

Texas School Quick Tip

The Texas Stock Market Game For Students in Grades 4 to 12

Teams of students compete on how well they manage an imaginary \$100,000 online portfolio over 10 weeks.

The program, sponsored by the Texas Council on

Economic Education, is conducted twice each school year and will next occur from Feb. 6 to April 14, 2017.

Info: <http://smg.economicstexas.org>



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Issue 38

SBOE Meeting Highlights:

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Nov. 15-18 State Board of Education Meeting Highlights (Part 1)

Editor's note: SBOE agenda info and archived video webcasts of meetings are available at: www.tea.texas.gov/sboe

492 Instructional Material Products Approved for 2017-18

Unanimous SBOE Rejects Much Criticized Mexican American Studies Textbook

SBOE members unanimously rejected the much criticized "**Mexican American Heritage**" textbook for state adoption for next school year — and instead took the unusual step of issuing a new call for ethnic studies instructional materials for 2018-19.

The rejected book had been submitted for state adoption consideration by publisher Momentum Instruction, LLC, a company operated by **Cynthia Dunbar**, a conservative Republican former SBOE member.

Critics had called the book racist and highly inaccurate. Nearly 60 people testified against the book in a public hearing prior to the first of the board's two votes to reject the book on different days at this month's meeting.

Dunbar, in testimony, said numerous changes had been made to the book since it was first submitted and told reporters that she had sent a letter to the board indicating that the SBOE could be open to lawsuits over censorship should the book be rejected.

Because the board (by state law) can't reject a book for state adoption due to objections over the content (other than a finding that the materials don't cover at least half of the required TEKS), the vote to reject was rooted in the law's requirement that the SBOE can reject materials based on factual errors.

This was the only product submitted for School Year 2017-18 state adoption consideration for a high-school course called "*Special Topics in Social Studies*," which was open for ethnic studies instructional materials submissions to include (but not limited to) Mexican Ameri-

can, African American, Native American and Asian American studies.

The failure of *any* book to be approved in this category was the reason why the board voted to issue a special "*Proclamation 2018*" call to publishers for ethnic studies instructional materials for School Year 2018-19.

The board also *rejected* seven career and technical education submissions by publisher **Red and Black Books LLC**.

School districts could still choose to purchase books rejected from the state-adopted list on their own.

The board *approved* 492 new instructional products for first-time classroom use next school year in the subject areas of: **1)** career and technical education, **2)** languages other than English and **3)** algebraic reasoning.

More info: www.texednews.com/2016/38/1.html

For the Upcoming Biennium

Board's Action will Provide \$2.46 Billion From PSF to Texas Public Schools

The SBOE unanimously approved a measure that is expected to provide \$2.46 billion from the Permanent School Fund (PSF) to Texas public schools for the upcoming biennium (roughly School Years 2017-18 through 2018-19). That represents an estimated increase of \$354 million over the funding level for this biennium.

"Through careful and prudent investments, the State Board of Education is able to increase funding to our schools. We're happy to be able to offer this additional assistance," SBOE Chair **Donna Bahorich**, R-Houston, said.

Every two years shortly before the Legislature convenes, the board must set a distribution rate to the Available School Fund from the PSF.

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PSF, Continued From Page 1

In the *current* biennium, the distribution rate is 3.5 percent of the market value of the PSF.

The board at this month's meeting agreed to increase the rate to 3.7 percent in the upcoming biennium. The allocation per student will be approximately \$218, an 11 percent increase from the current \$196 per student.

More info: www.texednews.com/2016/38/2.html

Because No More Charter Bonds Can Currently Be Guaranteed

Board Tentatively Okays Plan to Increase PSF Charter Bond Guarantee Capacity

SBOE members tentatively approved on first (*of two*) reading a two-step rule revision that is projected to generate an extra \$566 million for Permanent School Fund (PSF) open-enrollment charter school district bond guarantees by Sept. 1, 2017.

The action was needed because the program has been closed to new charter bond guarantees due to a lack of capacity.

If approved by the board in final form on Feb. 3, 2017, the changes to the capacity-determination formula for the program are expected to add \$249 million in bond guarantee capacity as of March 1, 2017, and an extra \$317 million as of Sept. 1, 2017.

TEA staff said that since the program began three years ago, only 14 charter districts (out of about 200 charter districts statewide) were granted guarantees of new or refinanced bonds amounting to \$1 billion.

Even when increased, the capacity is expected to again be quickly exhausted, according to discussion among members of the board's **Committee on School Finance/PSF**, TEA staff and charter school representatives.

This led to discussion among board members in the committee about whether the "big boy" charter districts have an unfair advantage of being able to quickly file applications for bond guarantees for large amounts to the disadvantage of smaller charter districts.

Note: Staff added that there's plenty of capacity in the program to guarantee ISD bonds, a situation expected to continue for the foreseeable future.

Board members and charter representatives praised the program for allowing charters — that would ordinarily have to pay bankers for higher interest rates amounting to millions of dollars over the life of the bonds — to instead use the savings via lower-interest rate PSF-backed bonds for classroom programs and facilities.

Karalei Nunn of the Meridian World School charter in Round Rock (near Austin) said that if the guarantee program had not been closed to new applications, her school could have realized a savings of \$14 million over the lifetime of a bond the school obtained, money that could have been used in the classroom, to improve programs, provide additional tutoring services, for additional staff, transportation, etc.

No charter or ISD has ever defaulted on a PSF-backed bond. But, charters, unlike ISDs, have to pay a part of their bond guarantee application fee into a fund to be used to pay off a bond should a charter ever default.

Postponed

The committee also discussed, but postponed, a recommendation by the education commissioner to add tougher student test score-related qualifying criteria for charter bond eligibility. The commissioner's proposal would also

require, that as capacity nears, the applications of qualified charters with large percentages of economically disadvantaged students would be put ahead of other applicants for consideration and — that after that — the sought-after amounts for charter bond guarantees would be reduced proportionally.

The committee decided not to move ahead in adopting the commissioner's proposal on first (*of two*) reading to allow time for the charter community to provide input.

More info: www.texednews.com/2016/38/3.html

SBOE Okays Eight Legislative Priorities

The SBOE approved these eight priorities to be submitted to the next session of the Legislature, which starts Jan. 10. *The board wants lawmakers to:*

- ➔ Expand the SBOE's authority to **review and approve instructional materials** beyond 50 percent of TEKS coverage, factual errors and applicable physical specifications.
- ➔ Allocate funds to the SBOE to support the creation and implementation of a **long-range plan** as required by the Texas Education Code.
- ➔ Ensure sufficient legislative appropriations to **increase staffing at the TEA**, particularly in the curriculum division, to provide adequate personnel to oversee and support the Texas Essential Knowledge and Skills review and implementation process and the textbook adoption process.
- ➔ Protect the public education funds/services to adequately identify and serve the needs of all **special education students** by identifying and not limiting the number of students served or funding.
- ➔ Remove the limitation on the TEA to undertake **on-site monitoring** of school districts and charters and provide funding for on-site monitoring.
- ➔ Conserve public free schools and prohibit **public dollars** from going to **private schools** or parents/guardians.
- ➔ Improve **student data privacy** by: **1)** providing resources to the agency to ensure the agency data systems maintain and improve student data privacy, **2)** passing requirements for publishers and third party suppliers to ensure student data privacy and **3)** enacting student data privacy guidelines for local districts that include a requirement for local districts to adopt a plan to protect student data privacy.
- ➔ Support the education commissioner's request for E-Rate support funding for **high-speed internet** infrastructure for classroom connectivity to improve student access to online resources for all Texas students.

More info: www.texednews.com/2016/38/4.html

SBOE Briefs

More info about all of the following is at:
www.texednews.com/2016/38/5.html

The board:

- ➔ Said goodbye, in resolutions and kind words, to outgoing SBOE Vice Chair **Thomas Ratliff**, R-Mount Pleasant and to SBOE member **Martha M. Dominguez**, D-El Paso, who both chose not to run for re-election.

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SBOE Briefs, Continued From Page 2

- ➔ Revised on first (of two) reading **career and technical education** courses that can satisfy a **math** or **science** graduation requirement.
- ➔ Approved per-test fees to be charged to **private schools** that choose to administer state-adopted student assessments. The TEA reported that 27 private schools administered state assessments to 3,894 students in grades 3 to 12 last school year.
- ➔ Approved (on 2nd/final reading) rules to expand the types of **high-school equivalency exam centers** that can offer paper/pencil testing instead of just being allowed to offer computer-based testing — and setting security standards for centers that offer pencil/paper equivalency testing.
- ➔ Approved five-year renewals of these **innovative courses**: 1) **College Transitions and Peers** and 2) **Accepting, Learning, and Sharing I and II**.
- ➔ Informally directed TEA staff (via the board's **Committee on Instruction**) to address concerns contained in a rule-change petition supported by the **Cosmetology Instructors of Public Schools (CIPS)** association related to problems caused by the SBOE's implementation of two-credit Cosmetology I and II courses starting next school year, and the need to make each of them three-credit courses. The committee: 1) requested TEA staff work with CIPS to prepare a one-credit innovative course to be used in conjunction with the two-credit Cosmetology courses for next school year and 2) called for the SBOE to start the rule-making process at a future meeting that will lead to the adoption of a one-credit lab-based cosmetology course to be taught concurrently with the two-credit cosmetology courses starting in School Year 2018-19.
- ➔ Approved several **SBEC**-adopted rules (by not voting to reject them), and took action and/or discussed issues relating to the **science, math** and **English language arts** TEKS. *To be covered in an upcoming TEN.*

TEA News

More info about all of the following is at:
www.texednews.com/2016/38/6.html

- ➔ **Disabled students advisory** — A letter posted (Nov. 17) by TEA Deputy Commissioner of Academics **Penny Schwinn** to school administrators provides a detailed follow-up to the TEA's denial to the U.S. Department of Education (**USDE**) that the agency had imposed a de facto cap that served to limit the proportion of students identified as needing special-ed services to no more than 8.5 percent of a district's student population. See **TEN**, Nov. 14, Page 1.

The letter: 1) reminds districts of federal mandates to identify every child who may need special-ed services while not misidentifying children as being disabled when their issues are purely academic related and 2) provides additional details about the TEA's decision not to use the performance monitoring indicator, for this school year, that contains the 8.5 percent reference.

The letter also notes that the TEA has established a

new unit within the agency's **IDEA** (*Individuals with Disabilities Education Act*) office to provide technical assistance to districts and education service centers.

- ➔ **Ratings** — The TEA released (Nov. 17) **final academic accountability ratings** for more than 1,200 school districts/charters and more than 8,600 campuses. After appeals, 39 out of 1,024 ISDs are rated *Improvement Required*, as are 18 out of 183 charter districts.
- ➔ **ESCs** — The TEA is asking superintendents and charter school directors to be on the lookout soon for an email asking them to complete a 20-question online **education service center customer satisfaction survey**. The survey results will be used as a part of each ESC's annual review and executive director appraisal by the education commissioner.
- ➔ **ISD takeovers** — The TEA is reportedly in the final stages of selecting a board of managers and an interim superintendent for **Marlin ISD**. Also, TEA special investigations teams have reportedly recommended that the education commissioner appoint boards of managers for **Hearne ISD** and **South San Antonio ISD**.

Legislative Update

Says Only a High Deductible ActiveCare Plan Could be Offered House/Senate Panel Issues Final Report On Troubled TRS Health Plans

A six-member House/Senate select interim committee charged with recommending ways to address the dual problems of high-premium TRS-ActiveCare health plans for school employees and the almost financially insolvent TRS-Care plans for retirees has recommended solutions involving restructuring those plans while not providing them with more state money.

TRS-ActiveCare

While acknowledging that the major problem with ActiveCare for school employees and their families is the rising (and often unaffordable) premiums, the committee's single recommendation is that only one plan should be offered (similar to the **ActiveCare 1-HD** [high deductible plan]), and only to the 1,082 districts with 1,000 or fewer employees. These districts — with a total of 207,543 employees — would have only one opportunity to opt out of ActiveCare and could *never* rejoin.

The other two ActiveCare plans as well as the HMO plans would no longer be offered.

Eighty-two districts with more than 1,000 employees are currently enrolled in ActiveCare (employing a total of 247,000 individuals) and would have to leave ActiveCare, the report says.

The report recommends no changes in the current ActiveCare per-employee monthly funding of \$75 from the state and at least \$150 from school districts.

TRS-Care

The report recommends two options for the TRS-Care health plan for retirees to tackle the program's projected \$1.3 billion to \$1.5 billion shortfall by the end of the upcoming biennium.

Both options would require retirees age 65 and over to enroll in Medicare Advantage and Medicare Part D[rug] benefit plans.

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- **SBOE Rejects Mexican American Book**
- **Charter Bonds Get \$566 Million Boost**
- **Legislators Suggest TRS Health Plan Changes**

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For retirees under age 65, one of the options would provide \$400 monthly stipends to be deposited into the retiree's health reimbursement account (HRA) to buy their own non-TRS insurance plan. The second suggested option would require an under-65 employee to enroll in the catastrophic coverage TRS-Care 1 plan, which would no longer be offered free of charge.

State Rep. **Justin Rodriguez**, D-San Antonio, was the only committee member who did not sign the 200-page report. He stated in an included letter that he does not "believe the solution requires a significant shifting of the burden onto our TRS retirees and active public education employees who have sacrificed and worked tirelessly to develop the next generation of Texans" — and that he hopes that any proposed solution "would entail a shared, and meaningful, contribution of state resources."

A "Starting Point"

Although State Rep. **Trent Ashby**, R-Lufkin, signed the report, he said in a separate letter that although he does not support some of the options, he believes it will be a starting point for further discussion, and that he looks forward to the responses of active and retired teachers "on how we can best provide stable footing for the programs in perpetuity."

The report is one of the first of scores of interim studies that will be released between now and the start of the legislative session on Jan. 10.

News Briefs

More info about all of the following is available at:
www.texednews.com/2016/38/8.html

- **Found liable** — Houston-area media reported that a federal jury entered a finding (Nov. 16) in a civil lawsuit brought by a construction contractor firm that claimed that it was harmed by a kickback scheme orchestrated

by former longtime Houston ISD school board member and president **Larry Marshall**, Marshall's former campaign treasurer and two HISD contractors. The company (Gil Ramirez Group) claimed in its suit that it lost lucrative contracts with HISD because it did not offer bribes.

The jury reportedly found Marshall and the three others violated the federal racketeering law and awarded the Gil Ramirez Group about \$451,500, an amount that is tripled to \$1.4 million under provisions of the applicable federal law. The jury also found the defendants interfered in contracts and awarded \$3.4 million in punitive damages, plus \$676,667 in actual damages.

- **Setting it straight** — The city of Austin named both the Travis County Appraisal District and the state of Texas as defendants in a suit the city filed over a commercial property appraisal taxation issue. **TEN** incorrectly reported (Nov. 21, Page 4) that the city did not name the state as a defendant.

Attorney General

More info about all of the following is available at:
www.texednews.com/2016/38/9.html

Requested Opinions:

- **Homestead exemptions** (RQ-0140-KP) — Seeking clarification of what is meant by the term, "facility," in state law allowing a person to not lose a residential homestead exemption by moving to a facility that provides services related to health, infirmity or aging. — Requested by the Brazos County attorney.
- **School facilities** (RQ-0141-KP) — Whether all new school district building construction begun after Nov. 1, 2016, requires adherence to a specific state-law provision applicable to commercial buildings. — Requested by the Webb County attorney related to **United ISD**.

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