitted by the bond order or other bond proceeding that establishes a maximum interest rate for the bonds.

(c) Data sources.

- (1) The following data sources will be used for purposes of prioritization:
- (A) projected ADA for the current school year as adopted by the legislature for appropriations purposes;
- (B) final property values certified by the comptroller of public accounts, as described in the Texas Government Code, Chapter 403, Subchapter M, for the tax year preceding the year in which the bonds will be issued. If final property values are unavailable, the most recent projection of property values by the comptroller, as described in the Texas Government Code, Chapter 403, Subchapter M, will be used;
- (C) debt service information reported by the MAC of Texas or its successor as of the date of the application deadline; and
- (D) enrollment information reported to the Public Education Information Management System (PEIMS) for the five-year time period ending in the year before the application date.
- (2) The commissioner may consider adjustments to data values determined to be erroneous or not reflective of current conditions before the deadline for receipt of applications for that application cycle.

(d) Bond eligibility.

- (1) Only those combination, new money, and refunding issues as defined in subsection (b)(7), (10), and (12), respectively, of this section are eligible to receive the guarantee.
- (2) Refunding issues must comply with the following requirements to retain eligibility for the guarantee for the refunding bonds, except that subparagraph (C) of this paragraph does not apply to a refunding issue that provides long-term financing for notes issued to provide interim financing.

- (A) As with any district applying for approval for the guarantee, the district issuing the refunding bonds must meet the requirements for initial approval specified in subsection (g)(2)(A) of this section.
- (B) The bonds to be refunded must have been:
- (i) previously guaranteed by the Permanent School Fund (PSF) or approved for credit enhancement under §61.1038 of this title (relating to School District Bond Enhancement Program);
  - (ii) issued on or after November 1, 2008, and before January 1, 2010; or
  - (iii) issued as notes to provide interim financing as defined in subsection (b)(11) of this section.
- (C) The district must demonstrate that issuing the refunding bond(s) will result in a present value savings to the district and that the refunding bond or bonds will not have a maturity date later than the final maturity date of the bonds being refunded. Present value savings is determined by computing the net present value of the difference between each scheduled payment on the original bonds and each scheduled payment on the refunding bonds. Present value savings must be computed at the true interest cost of the refunding bonds. If the commissioner approves refunding bonds for the guarantee based on evidence of present value savings but at the time of the sale of the refunding bonds a present value savings is not realized, the commissioner may revoke the approval of the bonds for the guarantee.
- (D) The refunding transaction must comply with the provisions of subsection (g)(4)(A)-(C) of this section.
- (3) If a district files an application for a combination issue, the application will be treated as an application for a single issue for the purposes of eligibility for the guarantee. A guarantee for the combination issue will be awarded only if both the new money portion and the refunding portion meet all of the applicable eligibility requirements described in this section. As part of its application, the applicant district must present data that demonstrate compliance for both the new money portion of the issue and the refunding portion of the issue.
- (4) If the commissioner determines that an applicant has deliberately misrepresented information related to a bond issue to secure a guarantee, the commissioner must revoke the approval of the bonds for the guarantee.
- (e) Determination of PSF capacity to guarantee bonds.
- (1) Each month the commissioner will estimate the available capacity of the PSF. If necessary, the commissioner will confirm that the PSF has sufficient capacity to guarantee the bonds before the issuance of the final approval for the guarantee in accordance with subsection (g)(3) of this section. The calculation of capacity will be based on a multiplier of three and one-half times the cost value of the PSF with the proviso that under no circumstances could the capacity of the fund exceed the limits set by federal regulation. The commissioner may increase or decrease the multiplier to prudently manage fund capacity and preserve the AAA credit rating of the PSF. Changes to the multiplier made by the commissioner are to be ratified or rejected by the State Board of Education (SBOE) at the next meeting for which the item can be posted.
  - (2) The SBOE may establish an amount of capacity to be held in reserve of up to 5.0% of the fund's capacity. The amount to be held in reserve may be increased or decreased by a majority vote of the SBOE based on changes in the cost value asset allocation and risk in the portfolio, or may be increased or decreased by the commissioner as necessary to prudently manage fund capacity and preserve the AAA credit rating of the PSF. Changes to the amount held in reserve made by the commissioner are to be ratified or rejected by the SBOE at the next meeting for which the item can be posted.



- (3) The net capacity of the PSF to guarantee bonds is determined by subtracting the amount to be held in reserve, as determined under paragraph (2) of this subsection, from the total available capacity, as described in paragraph (1) of this subsection.
- (f) Application process and application processing.
- (1) Application submission and fee. A district must apply to the commissioner for the guarantee of eligible bonds or the credit enhancement of eligible bonds as authorized under §61.1038 of this title by submitting an application electronically through the website of the MAC of Texas or its successor. The district must submit the information required under TEC, §45.055(b), and this section and any additional information the commissioner may require. The application and all additional information required by the commissioner must be received before the application will be processed. The district may not submit an application for a guarantee or credit enhancement before the successful passage of an authorizing proposition.
- (A) The application fee is \$1,500.
- (B) The fee is due at the time the application for the guarantee or the credit enhancement is submitted. An application will not be processed until the fee has been remitted according to the directions provided on the website of the MAC of Texas or its successor and received by TEA.
- (C) The fee will not be refunded to a district that:
- (i) is not approved for the guarantee or the credit enhancement; or
- (ii) does not sell its bonds before the expiration of its approval for the guarantee or the credit enhancement.
- (D) The fee may be transferred to a subsequent application for the guarantee or the credit enhancement by the district if the district withdraws its application and submits the subsequent application before the expiration of its approval for the guarantee or the credit enhancement.
- (2) Application prioritization and processing. Applications will be prioritized based on districts' property wealth per ADA, with the application of a district with a lower property wealth per ADA prioritized before that of a district with a higher property wealth per ADA. Applications may also be prioritized for districts that experience unforeseen catastrophes or emergencies that require the renovation or replacement of school facilities as described in TEC, §44.031(h). All applications received during a calendar month will be held until up to the 15th business day of the subsequent month. On or before the 15th business day of each month, the commissioner will announce the results of the prioritization and process applications for initial approval for the guarantee, up to the available net capacity as of the application deadline, subject to the requirements of this section.
- (A) Approval for guarantees will be awarded each month beginning with the districts with the lowest property wealth per ADA until the PSF reaches its net capacity to guarantee bonds.
- (B) Approval for guarantees will be awarded based on the fund's capacity to fully guarantee the bond issue for which the guarantee is sought. Applications for bond issues that cannot be fully guaranteed will not receive an award. The amount of bond issue for which the guarantee was requested may not be modified after the monthly application deadline for the purposes of securing the guarantee during the award process. If PSF net capacity has been exhausted, the commissioner will process the application for approval of the credit enhancement as specified in §61.1038 of this title.
- (C) The actual guarantee of the bonds is subject to the approval process prescribed in subsection (g) of this section.
- (D) An applicant school district is ineligible for consideration for the guarantee if its lowest credit rating from any nationally recognized investment rating firm as defined in subsection (b)(9) of this section is the same as or higher than that of the PSF.

- (3) Late application. An application received after the application deadline will be considered a valid application for the subsequent month, unless withdrawn by the submitting district before the end of the subsequent month.
  - (4) Notice of application status. Each district that submits a valid application will be notified of the application status within 15 business days of the application deadline.
  - (5) Reapplication. If a district does not receive approval for the guarantee or for any reason does not receive approval of the bonds from the attorney general within the time period specified in subsection (g)(4) of this section, the district may reapply in a subsequent month. Applications that were denied approval for the guarantee will not be retained for consideration in subsequent months.
- (g) Approval for the guarantee; district responsibilities on receipt of approval.
- (1) Initial and final approval provisions.
    - (A) If, during the monthly estimation of PSF capacity described in subsection (e)(1) of this section, the commissioner determines that the available capacity of the PSF is 10% or less, the commissioner may require an applicant school district to obtain final approval for the guarantee as described in paragraph (3) of this subsection.
    - (B) If the commissioner has not made such a determination:
      - (i) the commissioner will consider the initial approval described in paragraph (2) of this subsection as both the initial and final approval; and
      - (ii) an applicant school district that has received notification of initial approval for the guarantee, as described in paragraph (2) of this subsection, may consider that notification as notification of initial and final approval for the guarantee and may complete the sale of the applicable bonds.
  - (2) Initial approval.
    - (A) The following provisions apply to all applications for the guarantee, regardless of whether an application is for a new money, refunding, or combination issue. Under TEC, §45.056, the commissioner will investigate the applicant school district's accreditation status and financial status. A district must be accredited and financially sound to be eligible for initial approval by the commissioner. The commissioner's review will include the following:
      - (i) the purpose of the bond issue;
      - (ii) the district's accreditation status as defined by §97.1055 of this title (relating to Accreditation Status) in accordance with the following:
        - (I) if the district's accreditation status is Accredited, the district will be eligible for consideration for the guarantee;
        - (II) if the district's accreditation status is Accredited-Warned or Accredited-Probation, the commissioner will investigate the underlying reason for the accreditation rating to determine whether the accreditation rating is related to the district's financial soundness. If the accreditation rating is related to the district's financial soundness, the district will not be eligible for consideration for the guarantee; or
        - (III) if the district's accreditation status is Not Accredited-Revoked, the district will not be eligible for consideration for the guarantee;
      - (iii) the district's compliance with statutes and rules of TEA; and
      - (iv) the district's financial status and stability, regardless of the district's accreditation rating, including approval of the bonds by the attorney general under the provisions of TEC, §45.0031 and §45.005.

- (B) The following limitation applies to applications for new money issues of bonds for which the election authorizing the issuance of the bonds was called after July 15, 2004. The commissioner will limit approval for the guarantee to a district that has, at the time of the application for the guarantee, less than 90% of the annual debt service of the district with the highest annual debt service per ADA, as determined by the commissioner annually, or less than 90% of the total debt service of the district with the highest total debt service per ADA, as determined by the commissioner annually. The limitation will not apply to school districts that have enrollment growth, as defined in subsection (b)(8) of this section, of at least 25%, based on PEIMS data on enrollment available at the time of application. The annual debt service amount is the amount defined by subsection (b)(1) of this section. The total debt service amount is the amount defined by subsection (b)(13) of this section.
- (C) The commissioner will grant or deny initial approval for the guarantee based on the review described in subparagraph (A) of this paragraph and the limitation described in subparagraph (B) of this paragraph and will provide an applicant district whose application has received initial approval for the guarantee written notice of initial approval.
- (3) Final approval. The provisions of this paragraph apply only as described in paragraph (1) of this subsection. A district must receive final approval before completing the sale of the bonds for which the district has received notification of initial approval.
- (A) A district that has received initial approval must provide a written notice to TEA two business days before issuing a preliminary official statement (POS) for the bonds that are eligible for the guarantee or two business days before soliciting investment offers, if the bonds will be privately placed without the use of a POS.
- (i) The district must receive written confirmation from TEA that the capacity continues to be available before proceeding with the public or private offer to sell bonds.
- (ii) TEA will provide this notification within one business day of receiving the notice of the POS or notice of other solicitation offers to sell the bonds.
- (B) A district that received confirmation from TEA in accordance with subparagraph (A) of this paragraph must provide written notice to TEA of the placement of an item to approve the bond sale on the agenda of a meeting of the school board of trustees no later than two business days before the meeting. If the bond sale is completed pursuant to a delegation by the board to a pricing officer or committee, notice must be given to TEA no later than two business days before the execution of a bond purchase agreement by such pricing officer or committee.
- (i) The district must receive written confirmation from TEA that the capacity continues to be available for the bond sale before the approval of the sale by the school board of trustees or by the pricing officer or committee.
- (ii) TEA will provide this notification within one business day before the date that the district expects to complete the sale by official action of the board or of a pricing officer or committee.
- (C) TEA will process requests for final approval from districts that have received initial approval on a first come, first served basis. Requests for final approval must be received before the expiration of the initial approval.
- (D) A district may provide written notification as required by this paragraph by facsimile transmission or by email in a manner prescribed by the commissioner.
- (4) District responsibilities on receipt of approval.
- (A) Once a district is awarded initial approval for the guarantee, each issuance of the bonds must be approved by the attorney general within 180 days of the date of the letter

granting the approval for the guarantee. The initial approval for the guarantee will expire at the end of the 180-day period. The commissioner may extend the 180-day period, based on extraordinary circumstances, on receiving a written request from the district or the attorney general before the expiration of the 180-day period.

- (B) If the bonds are not approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee, the commissioner will consider the application withdrawn, and the district must reapply for a guarantee.
- (C) If applicable, the district must comply with the provisions for final approval described in paragraph (3) of this subsection to maintain approval for the guarantee.
- (D) A district may not represent bonds as guaranteed for the purpose of pricing or marketing the bonds before the date of the letter granting approval for the guarantee.

(h) Financial exigency. The following provisions describe how a declaration of financial exigency under §109.2001 of this title (relating to Financial Exigency) affects a district's application for guarantee approval or a district's previously granted approval.

- (1) Application for guarantee of new money issue. The commissioner will deny approval of an application for the guarantee of a new money issue if the applicant school district has declared a state of financial exigency for the district's current fiscal year. The denial of approval will be in effect for the duration of the applicable fiscal year unless the district can demonstrate financial stability.
- (2) Approval granted before declaration. If in a given district's fiscal year the commissioner grants approval for the guarantee of a new money issue and the school district subsequently declares a state of financial exigency for that same fiscal year, the district must immediately notify the commissioner and may not offer the bonds for sale unless the commissioner determines that the district may proceed.
- (3) Application for guarantee of refunding issue. The commissioner will consider an application for the guarantee of a refunding issue that meets all applicable requirements specified in this section even if the applicant school district has declared a state of financial exigency for the district's current fiscal year. In addition to fulfilling all applicable requirements specified in this section, the applicant school district must also describe, in its application, the reason financial exigency was declared and how the refunding issue will support the district's financial recovery plan.

(i) Allocation of specific holdings. If necessary to successfully operate the BGP, the commissioner may allocate specific holdings of the PSF to specific bond issues guaranteed under this section. This allocation will not prejudice the right of the SBOE to dispose of the holdings according to law and requirements applicable to the fund; however, the SBOE will ensure that holdings of the PSF are available for a substitute allocation sufficient to meet the purposes of the initial allocation. This allocation will not affect any rights of the bond holders under law.

(j) Defeasance. The guarantee will be completely removed when bonds guaranteed by the BGP are defeased, and such a provision must be specifically stated in the bond order. If bonds guaranteed by the BGP are defeased, the district must notify the commissioner in writing within ten calendar days of the action.

(k) Bonds issued before August 15, 1993. For bonds issued before August 15, 1993, a school district seeking the guarantee of eligible bonds must certify that, on the date of issuance of any bond, no funds received by the district from the Available School Fund (ASF) are reasonably expected to be used directly or indirectly to pay the principal or interest on, or the tender or retirement price of, any bond of the political subdivision or to fund a reserve or placement fund for any such bond.

(l) Bonds guaranteed before December 1, 1993. For bonds guaranteed before December 1, 1993, if a school district cannot pay the maturing or matured principal or interest on a guaranteed bond, the commissioner will cause the amount needed to pay the principal or interest to be transferred to the district's paying agent solely from the PSF and not from the ASF. The commissioner also will direct the comptroller of public accounts to withhold the amount paid, plus interest, from the first state money payable to the district, excluding payments from the ASF.

- (m) Bonds issued after August 15, 1993, and guaranteed on or after December 1, 1993. If a school district cannot pay the maturing or matured principal or interest on a guaranteed bond, the commissioner will cause the amount needed to pay the principal or interest to be transferred to the district's paying agent from the PSF. The commissioner also will direct the comptroller of public accounts to withhold the amount paid, plus interest, from the first state money payable to the district, regardless of source, including the ASF.
- (n) Payments. For purposes of the provisions of TEC, Chapter 45, Subchapter C, matured principal and interest payments are limited to amounts due on guaranteed bonds at scheduled maturity, at scheduled interest payment dates, and at dates when bonds are subject to mandatory redemption, including extraordinary mandatory redemption, in accordance with the terms of the bond order. All such payment dates, including mandatory redemption dates, must be specified in the bond order or other document pursuant to which the bonds initially are issued. Without limiting the provisions of this subsection, payments attributable to an optional redemption or a right granted to a bondholder to demand payment on a tender of such bonds according to the terms of the bonds do not constitute matured principal and interest payments.
- (o) Guarantee restrictions. The guarantee provided for eligible bonds under the provisions of TEC, Chapter 45, Subchapter C, is restricted to matured bond principal and interest. The guarantee applies to all matured interest on eligible bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond order provision requiring an interest rate change. The guarantee does not extend to any obligation of a district under any agreement with a third party relating to bonds that is defined or described in state law as a "bond enhancement agreement" or a "credit agreement," unless the right to payment of such third party is directly as a result of such third party being a bondholder.
- (p) Notice of default. A school district that has determined that it is or will be unable to pay maturing or matured principal or interest on a guaranteed bond must immediately, but not later than the fifth business day before maturity date, notify the commissioner.
- (q) Payment from PSF.
  - (1) Immediately after the commissioner receives the notice described in subsection (p) of this section, the commissioner will instruct the comptroller to transfer from the appropriate account in the PSF to the district's paying agent the amount necessary to pay the maturing or matured principal or interest.
  - (2) Immediately after receipt of the funds for payment of the principal or interest, the paying agent must pay the amount due and forward the canceled bond or coupon to the comptroller. The comptroller will hold the canceled bond or coupon on behalf of the PSF.
  - (3) Following full reimbursement to the PSF with interest, the comptroller will further cancel the bond or coupon and forward it to the school district for which payment was made. Interest will be charged at the rate determined under the Texas Government Code, §2251.025(b). Interest will accrue as specified in the Texas Government Code, §2251.025(a) and (c).
- (r) Bonds not accelerated on default. If a school district fails to pay principal or interest on a guaranteed bond when it matures, other amounts not yet mature are not accelerated and do not become due by virtue of the school district's default.
- (s) Reimbursement of PSF. If payment from the PSF is made on behalf of a school district, the school district must reimburse the amount of the payment, plus interest, in accordance with the requirements of TEC, §45.061.
- (t) Repeated failure to pay. If a total of two or more payments are made under the BGP or the credit enhancement program authorized under §61.1038 of this title on the bonds of a school district, the commissioner will take action in accordance with the provisions of TEC, §45.062.

### **§33.7. Bond Guarantee Program for Charter Schools.**

- (a) Statutory provision. The commissioner of education must administer the guarantee program for open-enrollment charter school bonds according to the provisions of Texas Education Code (TEC), Chapter 45, Subchapter C.

- (b) Definitions. The following definitions apply to the guarantee program for open-enrollment charter school bonds.
- (1) Amortization expense--the annual expense of any debt and/or loan obligations.
  - (2) Annual debt service--payments of principal and noncapitalized interest on outstanding bonded debt scheduled to occur during a charter district's fiscal year as reported by the Municipal Advisory Council (MAC) of Texas or its successor, if the charter district is responsible for outstanding bonded indebtedness.
    - (A) The annual debt service will be determined by the current report of the bonded indebtedness of the charter district as reported by the MAC of Texas or its successor as of the date of the application deadline.
    - (B) Solely for the purpose of this calculation, the debt service amounts for variable rate bonds will be those that are published in the final official statement or, if there is no official statement, debt service amounts based on the maximum rate permitted by the bond resolution or other bond proceeding that establishes a maximum interest rate for the bonds.
    - (C) Annual debt service includes required payments into a sinking fund as authorized under 26 United States Code (USC) §54A(d)(4)(C), provided that the sinking fund is maintained by a trustee or other entity approved by the commissioner that is not under the control or common control of the charter district.
  - (3) Application deadline--the last business day of the month in which an application for a guarantee is filed. Applications must be submitted electronically through the website of the MAC of Texas or its successor by 5:00 p.m. on the last business day of the month to be considered in that month's application processing. This application deadline does not apply to applications for issues to refund bonds previously guaranteed by the Bond Guarantee Program.
  - (4) Board resolution--the resolution adopted by the governing body of an open-enrollment charter holder that:
    - (A) requests guarantee of bonds through the Bond Guarantee Program; and
    - (B) authorizes the charter holder's administration to pursue bond financing.
  - (5) Bond--a debt security issuance approved by the attorney general, issued under TEC, Chapter 53, to provide long-term financing with a maturity schedule of at least three years.
  - (6) Bond Guarantee Program (BGP)--the guarantee program that is described by this section and established under TEC, Chapter 45, Subchapter C.
  - (7) Bond resolution--the resolution, indenture, or other instrument adopted by the governing body of an issuer of bonds authorizing the issuance of bonds for the benefit of a charter district.
  - (8) Charter district--an open-enrollment charter holder designated as a charter district under subsection (e) of this section, as authorized by TEC, §12.135.
  - (9) Combination issue--an issuance of bonds for which an application for a guarantee is filed that includes both a new money portion and a refunding portion, as permitted by TEC, Chapter 53. The eligibility of combination issues for the guarantee is limited by the eligibility of the new money and refunding portions as defined in this subsection.
  - (10) Debt service coverage ratio--a measure of a charter district's ability to pay interest and principal with cash generated from current operations. The debt service coverage ratio (total debt service coverage on all long-term capital debt) equals the excess of revenues over expenses plus interest expense plus depreciation expense plus amortization expense, all divided by annual debt service. The calculation can be expressed as: (Excess of revenues over expenses + interest expense + depreciation expense + amortization expense)/ annual debt service.
  - (11) Depreciation expense--the audited amount of depreciation that was expensed during the fiscal period.

- (12) Educational facility--a classroom building, laboratory, science building, faculty or administrative office building, or other facility used exclusively for the conduct of the educational and administrative functions of a charter school.
- (13) Foundation School Program (FSP)--the program established under TEC, Chapters 41, 42, and 46, or any successor program of state appropriated funding for school districts in the state of Texas.
- (14) Long-term debt--any debt of the charter district that has a term of greater than three years and is secured on a parity basis with the bonds to be guaranteed.
- (15) Maximum annual debt service--as of any date of calculation, the highest annual debt service requirements with respect to all outstanding long-term debt for any succeeding fiscal year.
- (16) Nationally recognized investment rating firm--an investment rating firm that is designated by the United States Securities and Exchange Commission as a nationally recognized statistical rating organization (NRSRO) and is demonstrating that it has:
- (A) had its current NRSRO designation for at least three consecutive years;
  - (B) provided credit ratings to each of the following:
    - (i) fifteen or more fixed income securities denominated in United States dollars and issued during the immediately preceding three years;
    - (ii) ten or more school districts in the United States;
    - (iii) one or more charter schools in the United States; and
  - (C) a documented separation of duties between employees involved in credit analysis and employees involved in business relationships with clients.
- (17) New money issue--an issuance of revenue bonds under TEC, Chapter 53, for the purposes of:
- (A) the acquisition, construction, repair, or renovation of an educational facility of an open-enrollment charter school and equipping real property of an open-enrollment charter school, provided that any bonds for student or teacher housing must meet the following criteria:
    - (i) the proposed housing is contemplated in the charter or charter application; and
    - (ii) the proposed housing is an essential and integral part of the educational program included in the charter contract; or
  - (B) the refinancing of one or more promissory notes executed by an open-enrollment charter school, each in an amount in excess of \$500,000, that evidence one or more loans from a national or regional bank, nonprofit corporation, or foundation that customarily makes loans to charter schools, the proceeds of which loans were used for a purpose described in subparagraph (A) of this paragraph; or
  - (C) both.
- (18) Open-enrollment charter--this term has the meaning assigned in §100.1001 of this title (relating to Definitions).
- (19) Open-enrollment charter holder--this term has the meaning assigned to the term "charter holder" in TEC, §12.1012.
- (20) Open-enrollment charter school--this term has the meaning assigned to the term "charter school" in §100.1001 of this title.
- (21) Open-enrollment charter school campus--this term has the meaning assigned to the term "charter school campus" in §100.1001 of this title.
- (22) Refunding issue--an issuance of bonds under TEC, Chapter 53, for the purpose of refunding;

- (A) bonds that have previously been issued under that chapter and have previously been approved by the attorney general; or
- (B) bonds that have previously been issued for the benefit of an open-enrollment charter school under Vernon's Civil Statutes, Article 1528m, and have previously been approved by the attorney general.

(c) Bond eligibility.

- (1) Only those combination, new money, and refunding issues as defined in subsection (b)(9), (17), and (22), respectively, of this section are eligible to receive the guarantee. The bonds must, without the guarantee, be rated as investment grade by a nationally recognized investment rating firm and must be issued on or after September 28, 2011.
- (2) Refunding issues must comply with the following requirements to retain eligibility for the guarantee for the refunding bonds.
  - (A) As with any open-enrollment charter holder applying for approval for the guarantee, the charter holder for which the refunding bonds are being issued must meet the requirements for charter district designation specified in subsection (e)(2) of this section and the requirements for initial approval specified in subsection (f)(3)(A) of this section.
  - (B) The charter holder must demonstrate that issuing the refunding bond(s) will result in a present value savings to the charter holder. Present value savings is determined by computing the net present value of the difference between each scheduled payment on the original bonds and each scheduled payment on the refunding bonds. Present value savings must be computed at the true interest cost of the refunding bonds. If the commissioner approves refunding bonds for the guarantee based on evidence of present value savings but at the time of the sale of the refunding bonds a present value savings is not realized, the commissioner may revoke the approval of the bonds for the guarantee.
  - (C) For issues that refund bonds previously guaranteed by the BGP, the charter holder must demonstrate that the refunding bond or bonds will not have a maturity date later than the final maturity date of the bonds being refunded.
  - (D) The refunding transaction must comply with the provisions of subsection (f)(5)(A)-(C) and (E) of this section.
- (3) If an open-enrollment charter holder files an application for a combination issue, the application will be treated as an application for a single issue for the purposes of eligibility for the guarantee. A guarantee for the combination issue will be awarded only if both the new money portion and the refunding portion meet all of the applicable eligibility requirements described in this section. As part of its application, the charter holder making the application must present data that demonstrate compliance for both the new money portion of the issue and the refunding portion of the issue.
- (4) If the commissioner determines that an applicant has deliberately misrepresented information related to a bond issue to secure a guarantee, the commissioner must revoke the approval of the bonds for the guarantee.

(d) Determination of Permanent School Fund (PSF) capacity to guarantee bonds for charter districts.

- (1) Each month the commissioner will estimate the available capacity of the PSF to guarantee bonds for charter districts. This capacity is determined by multiplying the net capacity determined under §33.65 of this title (relating to Bond Guarantee Program for School Districts) by the percentage of the number of students enrolled in open-enrollment charter schools in this state compared to the total number of students enrolled in all public schools in this state, as determined by the commissioner. The commissioner's determination of the number of students enrolled in open-enrollment charter schools in this state and the number of students enrolled in all public schools in this state is based on the enrollment data submitted by school districts and charter schools to the Public Education Information Management System (PEIMS) during the most recent fall PEIMS submission. Annually, the commissioner will post the applicable student enrollment numbers and



the percentage of students enrolled in open-enrollment charter schools on the Texas Education Agency (TEA) web page related to the BGP. The commissioner shall hold up to 5.0% of the charter school available capacity in reserve each month.

- (2) Up to half of the total capacity of the PSF to guarantee bonds for charter districts may be used to guarantee charter district refunding bonds.
- (e) Application process and application processing. An open-enrollment charter holder must apply to the commissioner for the guarantee of eligible bonds by submitting an application electronically through the website of the MAC of Texas or its successor. Before an application for the guarantee will be considered, a charter holder must first be determined by the commissioner to meet criteria for designation as a charter district for purposes of this section. The application submitted through the website of the MAC of Texas or its successor will serve as both a charter holder's application for designation as a charter district and its application for the guarantee.
  - (1) Application submission and fee. As part of its application, an open-enrollment charter holder must submit the information required under TEC, §45.055(b), and this section and any additional information the commissioner may require. The application and all additional information required by the commissioner must be received before the application will be processed. The open-enrollment charter holder may not submit an application for a guarantee before the governing body of the charter holder adopts a board resolution as defined in subsection (b)(4) of this section.
    - (A) The amount of the application fee is the amount specified in §33.65 of this title.
    - (B) The fee is due at the time the application for charter district designation and the guarantee is submitted. An application will not be processed until the fee has been remitted according to the directions provided on the website of the MAC of Texas or its successor and received by TEA.
    - (C) The fee will not be refunded to an applicant that:
      - (i) is designated a charter district but is not approved for the guarantee; or
      - (ii) receives approval for the guarantee but does not sell its bonds before the expiration of its approval for the guarantee.
    - (D) The fee may be transferred to a subsequent application for the guarantee by a charter district that has been approved for the guarantee if the charter district withdraws its application and submits the subsequent application before the expiration of its approval for the guarantee.
  - (2) Eligibility to be designated a charter district.
    - (A) To be designated a charter district and have its application for the guarantee considered by the commissioner, an open-enrollment charter holder must:
      - (i) have operated at least one open-enrollment charter school in the state of Texas for at least three years and have had students enrolled in the school for those three years;
      - (ii) identify in its application for which open-enrollment charter school and, if applicable, for which open-enrollment charter school campus the bond funds will be used;
      - (iii) in its application, agree that the bonded indebtedness for which the guarantee is sought will be undertaken as an obligation of all entities under common control of the open-enrollment charter holder and agree that all such entities will be liable for the obligation if the open-enrollment charter holder defaults on the bonded indebtedness, provided that an entity that does not operate a charter school in Texas is subject to this subparagraph only to the extent that it has received state funds from the open-enrollment charter holder;

- (iv) not have an unresolved corrective action that is more than one year old, unless the open-enrollment charter holder has taken appropriate steps, as determined by the commissioner, to begin resolving the action;
  - (v) have had, for the past three years, an audit as required by §100.1047 of this title (relating to Accounting for State and Federal Funds) that was completed with unqualified or unmodified opinions;
  - (vi) have received an investment grade credit rating from a nationally recognized investment rating firm as defined in subsection (b)(16) of this section as specified by TEC, §45.0541, within the last year; and
  - (vii) not have materially violated a covenant relating to debt obligation in the immediately preceding three years.
- (B) For an open-enrollment charter holder to be designated a charter district and have its application for the guarantee considered by the commissioner, each open-enrollment charter school operated under the charter must not have an accreditation rating of Not Accredited-Revoked and must have a rating of met standard or met alternative standard as its most recent state academic accountability rating. However, if an open-enrollment charter school operated under the charter is not yet rated because the school is in its first year of operation, that fact will not impact the charter holder's eligibility to be designated a charter district and apply for the guarantee.
- (3) Application processing. All applications received during a calendar month that were submitted by open-enrollment charter holders determined to meet the criteria in paragraph (2) of this subsection will be held until the 15th business day of the subsequent month. On the 15th business day of each month, the commissioner will announce the results of the pro rata allocation of available capacity, if pro rata allocation is necessary, and process applications for initial approval for the guarantee, up to the available capacity as of the application deadline, subject to the requirements of this section.
- (A) If the available capacity is insufficient to guarantee the total value of the bonds for all applicant charter districts, the commissioner will allocate the available capacity on a pro rata basis to each applicant charter district. For each applicant, the commissioner will determine the percentage of the total amount of all applicants' proposed bonds that the applicant's proposed bonds represent. The commissioner will then allocate to that applicant the same percentage of the available capacity, but in no event will an allocation be equal to an amount less than \$500,000.
- (B) The actual guarantee of the bonds is subject to the approval process prescribed in subsection (f) of this section.
- (C) An applicant charter district is ineligible for consideration for the guarantee if its lowest credit rating from any nationally recognized investment rating firm as defined in subsection (b)(16) of this section is the same as or higher than that of the PSF.
- (4) Late application. An application received after the application deadline will be considered a valid application for the subsequent month, unless withdrawn by the submitting open-enrollment charter holder before the end of the subsequent month.
- (5) Notice of application status. Each open-enrollment charter holder that submits a valid application will be notified of the application status within 15 business days of the application deadline.
- (6) Reapplication. If an open-enrollment charter holder does not receive designation as a charter district, does not receive approval for the guarantee, or for any reason does not receive approval of the bonds from the attorney general within the time period specified in subsection (f)(5) of this section, the charter holder may reapply in a subsequent month. An application that was denied approval for the guarantee or that was submitted by a charter holder that the commissioner determined did not meet the criteria for charter district designation will not be retained for

consideration in subsequent months. A reapplication fee will be required unless the conditions described in subsection (e)(1)(D) of this section apply to the charter holder.

(f) Approval for the guarantee; charter district responsibilities on receipt of approval.

(1) Approval for the guarantee and charter renewal or amendment.

(A) If an open-enrollment charter holder applies for the guarantee within the 12 months before the charter holder's charter is due to expire, application approval will be contingent on successful renewal of the charter, and the bonds for which the open-enrollment charter holder is applying for the guarantee may not be issued before the successful renewal of the charter.

(B) If an open-enrollment charter holder proposes to use the proceeds of the bonds for which it is applying for the guarantee for an expansion that requires a charter amendment, application approval will be contingent on approval of the amendment, and the bonds may not be issued before approval of the amendment.

(2) Initial and final approval provisions.

(A) The commissioner may require an applicant charter district to obtain final approval for the guarantee as described in paragraph (4) of this subsection if:

(i) during the monthly estimation of PSF capacity described in §33.65 of this title, the commissioner determines that the available capacity of the PSF as described in §33.65 of this title is 10% or less; or

(ii) during the monthly estimation of the available capacity of the PSF to guarantee bonds for charter districts described in subsection (d) of this section, the commissioner determines that the available capacity of the PSF to guarantee bonds for charter districts is 10% or less.

(B) If the commissioner has not made such a determination:

(i) the commissioner will consider the initial approval described in paragraph (3) of this subsection as both the initial and final approval; and

(ii) an applicant charter district that has received notification of initial approval for the guarantee, as described in paragraph (3) of this subsection, may consider that notification as notification of initial and final approval for the guarantee and may complete the sale of the applicable bonds.

(3) Initial approval.

(A) The following provisions apply to all applications for the guarantee, regardless of whether an application is for a new money, refunding, or combination issue. Under TEC, §45.056, the commissioner will investigate the financial status of the applicant charter district and the accreditation status of all open-enrollment charter schools operated under the charter. For the charter district's application to be eligible for initial approval by the commissioner, each open-enrollment charter school operated under the charter must be accredited, and the charter district must be financially sound. The commissioner's review will include review of the following:

(i) the purpose of the bond issue;

(ii) the accreditation status, as defined by §97.1055 of this title (relating to Accreditation Status), of all open-enrollment charter schools operated under the charter in accordance with the following, except that, if an open-enrollment charter school operated under the charter has not yet received an accreditation rating because it is in its first year of operation, that fact will not impact the charter district's eligibility for consideration for the guarantee:

- (I) if the accreditation status of all open-enrollment charter schools operated under the charter is Accredited, the charter district will be eligible for consideration for the guarantee;
- (II) if the accreditation status of any open-enrollment charter school operated under the charter is Accredited-Warning or Accredited-Probation, the commissioner will investigate the underlying reason for the accreditation rating to determine whether the accreditation rating is related to the open-enrollment charter school's financial soundness. If the accreditation rating is related to the open-enrollment charter school's financial soundness, the charter district will not be eligible for consideration for the guarantee; or
- (III) if the accreditation status of any open-enrollment charter school operated under the charter is Not Accredited-Revoked, the charter district will not be eligible for consideration for the guarantee;
- (iii) the charter district's financial status and stability, regardless of each open-enrollment charter school's accreditation rating, including approval of the bonds by the attorney general under the provisions of TEC, §53.40;
- (iv) whether TEA has required the charter district to submit a financial plan under §109.1101 of this title (relating to Financial Solvency Review) in the last three years;
- (v) the audit history of the charter district and of all open-enrollment charter schools operated under the charter;
- (vi) the charter district's compliance with statutes and rules of TEA and with applicable state and federal program requirements and the compliance of all open-enrollment charter schools operated under the charter with these statutes, rules, and requirements;
- (vii) any interventions and sanctions to which the charter district has been subject; to which any of the open-enrollment charter schools operated under the charter has been subject; and, if applicable, to which any of the open-enrollment charter school campuses operated under the charter has been subject;
- (viii) formal complaints received by TEA that have been made against the charter district, against any of the open-enrollment charter schools operated under the charter, or against any of the open-enrollment charter school campuses operated under the charter;
- (ix) the state academic accountability rating of all open-enrollment charter schools operated under the charter and the campus ratings of all open-enrollment charter school campuses operated under the charter;
- (x) any unresolved corrective actions that are less than one year old; and
- (xi) whether the charter district is considered a high-risk grantee by the TEA office responsible for planning, grants, and evaluation.
- (B) The commissioner will limit approval for the guarantee to a charter district with a historical debt service coverage ratio, based on annual debt service, of at least 1.1 for the most recently completed fiscal year and a projected debt service coverage ratio, based on projected revenues and expenses and maximum annual debt service, of at least 1.2. If the bond issuance for which an application has been submitted is the charter district's first bond issuance, the commissioner will evaluate only projected debt service coverage. Projections of revenues and expenses are subject to approval by the commissioner.
- (C) The commissioner will grant or deny initial approval for the guarantee based on the review described in subparagraph (A) of this paragraph and the limitation described in

subparagraph (B) of this paragraph and will provide an applicant charter district whose application has received initial approval for the guarantee written notice of initial approval.

(4) Final approval. The provisions of this paragraph apply only as described in paragraph (2) of this subsection. A charter district must receive final approval before completing the sale of the bonds for which the charter district has received notification of initial approval.

(A) A charter district that has received initial approval must provide a written notice to TEA two business days before issuing a preliminary official statement (POS) for the bonds that are eligible for the guarantee or two business days before soliciting investment offers, if the bonds will be privately placed without the use of a POS.

(i) The charter district must receive written confirmation from TEA that the capacity continues to be available and must continue to meet the requirements of subsection (e)(2) of this section before proceeding with the public or private offer to sell bonds.

(ii) TEA will provide this notification within one business day of receiving the notice of the POS or notice of other solicitation offers to sell the bonds.

(B) A charter district that received confirmation from TEA in accordance with subparagraph (A) of this paragraph must provide written notice to TEA of the placement of an item to approve the bond sale on the agenda of a meeting of the bond issuer's board of directors no later than two business days before the meeting. If the bond sale is completed pursuant to a delegation by the issuer to a pricing officer or committee, notice must be given to TEA no later than two business days before the execution of a bond purchase agreement by such pricing officer or committee.

(i) The charter district must receive written confirmation from TEA that the capacity continues to be available for the bond sale before the approval of the sale by the bond issuer or by the pricing officer or committee.

(ii) TEA will provide this notification within one business day before the date that the bond issuer expects to complete the sale by official action of the bond issuer or of a pricing officer or committee.

(C) TEA will process requests for final approval from charter districts that have received initial approval on a first come, first served basis. Requests for final approval must be received before the expiration of the initial approval.

(D) A charter district may provide written notification as required by this paragraph by facsimile transmission, by email, or in another manner prescribed by the commissioner.

(5) Charter district responsibilities on receipt of approval.

(A) Once a charter district is awarded initial approval for the guarantee, each issuance of the bonds must be approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee. The initial approval for the guarantee will expire at the end of the 180-day period. The commissioner may extend the 180-day period, based on extraordinary circumstances, on receiving a written request from the charter district or the attorney general before the expiration of the 180-day period.

(B) If applicable, the charter district must comply with the provisions for final approval described in paragraph (4) of this subsection to maintain approval for the guarantee.

(C) If the bonds are not approved by the attorney general within 180 days of the date of the letter granting the approval for the guarantee, the commissioner will consider the application withdrawn, and the charter district must reapply for a guarantee.

(D) A charter district may not represent bonds as guaranteed for the purpose of pricing or marketing the bonds before the date of the letter granting approval for the guarantee.

- (E) The charter district must provide evidence of the final investment grade rating of the bonds to TEA after receiving initial approval but before the distribution of the preliminary official statement for the bonds or, if the bonds are offered in a private placement, before approval of the bond sale by the governing body of the charter district.
- (F) A charter district must identify by legal description any educational facility purchased or improved with bond proceeds no later than 30 days after entering into a binding commitment to expend bond proceeds for that purpose. The charter district must identify at that time whether and to what extent debt service will be paid with any source of revenue other than state funds.
- (g) Allocation of specific holdings. If necessary to successfully operate the BGP, the commissioner may allocate specific holdings of the PSF to specific bond issues guaranteed under this section. This allocation will not prejudice the right of the State Board of Education (SBOE) to dispose of the holdings according to law and requirements applicable to the fund; however, the SBOE will ensure that holdings of the PSF are available for a substitute allocation sufficient to meet the purposes of the initial allocation. This allocation will not affect any rights of the bond holders under law.
- (h) Defeasance. The guarantee will be completely removed when bonds guaranteed by the BGP are defeased, and such a provision must be specifically stated in the bond resolution. If bonds guaranteed by the BGP are defeased, the charter district must notify the commissioner in writing within ten calendar days of the action.
- (i) Payments. For purposes of the provisions of TEC, Chapter 45, Subchapter C, matured principal and interest payments are limited to amounts due on guaranteed bonds at scheduled maturity, at scheduled interest payment dates, and at dates when bonds are subject to mandatory redemption, including extraordinary mandatory redemption, in accordance with their terms. All such payment dates, including mandatory redemption dates, must be specified in the bond order or other document pursuant to which the bonds initially are issued. Without limiting the provisions of this subsection, payments attributable to an optional redemption or a right granted to a bondholder to demand payment on a tender of such bonds according to the terms of the bonds do not constitute matured principal and interest payments.
- (j) Guarantee restrictions. The guarantee provided for eligible bonds under the provisions of TEC, Chapter 45, Subchapter C, is restricted to matured bond principal and interest. The guarantee applies to all matured interest on eligible bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond resolution provision requiring an interest rate change. The guarantee does not extend to any obligation of a charter district under any agreement with a third party relating to bonds that is defined or described in state law as a "bond enhancement agreement" or a "credit agreement," unless the right to payment of such third party is directly as a result of such third party being a bondholder.
- (k) Notice of default. A charter district that has determined that it is or will be unable to pay maturing or matured principal or interest on a guaranteed bond must immediately, but not later than the fifth business day before the maturing or matured principal or interest becomes due, notify the commissioner.
- (l) Charter District Bond Guarantee Reserve Fund. The Charter District Bond Guarantee Reserve Fund is a special fund in the state treasury outside the general revenue fund and is managed by the SBOE in the same manner that the PSF is managed by the SBOE.
- (m) Payment from Charter District Bond Guarantee Reserve Fund and PSF.

  - (1) Immediately after the commissioner receives the notice described in subsection (k) of this section, the commissioner will notify the TEA division responsible for administering the PSF of the notice of default and instruct the comptroller to transfer from the Charter District Bond Guarantee Reserve Fund established under TEC, §45.0571, to the charter district's paying agent the amount necessary to pay the maturing or matured principal or interest.
  - (2) If money in the reserve fund is insufficient to pay the amount due on a bond under paragraph (1) of this subsection, the commissioner will instruct the comptroller to transfer from the appropriate account in the PSF to the charter district's paying agent the amount necessary to pay the balance of the unpaid maturing or matured principal or interest.

- (3) Immediately after receipt of the funds for payment of the principal or interest, the paying agent must pay the amount due and forward the canceled bond or coupon to the comptroller. The comptroller will hold the canceled bond or coupon on behalf of the fund or funds from which payment was made.
- (4) To ensure that the charter district reimburses the reserve fund and the PSF, if applicable, the commissioner will withhold from state funds otherwise payable to the charter district the amount that the charter district owes in reimbursement.
- (5) Funds intercepted for reimbursement under paragraph (4) of this subsection will be used to fully reimburse the PSF before any funds reimburse the reserve fund. If the funds intercepted under paragraph (4) of this subsection are insufficient to fully reimburse the PSF with interest, subsequent payments into the reserve fund will first be applied to any outstanding obligation to the PSF.
- (6) Following full reimbursement to the reserve fund and the PSF, if applicable, with interest, the comptroller will further cancel the bond or coupon and forward it to the charter district for which payment was made. Interest will be charged at the rate determined under the Texas Government Code (TGC), §2251.025(b). Interest will accrue as specified in the TGC, §2251.025(a) and (c). For purposes of this section, the "date the payment becomes overdue" that is referred to in the TGC, §2251.025(a), is the date that the comptroller makes the payment to the charter district's paying agent.
- (n) Bonds not accelerated on default. If a charter district fails to pay principal or interest on a guaranteed bond when it matures, other amounts not yet mature are not accelerated and do not become due by virtue of the charter district's default.
- (o) Reimbursement of Charter District Bond Guarantee Reserve Fund or PSF. If payment from the Charter District Bond Guarantee Reserve Fund or the PSF is made on behalf of a charter district, the charter district must reimburse the amount of the payment, plus interest, in accordance with the requirements of TEC, §45.061.
- (p) Repeated failure to pay. If a total of two or more payments are made under the BGP on the bonds of a charter district, the commissioner may take action in accordance with the provisions of TEC, §45.062.
- (q) Report on the use of funds and confirmation of use of funds by independent auditor. A charter district that issues bonds approved for the guarantee must report to TEA annually in a form prescribed by the commissioner on the use of the bond funds until all bond proceeds have been spent. The charter district's independent auditor must confirm in the charter district's annual financial report that bond funds have been used in accordance with the purpose specified in the application for the guarantee.
- (r) Failure to comply with statute or this section. An open-enrollment charter holder's failure to comply with the requirements of TEC, Chapter 45, Subchapter C, or with the requirements of this section, including by making any material misrepresentations in the charter holder's application for charter district designation and the guarantee, constitutes a material violation of the open-enrollment charter holder's charter.

**§33.8. Compliance with Securities and Exchange Commission (SEC) Rule 15c2-12 Pertaining to Disclosure of Information Relating to the Bond Guarantee Program.**

- (a) Definitions. As used in this section, the following terms have the meanings ascribed to such terms below.
  - (1) Agency means the Texas Education Agency and any successors or assigns thereto with respect to the management and administration of the Program or the investment of the Permanent School Fund.
  - (2) Financial Obligation means, with respect to the Program, a:
    - (A) debt obligation;
    - (B) derivative instrument entered into in connection with, or pledged as security or a source of a payment for, an existing or planned debt obligation; or

(C) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

- (3) Guaranteed Bonds means obligations for which application is made and granted for a guarantee under the Program.
- (4) Issuing District means a school district or charter district which issues Guaranteed Bonds.
- (5) MSRB means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.
- (6) Official Statement means each offering document of an Issuing District used in the offering and/or sale of Guaranteed Bonds.
- (7) Order means the resolution, order, ordinance or other instrument or instruments of an Issuing District pursuant to which Guaranteed Bonds are issued and the rights of the holders and beneficial owners thereof are established.
- (8) Permanent School Fund means the perpetual school fund established by Article VII, Section 2 of the Texas Constitution.
- (9) Program means the program of bond guarantee by the Permanent School Fund, which program has been established by Article VII, Sections 2 and 5 of the Texas Constitution, and is administered in accordance with Subchapter C, Chapter 45, Texas Education Code, as amended, and the rules and regulations of the Agency. The term Program shall also include the rules, regulations and policies of the Agency with respect to the administration of such program of guarantee of school district bonds, as well as the rules, regulations, policies of the Agency with respect to the administration, and the operational and financial results, of the Permanent School Fund.
- (10) Program Regulation means this rule of the Agency which is promulgated for the purpose of establishing and undertaking with respect to the Program which satisfies the requirements of the Rule.
- (11) PSF Corporation means the Permanent School Fund Corporation created by the State Board of Education pursuant to, and having the powers set forth in, Subchapter B of Chapter 43, Texas Education Code, as amended.
- (12) Rule means SEC Rule 15c2-12, as amended from time to time.
- (13) SEC means the United States Securities and Exchange Commission.

(b) Annual Reports.

- (1) The Agency shall provide annually to the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to Program of the general type which describes the Program and which is included in an Official Statement for Guaranteed Bonds, which is prepared by the PSF Corporation. Any financial statements to be provided need not be audited. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.
- (2) If the Agency changes its fiscal year from the year ending August 31, it will file notice with the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Agency otherwise would be required to provide financial information and data pursuant to this section.
- (3) The financial information and operating data to be provided pursuant to this section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to either the MSRB or filed with the SEC.

(c) Event Notices.



- (1) The Agency shall notify the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event), of any of the following events with respect to the Program:
- (A) Principal and interest payment delinquencies;
  - (B) Non-payment related defaults if such event is material within the meaning of the federal securities laws;
  - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (E) Substitution of credit or liquidity providers, or their failure to perform;
  - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Program, or other material events affecting the tax status of the Program;
  - (G) Modifications to rights of holders of the Bonds, if such event is material within the meaning of the federal securities laws;
  - (H) Bond calls, if such event is material within the meaning of the federal securities laws, and tender offers;
  - (I) Defeasances;
  - (J) Release, substitution, or sale of property securing repayment of Guaranteed Bonds, if such event is material within the meaning of the federal securities laws;
  - (K) Rating changes of the Program;
  - (L) Bankruptcy, insolvency, receivership, or similar event of the Program, which shall occur as described below;
  - (M) The consummation of a merger, consolidation, or acquisition involving the Program or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if such event is material within the meaning of the federal securities laws;
  - (N) Appointment of a successor or additional trustee with respect to the Program or the change of name of a trustee, if such event is material within the meaning of the federal securities laws;
  - (O) The incurrence of a financial obligation of the Program, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Program, any of which affect security holders, if material; and
  - (P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Program, any of which reflect financial difficulties.
- (2) For these purposes, any event described in the immediately preceding paragraph (L) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Program in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Program, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Program.

- (3) The Agency shall notify the MSRB, in a timely manner, of any failure by the Agency to provide financial information or operating data in accordance with Section 1 of this Program Regulation by the time required by such Section.
- (4) Nothing in this Program Regulation shall obligate the Agency to make any filings or disclosures with respect to Guaranteed Bonds, as the obligations of the Agency hereunder pertain solely to the Program.

(d) Limitations, Disclaimers, and Amendments.

- (1) With respect to a series of Guaranteed Bonds, the Agency shall be obligated to observe and perform the covenants specified in this Program Regulation for so long as, but only for so long as, the Agency remains an "obligated person" with respect to the Guaranteed Bonds within the meaning of the Rule.
- (2) The provisions of this Program Regulation are for the sole benefit of each Issuing District, as well as holders and beneficial owners of the Guaranteed Bonds; nothing in this Program Regulation, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Agency undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Program Regulation and does not hereby undertake to provide any other information, even if such information may be relevant or material to a complete presentation of the Program's financial results, condition, or prospects. The Agency does not undertake to update any information provided in accordance with this Program Regulation or otherwise, except as expressly provided herein. The Agency does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Guaranteed Bonds at any time.
- (3) Under no circumstances shall the Agency or the Program be liable to the holder or beneficial owner of any Guaranteed Bond, the Issuing District or any other person or entity, in contract or tort, for damages resulting in whole or in part from any breach by the Agency, whether negligent or without fault on its part, of any covenant specified in this Program Regulation, but every right and remedy of any such person, in contract or tort, for or on account of any such breach shall be limited to an action for mandamus or specific performance.
- (4) No default by the Agency in observing or performing its obligations under this Program Regulation shall comprise a breach of or default under the Order for purposes of any other provision of the Order. Nothing in this Program Regulation is intended or shall act to disclaim, waive, or otherwise limit the duties of the Agency under federal and state securities laws.
- (5) The provisions of this Program Regulation may be amended by the Agency from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Agency, but only if:
  - (A) the provisions of this Program Regulation, as so amended, would have permitted an underwriter to purchase or sell Guaranteed Bonds in the primary offering of the Guaranteed Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances; and
  - (B) either:
    - (i) the holders of a majority in aggregate principal amount of the outstanding Guaranteed Bonds consent to such amendment, or
    - (ii) a person that is unaffiliated with the Agency (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Guaranteed Bonds.
- (6) If the Agency so amends the provisions of this Program Regulation, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this section (relating to Compliance with SEC Rule 15c2-12 Pertaining to Disclosure of Information Relating to the Bond Guarantee Program) an explanation, in narrative form, of the

reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Agency may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Guaranteed Bonds in the primary offering of the Guaranteed Bonds.

## **Subchapter B. Texas Permanent School Fund Corporation Rules**

### **§33.21. Texas Permanent School Fund Corporation.**

Terms of directors. Any State Board of Education (SBOE) member who is appointed to the Texas Permanent School Fund (PSF) Corporation board of directors pursuant to SBOE policy under Texas Education Code, §43.053(a)(1), shall cease to be a Texas PSF Corporation director upon the expiration of his or her term of service on or upon other separation from the SBOE Committee on School Finance/Permanent School Fund in accordance with the SBOE's rules and policies.

**Report of the State Board of Education  
Committee on School Initiatives  
Thursday, November 17, 2022**

The State Board of Education Committee on School Initiatives met at 9:07 a.m. on Thursday, November 17, 2022, in Room #1-111 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. Attendance was noted as follows:

Present: Matt Robinson, chair; Ruben Cortez, Jr; Will Hickman; Jay Johnson

Absent: Aicha Davis, vice chair

Non-committee members present: Lawrence Allen, Jr.; Marisa Perez-Diaz

**Public Testimony**

The Committee on School Initiatives heard public testimony on agenda item #4. Information regarding the individual who presented public testimony is included in the discussion of that item.

**DISCUSSION ITEM**

**1. Open-Enrollment Charter School Generation 28 Application Updates**  
(Board agenda page IV-1)

Kelvey Oeser, deputy commissioner, educator and system support, presented information on the Generation 28 Open-Enrollment Charter Application cycle. She stated that applications were due November 11, 2022. Twenty-five applications were received that are currently being reviewed for completeness and eligibility. Applicants will then enter the external review period through April.

**ACTION ITEMS**

**2. Review of Proposed Amendments to 19 TAC Chapter 229, Accountability System for Educator Preparation Programs**  
(Board agenda page IV-2)  
[Official agenda item #11]

Mark Olofson, director, educator data, research, and strategy, explained that the proposed amendments establish the performance standards and procedures for educator preparation program (EPP) accountability. He further explained that the proposed amendments would provide for adjustments to the 2021–2022 *Accountability System for Educator Preparation (ASEP) Manual*; would implement Senate Bill (SB) 2066, 87th Texas Legislature, Regular Session, 2021; would clarify assessments used for accountability; would update procedures for EPP commendations; would provide the SBEC additional flexibility when sanctioning programs; and would clarify what data is used for the determination of accreditation statuses.

**MOTION AND VOTE:** *It was moved by Mr. Cortez, seconded by Dr. Robinson, and carried unanimously to recommend that the State Board of Education take no action on the proposed amendments to 19 TAC Chapter 229, Accountability System for Educator Preparation Programs.*

**3. Review of Proposed Revisions to 19 TAC Chapter 241, Certification as Principal**

(Board agenda page IV-67)

[Official agenda item #12]

Jessica McLoughlin, director, talent pathways, explained that the proposed revisions would implement House Bill (HB) 159, 87th Texas Legislature, Regular Session, 2021, to update the educator standards for the Principal as Instructional Leader certificate to reflect the qualifications of certification as a principal. The proposed revisions would also repeal outdated Subchapter B, Principal Certificate, and include technical edits where needed.

**MOTION AND VOTE:** *It was moved by Mr. Cortez, seconded by Dr. Johnson, and carried unanimously to recommend that the State Board of Education take no action on proposed revisions to 19 TAC Chapter 241, Certification as Principal.*

**DISCUSSION ITEM**

**4. Discussion of Ongoing State Board for Educator Certification Activities**

(Board agenda page IV-82)

Emily Garcia, associate commissioner, educator preparation, certification, and enforcement, shared updates on current and upcoming State Board for Educator Certification (SBEC) activities and proposed SBEC rules and amendments.

Public testimony was provided by the following individual:

NAME: Andrea Chevalier

AFFILIATION: Texas Council of Administrators of Special Education

The meeting of the Committee on School Initiatives adjourned at 10:01 a.m.

