



**Minutes of the**

**Regular Meeting of the**

**State Board of Education**

August 23, 2012

# STATE BOARD OF EDUCATION

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**Minutes of the Meeting of the  
STATE BOARD OF EDUCATION  
OLIVER HODGE EDUCATION BUILDING:  
2500 NORTH LINCOLN BOULEVARD, ROOM 1-20  
OKLAHOMA CITY, OKLAHOMA**

**August 23, 2012**

The State Board of Education met in regular session at 1:40 p.m. on Thursday, August 23, 2012, in the Board Room of the Oliver Hodge Education Building at 2500 North Lincoln Boulevard, Oklahoma City, Oklahoma. The final agenda was posted at 1:25 p.m. on Wednesday, August 22, 2012.

The following were present:

Ms. Connie Holland, Chief Executive Secretary  
Ms. Terrie Cheadle, Administrative Assistant

Members of the State Board of Education present:

State Superintendent Janet Barresi, Chairperson of the Board  
Ms. Amy Ford, Durant  
Mr. Brian Hayden, Enid  
Ms. Joy Hofmeister, Tulsa  
Mr. William "Bill" Price, Oklahoma City  
Mr. William "Bill" Shdeed, Oklahoma City

Member of the State Board of Education not present:

MG (R) Lee Baxter, Lawton

Others in attendance are shown as an attachment.

**CALL TO ORDER  
AND  
ROLL CALL**

Superintendent Barresi called the State Board of Education special meeting to order at 1:40 p.m. and welcomed everyone to the meeting. Ms. Holland called the roll and ascertained there was a quorum.

**PLEDGE OF ALLEGIANCE, OKLAHOMA  
FLAG SALUTE, AND MOMENT OF SILENCE**

Superintendent Barresi led Board members and all present in the Pledge of Allegiance to the American Flag, a salute to the Oklahoma Flag, and a moment of silence.

**JUNE 28, 2012 REGULAR BOARD  
MEETING MINUTES APPROVED**

Board Member Ford made a motion to approve the minutes of the June 28, 2012, State Board regular meeting. Board Member Hofmeister seconded the motion. The motion carried with the following votes: Ms. Ford, yes; Mr. Hayden, yes; Ms. Hofmeister, yes; Mr. Shdeed, yes; and Mr. Price, yes.

**STATE SUPERINTENDENT**

**Information from the State Superintendent**

Superintendent Barresi thanked Board Members Ford, Hofmeister and Price for attending the National Math and Science Initiative recognition celebration. The focus was the outstanding accomplishments of Lawton Eisenhower High School and Carl Albert High School, Mid-Del Public Schools with the public/private partnership of Grumman and the Department of Defense in increasing participation in AP courses in math, science, and English. Since 2009, participation between the two schools increased 116 percent and the students who achieved a score of 3 or better in those courses increased 81 percent. The individuals from the National Math and Science Initiative said this achievement level had not been duplicated anywhere in the country. As a result this opportunity is being offered to the entire Lawton and Mid-Del Public School Districts.

Superintendent Barresi said data will be released very soon regarding the A through F report card. Districts will have 30 days to review the data, and to once again verify their data. Accuracy of the data is absolutely critical and the data will be closely reviewed. The report cards will be released to the state in early October 2012. She recognized the work done by Ms. Maridyth McBee, Assistant State Superintendent of Accountability and Assessments, and her staff in getting the information out across the state.

### **FIRST-YEAR SUPERINTENDENTS**

First-year superintendent(s) attending the meeting was Mr. Kevin Burr, Superintendent, Sapulpa Public Schools; Ms. Cynthia Hunter, Superintendent, Springer Public Schools; and Mr. Curtis Curry, Superintendent, Porum Public Schools.

Superintendent Barresi recognized State Representative Jason Nelson for attending the meeting.

### **PUBLIC COMMENT**

Ms. Lisa Muller, Assistant Superintendent of Curriculum and School Improvement, Jenks Public Schools, said her concerns were regarding the proposed definition for focus schools. The proposed definition indicates that focus schools will be those schools which serve an above average number of students in one of three subgroups: Black, English Learners, or Special Education. These fall in the bottom thirty percent of such schools when they are ranked according to the performance on state mandated tests. Referring to her handout to the SBE, she said the methodology used to determine focus schools causes her concern because the definition is inaccurate and misleading. Ms. Muller directed Board Members to the text found on page 79 of the ESEA Waiver approved for the state of Oklahoma in July 2012. Schools which do not have more than 25 students in one of the subgroups are removed from the list of potential focus schools before the determination is made as to which schools are in the bottom 30 percent for academic performance. In the case of the English Learners and IEP subgroups this reduces the number of schools under consideration by over 200 and over 400 schools respectively. This practice not only unfairly penalizes large schools by over identifying them as focus schools but also misleads the public when these schools are characterized as performing in the bottom 30 percent of all schools which have a subgroup membership that exceeds the state average. In addition, by identifying schools whose performance may in actuality be higher than those schools which were removed from consideration, the State Department of Education (SDE) is diverting its resources and attention from those that likely have more need for such support. She suggested that the 30 percent determination be made when all schools which exceed the state average for one of the three subgroups are included in the ranking. Then schools which do not have more than 25 students in the subgroup can be removed from the public focus group list prior to its publication. This process would meet the goal of keeping individual students from being personally identifiable, would identify schools whose performance actually fell in the bottom 30 percent of performances stated in the definition, and would allow the SDE to concentrate their improvement effort with the schools that need it most. If this change is not possible due to time constraints and the ESEA Waiver language, she suggested the definition for focus schools be changed today to reflect the reality that schools identified may not be those that fall in the bottom 30 percent of performance. Also, additional amendments to the waiver should be requested in order to put this fairer more transparent process in place for future years. Ms. Muller thanked the Board for the opportunity to speak and said she appreciated the time and their consideration.

## CONSENT DOCKET

Discussion and possible action on the following requests:

- (a) Request for Bethany Public Schools, Oklahoma County, to use \$50,000 of its general fund to make expenditures for capital needs – OAC 210:25-5-4
- (b) Request approval for Checotah Public Schools, McIntosh County, to use \$50,000 of its general fund to make expenditures for capital needs – OAC 210:25-5-4
- (c) Request approval for Quinton Public Schools, Pittsburg County, to use \$50,000 of its general fund to make expenditures for capital needs – OAC 210:25-5-4
- (d) Request approval of Adult Education and Literacy Allocations for the 2012-2013 Fiscal Year (FY2013)
- (e) Request approval on recommendations from the Teacher Competency Review Panel for applicants to receive a license - 70 O. S. § 6-202
- (f) Request approval on exceptions to State Board of Education regulations concerning teacher certification – 70 O. S. § 6-187
- (g) Request approval of sponsorship/donation report and recommendations – 70 O. S. § 3-104(12)

Board Member Hayden made a motion to approve the Consent Docket. Board Member Hofmeister seconded the motion. The motion carried with the following votes: Mr. Price, yes; Mr. Shdeed, yes; Ms. Hofmeister, yes; Mr. Hayden, yes; and Ms. Ford, yes.

## TEACHER CERTIFICATION

### Teacher Certification Production Report

Superintendent Barresi said Mr. Jeff Smith, Director, Teacher Certification, was present to answer questions from the Board, if needed.

This was a report only and no action was required.

## ACADEMIC AFFAIRS

### Office of Instruction

#### Withholding State Aid for Gifted and Talented Programs of School Districts Not Meeting the August 1 Deadline for Submission of an Expenditure Report

Ms. Sara Smith, Director, Gifted and Talented Education, said all 49 school districts listed on the information presented to Board members had submitted their reports and there was no longer any action required to withhold the funds.

This was a report only and no action was required.

**Focused Field of Career Study in Pre-Engineering at  
Eastern Oklahoma County Technology Center Approved**

Mr. Jeff Downs, Director, Science, Technology, Engineering and Math (STEM), presented a request from Eastern Oklahoma County Technology Center for a focused field of study in pre-engineering through the Project Lead the Way program curriculum. The focused field of study in pre-engineering has the following areas of math, science and engineering deeply imbedded into the program that include Algebra II, pre-calculus, trigonometry, AP calculus B and C, AB, B and C, pre-AP physics, AP physics B and C, AP chemistry, AP environmental science, intro to engineering design, principles of engineering, engineering design and development, biotechnical engineering, aerospace engineering, civil engineering and architecture, and digital electronics. The Office of Instruction has reviewed the course work and the standards contained within these courses and have determined this focused field of study is in alignment with Oklahoma C<sup>3</sup> and *Priority Academic Student Skills (PASS)* standards. Representatives from the Eastern Oklahoma County Technology Center and the Department of Career and Technology Education were present.

Board Member Price said he was excited about the courses in curriculum and asked if it was going to be online primarily?

Ms. Tina Fugate, Department of Career and Technology Education, said all Project Lead the Way curriculum is available online and is project based. The academics are normal academics, AP academics that are integrated into the whole curriculum, the whole course sequence.

Board Member Price asked if there was a majority of one or the other, and how it will be implemented.

Ms. Fugate said the teachers are Oklahoma certified math or science teachers as well as AP certified. The teachers also are involved in rigorous Project Lead the Way training. Each course requires a two-week intensive training at the Oklahoma State University (OSU) campus, which allows them to experience every project the students are expected to do. Ms. Fugate said even though the curriculum is online the teacher is there to facilitate the project. There are many student directed projects where the teacher is actually a facilitator that goes around and helps the students.

Board Member Price said it was exciting and looked as if it did involve kids in STEM type courses.

Ms. Fugate said there are fabulous programs throughout the state. She invited Board members to visit any of the technology centers that have pre-engineering, biomed or biotech programs.

Board Member Shdeed asked if the programs were being well received.

Ms. Fugate said yes, in the city there is great participation. In the rural areas it is tougher for small schools to have AP teachers and courses, but they can come to a technology center and all can be served at one location. These are expensive programs; therefore, it does service the rural schools very well.



Board Member Hayden made a motion to approve the request. Board Member Shdeed seconded the motion. The motion carried with the following votes: Ms. Ford, yes; Mr. Hayden, yes; Ms. Hofmeister, yes; Mr. Shdeed, yes; and Mr. Price, yes.

### **Office of Educational Support**

#### **Adoption of the Definitions of High-Performing, Reward, High-Progress Reward, Targeted Intervention, and Priority Schools**

Ms. Kerri White, Assistant State Superintendent, Office of Educational Support, presented a request recommending the adoption of definitions of high-performing, reward, high-progress, targeted intervention and priority schools. She said on February 9, 2012, Oklahoma received conditional approval of the ESEA Flexibility Request which did provide definitions in methodologies for calculating particular types of schools. On August 16, 2012, final approval was received based on the amendment submitted in July 2012. The approval included adjustments to the original proposed definitions for some of the categories of schools. In order to make things more streamlined and easier to understand perhaps why we want to recognize a school, we are recommending the definitions for high performing reward school. There are two methods for calculating the high performing reward school and one method making the high progress reward school designation. The terms are descriptive and coherent terms that communicate to the public why we might be recognizing a school. The reason being is because they either have significant progress over a number of years or have high performance over a number of years. A majority of the terms used for schools not performing well are terms that appear in and throughout state law. Many terms used mean the same types of schools or the same groups of schools, but many of them are not very descriptive of what actually is happening in a school. For the purpose of streamlining, simplifying, and being consistent, we recommend adopting definitions of three different types of schools that would have the same meaning or be used in the same way as state law has all the other terms identified. Recommended definitions included the definition for focus school with two methodologies identified, targeted intervention schools with one methodology identified, and priority school with four methodologies identified.

Ms. White said the methodologies for high performing schools are schools who received an "A" on their report card but missed no more than two annual measurable objectives which measure how different subgroups of students are performing, or any school in the top ten percent of Title I and non-Title I schools in performance over the three previous years on all state assessments given in the school.

The methodologies for high progress reward schools are those schools in the top ten percent of improvement in reading and mathematics or at the high school level in Algebra I and English II.

Methodologies for focus schools are the performance of students in the particular subgroups. We are looking to identify those schools that have over the state average in a particular subgroup that have low performance. After having looked again at the data, we are not positive it will actually take the lowest 30 percent to reach the requisite number of focus schools we have to identify, and because of that Ms. White recommended a change. It is a requirement to identify 121 Title I focus schools and non-Title I schools that are equivalent performance. In fact, it is possible it could be down to 10 or 15 percent of schools that need to meet the requirement. If it pleases the SBE, she drafted potential changes to the definition presented that would leave flexibility in the percentage from year to year and just talk about schools with the lowest performance among Title I schools and schools with the lowest performance among all

schools in those subgroups until the requisite number of schools is identified. We can discuss that specific language. The second methodology for focus schools is similar except it relates to graduation rates.

A targeted intervention school would be any Title I or non-Title I school that receives a "D" on their report card that has not been identified in one of the other categories.

The four methodologies for priority schools are schools that receive an "F" on their report card, schools in the bottom five percent of performance in reading and math, schools with a graduation rate below 60 percent, and schools that received School Improvement Grant (SIG) funds.

Ms. White said any school that does not receive one of those designations would have no designation.

Ms. Hofmeister asked what that number looks like.

Ms. White said preliminary numbers are being run for the current school year based on 2012 data. Based on 2011 data approximately 500 schools would be identified in one of those categories which would leave approximately 1,300 schools in the non-designated category. The identification of schools based on subgroups is determined based on a minimum student count, and in many cases it is actually based on the minimum number of test scores. There are some schools that have such a small number of students in a subgroup they would not meet that minimum requirement.

Ms. Maridyth McBee, Assistant State Superintendent, Accountability and Assessments, said the number of tests scores was not a requirement. A school with two students would have the same eligibility as another school. To identify a school based on two students is not a very stable measure over time. That is the case regarding the focus schools and is also the case regarding the annual measureable objectives.

Ms. Hofmeister said if the subgroup cut off in a large school is the same no matter how large the school is, that is the issue.

Ms. McBee said that is correct. If there are 70 students in a school, there will not be the same opportunity to have many subgroups as there would be in a school of 2,000 students.

Mr. Hayden asked if it was possible a school could be in more than one category.

Ms. McBee said a school could qualify to be in more than one category because of the qualification. But the way the waiver was written was that if a school is a high progress reward school that is what they receive. If a school qualified for both a priority and a focus school, the school would be considered a priority school because a school will have only one designation.

Ms. Hofmeister said the issue is to make the language be a more accurate description.

Ms. White said there are some limitations based on N-Size that we just cannot get around because we do not believe it is statistically valid to identify a school based on a smaller number of test scores. When communicating with the public and school districts, the SDE wants to use terminology that makes it clear how schools are identified. Particularly in the area of focus schools, we want to provide an opportunity for schools to focus on the particular subgroup of students that need the most attention and communicate what that means very clearly. Work will

continue on refining the language in a way that accurately communicates how schools are identified, what it means to be on one of the lists, and what schools can do to improve with a particular group of students or school wide.

Mr. Price asked when graduation rates are tracked.

Ms. McBee said the federal government is requiring graduation rates be calculated by looking at the ninth grade cohort. Every year transfers would be subtracted, subtract out dropouts, add in transfers, and each year there would be the cohort that includes new transfers in and subtracts transfers out, and then look at the number of graduates that graduated. Unfortunately the longitudinal data system is not in the position where graduation rates can be counted in that way, but work continues in that direction. The way the graduation rates are calculated now is somewhat of an estimate. We are moving toward the federal required definition as soon as possible.

Ms. White said if there are no other questions, approval is requested. If the Board would like the language regarding focus schools to be modified slightly to allow for the flexibility of that percentage from year to year in order to reach just the requisite number of focus schools instead of all schools that might be in the bottom 30 percent, that adjustment can be made.

Superintendent Barresi suggested setting this item aside, which would provide Ms. White time to draft the recommended change and present to the Board.

#### **Update on the Teacher and Leader Effectiveness Evaluation System (TLE) Implementation**

Ms. Alicia Currin-Moore, Executive Director, Teacher and Leader Effectiveness, presented an update on implementation of the Teacher and Leader Effectiveness (TLE) Evaluation System. Funding allocations provided to districts in late July were based on numbers determined by the Board at the July 26, 2012, Board meeting and calculated by the number of administrators each district indicated needed training. At this time, \$1,403,000 has been allocated to districts with \$96,000 remaining to be allocated. Training has been ongoing with approximately 2,000 administrators trained on either the Marzano Framework or the Tulsa Framework, and approximately 600 administrators trained on the McREL Framework. The Marzano Framework was recently approved as an additional option. Once the Marzano Framework was added as a leader model, some districts decided to opt for the Marzano model instead of the Reeves leader model. The Reeves group determined that based on the small number of districts that chose to stay with the Reeves model it was not cost efficient to come to Oklahoma to provide training and provided schools two options. Those two options were for districts to come to their headquarters for training or find other options. The SDE is working with those eight districts in making a selection for a leader model. Each administrator was required to complete a two-part testing process. The vast majority of administrators are passing the preliminary certifications.

Ms. Currin-Moore said SDE staff has been working with a variety of educator groups to assist the TLE Commission in making determinations regarding the value-added model, non-tested grades and subjects, and other academic measures.

This was a report only and no action was required.

## FINANCIAL SERVICES

### Payment of Late Federal Program Claims Titles I, II, VI, X; Title IV, Part B – 21<sup>st</sup> Century Community Learning Centers Title IV, Part A – Safe and Drug Free Schools

Ms. Mathangi Shankar, Director, Financial Services, said on April 23, 2012, the SDE sent out notification to all school districts establishing the timeline for submission of their FY 2012 federal claims. Included in that notification, August 1 was established as the deadline to submit all FY 2012 claims. Because there were unforeseen circumstances, the deadline was extended to August 15.

Mr. Daniel Fryar, Grants Consultant, Titles I, II, VI, X, said three districts submitted late claims. All the claims are in an approvable status, and they have submitted a good cause letter. Crooked Oak Public Schools, Department of Juvenile Affairs, and Wagoner Public Schools submitted late claims.

Mr. Bradley Richards, Superintendent, Crooked Oak, Public Schools, said the person in charge of finance for whatever reason did not get the claim submitted, and they have worked diligently to rectify the situation where it would not happen again.

Mr. Shdeed asked the amount of money involved.

Mr. Richards said approximately \$60,000.

The representative from Office of Juvenile Affairs said it was his responsibility, and he just did not get the information submitted. He apologized for any inconvenience and requested the Board approve the late claim in the amount of \$90,000.

Mr. Monte Thompson, Wagoner Public Schools, said Wagoner Public Schools went through a transition of four superintendents in one fiscal year. He said he was hired in November. Because of financial difficulties, a Reduction in Force (RIF) of 37 fulltime staff members was carried out, and five of those were out of the central office. The \$86,000 was spent to benefit students, and due to their negligence the deadline was not met, but it was not intentional.

Ms. Melissa White, Executive Director, ACE/Counseling, said there was one late claim under Title IV for safe and healthy schools. There was a grant opportunity with very little turnaround time. With that grant opportunity Haworth Public School was awarded the grant. One invoice was not received by the school until August 8, 2012. Once the school received the invoice, they did submit to the SDE.

Ms. Melodie Fulmer, Executive Director, Parent/Community Engagement, said Wagoner Public Schools and Hulbert Public Schools had late claims for 21<sup>st</sup> Century Community Learning Centers.

Ms. Jolyn Rose, Elementary Principal, Hulbert Public Schools, said she is the co-director of the 21<sup>st</sup> Century grant, and their claim was submitted late. The new superintendent has implemented a new procedure regarding timelines and submission of information. The claim is for \$89,000 and has been spent well to benefit the students of Hulbert and the after-school program.

Mr. Ted Brewer, Superintendent, Haworth Public School, said the amount of the claim is less than \$1,500. The bookkeeper/treasurer for the last 20 years retired. There have been personnel changes and construction projects happening at the district. This issue was due to negligence, and they take full responsibility and will strive to do a better job in the future.

Superintendent Barresi said the number of late claims presented is a significant decrease from last year and thanked Ms. Shankar for her efforts and those of districts across the state.

Ms. Ford said these are federal funds.

Superintendent Barresi said yes.

Ms. Ford commended schools districts for an excellent job.

Board Member Shdeed made a motion to approve the request and Board Member Ford seconded the motion. The motion carried with the following votes: Mr. Price, yes; Mr. Shdeed, yes; Ms. Hofmeister, yes; Mr. Hayden, yes; and Ms. Ford, yes.

#### **Report on Shared Superintendent Salary Assistance Applications**

Ms. Renee McWaters, Executive Director, State Aid, presented a report on the shared superintendent salary assistance applications. Four applications were received involving eight school districts. The 50 percent benefit will be paid quarterly beginning in August 2012. The schools will provide expenditure reports showing that the superintendent was hired by their district, a signed contract, and minutes of the local board meeting showing approval of the shared contract to the SDE. The total for this year is \$206,501.

Board Member Ford asked how many districts utilize the shared superintendent salary assistance.

Ms. McWaters said this is the first year of availability and currently eight districts are utilizing it.

This was a report only and no action was required.

#### **Adoption of the Definitions of High-Performing, Reward, High-Progress Reward, Targeted Intervention, and Priority Schools Approved**

Ms. Kerri White, Assistant State Superintendent, Office of Educational Support, provided the revision of definitions of high performing, reward, high-progress, targeted intervention and priority school for approval. She said the only change under the heading Definition of Focus School where it states "as submitted in the Oklahoma ESEA Flexibility Request and Subsequent Amendment", now reads "the ten percent of Title I and non-Title I schools in the state that either have the lowest performance of any of the three lowest achieving subgroups in the state within each grade span, elementary, pre-K through 8, middle/junior high and high schools, for reading and mathematics that is demonstrated a lack of progress over three year based on the detailed criteria in Section 2e of Oklahoma's approved ESEA Flexibility Request or have the lowest graduation rate for either of the two subgroups with the lowest graduation rates in the state, based on the detail criteria in Section 2e of Oklahoma's approved ESEA Flexibility Request". Ms. White said as mentioned before, there is a requisite number of schools that need to be identified that is ten percent of Title I schools and the non-Title I schools that have equivalent

performance. Changing the language this way will allow it to stay at the ten percent to meet the requisite number, but the percentage within each category could fluctuate year to year based on the number of schools that it takes to meet the requirement.

Board Member Ford made a motion to approve the definitions and Board Member Hayden seconded the motion. The motion carried with the following votes: Ms. Ford, yes; Mr. Hayden, yes; Ms. Hofmeister, yes; Mr. Shdeed, yes; and Mr. Price, yes.

Ms. White reviewed the simplified graphic showing the connection between how the designations were created from the A through F calculations and how some are not created from the calculations. Particularly high progress reward schools, and focus school.

### **CONSENT DOCKET – ACE Appeals**

**Achieving Classroom Excellence (ACE) Appeal Petitions  
Filed with the Secretary of the State Board of Education  
Pursuant to 75 O.S. § 1210.523 and OAC 210:10-13-16 as  
Recommended by the ACE Appeals Committee Approved**

#### **Executive Session Approved**

Board Member Ford made a motion to convene into Executive Session at approximately 12:45 p.m. Board Member Price seconded the motion. The motion carried with the following votes: Mr. Price, yes; Mr. Shdeed, yes; Ms. Hofmeister, yes; Mr. Hayden, yes; and Ms. Ford, yes.

#### **Return to Open Session Approved**

Board Member Ford made a motion to return to Open Session at approximately 3:25 p.m. Board Member Hayden seconded the motion. The motion carried with the following votes: Ms. Ford, yes; Mr. Hayden, yes; Ms. Hofmeister, yes; Mr. Shdeed, yes; and Mr. Price, yes.

Superintendent Barresi said let the record reflect no action was taken during Executive Session.

**Recommendation:** Approval based upon verified newly discovered evidence the student has been accepted into a selective University -Tulsa 12-0073

**Recommendation:** Denial based upon the lack of verified evidence meeting the criteria for granting an exception to ACE graduation requirements - McLoud 12-0131, Sapulpa 12-0133

**Recommendation:** Dismissal based upon verified evidence meeting criteria for granting an exception to ACE graduation requirements - Sulphur 12-0132

Board Member Ford made a motion to approve the Consent Docket – Ace Appeals. Board Member Hayden seconded the motion. The motion carried with the following votes: Mr. Price, yes; Mr. Shdeed, yes; Ms. Hofmeister, yes; Mr. Hayden, yes; and Ms. Ford, yes.

## NEW BUSINESS

Board Member Ford said she has received phone calls regarding the Prague High School student being denied access of a diploma or transcripts. She was curious as to what the issue is and what was being done.

Superintendent Barresi said the SDE has not received any inquiries from the school districts regarding what has appeared in the newspaper or media reports. Other than the student being denied a diploma, she did not know the accuracy of what occurred.

Board Member Ford said the question being asked is if the school district could deny the student her diploma because of a speech she gave.

Ms. Richey said the school district does not have a sound basis for denying access to her diploma. She understands, at this time, the student's transcript has been released, and she has been able to continue her secondary education and started college. The SDE has been questioned why the SBE did not intervene, and the standard answer is these type decisions are in fact local control decisions. The law makes this very clear, and the SDE/SBE does not have a mechanism of enforcement over the school requiring them to issue her a high school diploma. Legislative authority will need to be and is being looked into. There is a no legal basis that she is aware of to withhold the diploma, and she has met all graduation requirements.

Board Member Price concurred, based on press reports, that it was absurd to deny the diploma, but the SBE did not have any power over the decision.

## PUBLIC COMMENT

Representative Jason Nelson said he noticed there had been a lot of information coming out of administrative offices, particularly in Tulsa County, in an article by Jeff Mills from Tulsa regarding a few Tulsa school districts on the OETA news station, *The Oklahoman* editorial regarding discussions needed about how we spend money, and how much money we spend. It may be news to some, but a group has been trying to do that for several years and will try again. Two questions he started with are "how much money is enough" and "how much ought to go to the classroom?" He has never gotten an answer. Even up to today there is still "yay-yaying" about state aid, so he started looking into it because maybe there was a problem. What he found when looking at Oklahoma City, Tulsa, or Jenks, referencing handouts to Board Members, was that Tulsa was approximately \$1.7 million short on state aid allocations. In looking at the carryovers, his question was where we can find the money. What he found was two-thirds of a billion dollars sitting in bank accounts in school districts scattered round the state and questioned if the money was even available. When we have had this fight before, the answer was that money was encumbered but not according to the OCAS system. According to OCAS superintendents and their administrators or fiscal officers are trained that the cash forward is the amount derived from unappropriated revenue from previous years, in other words over collections and unanticipated income and/or lapsed appropriations from previous years. So the money is not encumbered. That is a separate fund, and there is \$670-plus million dollars scattered around the 500-plus school districts in the state. This figure was a year ago and we do not have the numbers for this year but looking at what is starting to come in we find the numbers are the same or higher and anticipate a record year in terms of carryover. How honest of a discussion about how much is enough and how much ought to go to the classroom are we going to have when there is \$600-plus million dollars sitting around. When talking about going from two and a half percent to three and a half percent, it does not wash. Administrators say they have

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been protecting the classroom but look at 2007 to 2011, the percent of money that goes to instruction. Districts will say those numbers can be moved around and are reported differently. According to the OCAS handbook that should not be happening and he was reasonably familiar with the book. If you are reducing the amount of money going to education but are protecting the classroom environment, you would expect the percentage of money going to the classroom overall to increase over time. That has not happened and has been steadied approximately 55 to 56 percent every year. The 2011 fiscal year was the highest of the last three years since being in a recession for carryover. It started out with a little over \$500 million, \$600 million and now closer to \$700 million. He asked the SBE to help him and other interested legislators to track this down. There are problems that are local problems and problems that are state problems. This is one of those issues that it is going to take time and people who are willing to be honest about the numbers to come together, figure out which is the local problem and which is the state problem. We give the same money and the same mandates to every district in the state, and some do better with it than others. However, how can we cry about a few million dollars, \$63-64 million dollars that was withheld total, when there is ten times that amount sitting in school bank accounts around the state. He said he just did not get it. They will say it is encumbered, but that is not the case because he has talked to Renee McWaters and several others in the SDE finance department.

Board Member Ford asked if a district has a general fund balance June 2011 that is not encumbered money, that local district determines whether to utilize the money to offset cuts in student services. It is a local decision as to how much they keep in their savings account.

Representative Nelson said right. This is certainly fungible money, not federal money that has limited spending. He would assume the money is kept for a rainy day for things that are not foreseen. We have been digging out of a recession, and this looks like they have done a good job of managing their money. It is district by district, and he is only talking about the state numbers.

Board Member Ford said some districts have remained steady through the worst times, some down and some have gone up substantially. Broken Arrow went from \$9.4 million to \$18 million.

Representative Nelson said in one of the OETA news clips Superintendent Ballard, Tulsa Public Schools, talked about how Tulsa over three years cut \$20 million dollars. He has had his hands full with the reduction of a number of schools; it was a mess, and he should be commended for what he has been able to do there. Three years ago, Tulsa had \$26 million in carryover in 2009 at the end of the fiscal year, \$6 million in the 2010 fiscal year, and \$7.3 million at the end of the 2011 fiscal year. It is a little tighter there and they are saying because Tulsa is \$1.7 million short in the final state aid allocation and not the initial state aid allocation, which was reduced at mid-year last year. Superintendent Burden at Union Public Schools said they cut \$6.5 million over the last three years. Their lowest year of carryover was \$13.3 million but had cut \$6.5 million through the recession spread out over three years, but no one year did they have less than \$13 million. I just do not see where the fire is.

Board Member Hofmeister asked if you know at what month the new budget money will flow into the districts. Is that now or when do they actually receive funds? Not reallocation, she said. She always heard it takes six months before the districts actually get the allocation and the reason carryover is required.

Representative Nelson said what she was referring to is at the beginning. The fiscal year ends in June and the new one begins July 1. It was his understanding there are two pay periods a



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month, and for the first three pay periods and through the middle of August they have to cash flow because there is no money in their account and it starts catching up in August. He said in conversations with two different areas of the SDE that money is not there, and they are completely unencumbered funds. He would be happy to give the definition from the OCAS.

Board Member Ford asked if those are not a part of these monies.

Representative Nelson said no, they are encumbered funds. A part of the reason why we do not have the results from this June is because they allow time, at least two months, for districts to report this. Say for instance the electric, plumbing, contract or some type bill comes due it can be paid and when they report purely the carryover that is unencumbered funds and so these are discretionary funds by definition. If the school district is going to say those are encumbered, then they are reporting incorrectly and are not doing correct reporting.

Board Member Price said is it correct, too, that the school districts that have a declining enrollment such as Tulsa really benefit from the way the formula is structured in that they are still getting credit for students they lost a year or two ago. In the formula they are even more, which is part of the reason why they are benefitting substantially from the loss of students. That changes these numbers considerably, too.

Representative Nelson said there is actually a list of districts that lost their 2010 high ADM year that protect the schools from declining enrollment because there are fixed costs, contracts, etc. that go out for a year; they have allowed them for two years to collect full funding. I am not going to name names but a superintendent came with their Senator to talk with SDE staff because they just could not figure out how their numbers had gone down. Evidently, at some point in the meeting it dawned on that person they had lost their high ADM year. That accounts for it because of losing the high average year. How much is enough money and how much ought to go to the classroom. When you see that \$676...

Board Member Ford asked if he had the document that had percentages that go to the classroom versus ....

Representative Nelson said he would email the document to Board members. The document is actually from the Office of Accountability. He said he is again trying to start the discussion and is asking the questions.

Board Member Shdeed said 56 percent of the money goes to teachers, schools, students and 44 percent goes to overhead.

Representative Nelson said it depends on the district, but that is the statewide average. The information from the Office of Accountability report from 2007 indicates there are instruction, student support, instructional support, district administration, school administration, district support, other, and debt service. He requested and received an update of, understood nutrition money was 100 percent federal, and all of that is in there. Eventually he would like to see social services expenses counted as a social service, so we can get a better idea of what is really being spent on education. It does skew the numbers, and it is not money that is going to education but to those kinds of human services that are necessary before you can ever get to education. He said it is not fair for the school districts nor is it fair when the school districts have press conferences to talk about the cuts in state aid, when really it was a very responsible move because last year the initial allocation was high. Representative Nelson said he has two children in public elementary school and does not want them losing their teachers in the middle of the year, so they did the responsible thing and adjusted the state aid. People say they did not get

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enough notice. Well how much notice do you want? You realize last year they had the cut in the middle of the year so if the Legislature is going to appropriate the exact same amount of money, what do you think is going to happen? Districts will say, "Well we did not know it was going to be that high." He said well there is enough carryover to cash flow for any of what we are talking about.

Board Member Hayden said it draws the question like the middle of the year cuts if you are sitting on \$40 million in the bank why would you make a cut in the middle of year. They would be forced to cut if they are sitting on \$30 million. There are all kinds of reasons why and he liked the questions of how much do they need and how much was needed in the classroom. The third question around this is how much does need to be kept in so called "the bank account" for caution and unexplained things. We grew \$200 million and that's a...

Representative Nelson said in terms of being encumbered they may say we are going to need another roof in five years so we are saving that money. That could be the case. But I do not know if we have almost \$700 million dollars' worth of that stuff sitting around out there. Maybe there needs to be a better way of accounting for that or figuring out what is really carryover.

Board Member Hayden asked if some of it is capital that comes out of bonds.

Superintendent Barresi said in terms of construction there are limits on what they can spend from their general fund balance. If they need a new roof, a certain amount can be used.

Board Member Hofmeister asked if Representative Nelson had information or thoughts about how much the loss of federal stimulus dollars...

Representative Nelson said those numbers are all folded into here. He said talking about cash flowing until you get to the mid-year adjustment and the rest of the money is released, where is the fire?

Board Member Shdeed said Oklahoma City went from \$14 million in 2010 and the next year had approximately \$40 million. It is a huge surplus.

Board Member Ford agreed the rhetoric that seems to surround every allocation is tiring at best, on all of us. It appears from these documents that there are monies there. We should not be reading about it in the papers...

Representative Nelson said he visited a school that morning because a teacher called him in a near panic after being told teachers would be moved around to reduce classroom sizes in other buildings. Oklahoma City, a year ago, had just under \$40 million. They are down in their aid allocation. He said he has not had time to get the numbers but would be getting those as they become available. He said he would post the information and get it to the SBE and to all interested. What he was not accounting for was the increase in enrollment. Again, if we are talking about cash flowing, he had not seen an exception to the statement that you cannot cash flow with the carryover.

Superintendent Barresi said the increase in enrollment would be reflected in the mid-year.

Board Member Price said a quote he liked from the Lawton superintendent was that we should not be judged by the quality of our excuses but by our results. He said what he thought Representative Nelson was saying was we have heard excuses in education all through the years

regarding kids coming from poverty, coming from minorities and supposedly they cannot learn as well, and all those things are myths and excuses. Now we are hearing the excuse that we cannot do this because we do not have enough money, and that is a myth, too. Numbers are not showing that the number going into the classroom, if that is truly the priority, is not going up. It is relatively staying the same, which means that they are not trying to protect the classroom any more than they are in any of the other expenditures. He said it is important when we approach these issues to realize that it is reform rather than dollars that drives the process of improvement. We do not want to starve the education system, but this rhetoric that we are starving it is just not correct.

Representative Nelson said with his experience with the Department of Human Services (DHS) reform this last year it is a lot easier to justify more money when you have had the reform. What you find in a situation like child welfare is you really needed the money but if money was just put in the system, it was just good money after bad until you totally reform the system. Significant reforms happening there and he feels more comfortable recommending to his colleagues more money. Education is there, too. There is a lot of information he will be forwarding to Board members from the Office of Accountability that will include everything and demographics for each district so that we can all have a discussion. Sometimes we are comparing apples to oranges when just talking about school districts. There are two big districts, Tulsa and Oklahoma City, with over 40,000 students. Moore Public Schools is the next largest with approximately 23,000 students. Several districts are below 1,000 student populations and are very diverse groups of school districts. Maybe it is time to look at the formula and/or time to look at many things. He wants to look at the weights with special education and these things have been in the statute since the 1970's with some tweaks along the way. He agrees with *The Oklahoman* that it is time for an honest discussion about how we fund schools and the two questions to start with are "how much is enough and how much ought to go to the classroom," which is where the rubber meets the road. The same is the case with the child welfare workers. The child welfare system is not going to be any better than the investigator that goes to the door and asks the questions. He said he does not care how great the director was and at the end of the day in his son's classroom, I am not sure if he knows the superintendent if he walked down the hall, but he sure knows his teacher. He does have a great superintendent, by the way. It is a good place to start, and he has been concerned with hearing information and questions. One of the questions from the column by Jeff Mills, Director of the School Board Association, was regarding the numbers he showed for Tulsa, Jenks or Oklahoma City were short but a couple of the figures were different from what he was seeing. There is some work to be done and he wanted to start the discussion. There are a number of folks in the House and Senate that are willing to work on this. As a legislator, you hear skepticism about more money because people do not feel comfortable about how it is being spent. This idea of the carryover is not new to him and was brought to him a few years ago by a Democrat colleague who was a fellow freshman at the time. There are bipartisan concerns, and it is not a conservative or liberal idea. Everybody wants to make sure the money is going to the classroom as much as possible. As you look through the information, you will find this is a good starting point. He said he appreciated the Board's attention and willingness to listen.

Board Member Price said it relates to what we have heard nationally and internationally that we have the highest cost of administration of any country in the world. Oklahoma has the highest cost of administration of almost any state. That was the reason to push toward getting at least 65 percent in the classroom. There are great complications in trying to figure out what was in the classroom but there needs to be much more directed toward improving the quality of teachers.

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Representative Nelson said it would be helpful to know how much of it is really a social service and how it is reimbursed and those kinds of things. That would be the fair way to do it in order to know what was actually being spent. He has heard when you look at just classroom instruction and everything else, well the higher the nutrition costs are that skews your numbers. This is absolutely true, but what he likes about this spreadsheet is that it breaks it down more than that, and you can see the percentage of classroom instruction versus seven or eight other categories, and see that that remains stable when having declining revenue. Why was there not a greater effort statewide to protect that funding? Again, that is the statewide average and districts are above and below it. There may be reasons for that but again there is definitely room for improvement. When there is a lack of information and understanding of the amount of carryover and what are real needs and what does the carryover number represent and the difference in what happened with aid allocations last year and this year, it is obviously complex. He said he was bothered when 2011 was the highest year for carryover out of the last three years in the recession when we were accepting federal funds and federal teacher funds. It raises many questions, and he would love to have help getting those questions answered.

Board Member Price said one possible solution we have discussed and the State Chamber of Commerce is considering a voluntary program to help businesses go around doing performance audits at schools to look at their fiscal efficiencies. They will look at everything from lighting, group purchasing and all the things that businesses do to cut those costs. Another possible solution would be to bring that into our legislation and have the Office of Accountability, SDE or somebody that has people that are knowledgeable on how to cut costs and be able to duplicate what Superintendent Barresi has presented to us from Indiana where they cut huge costs out of the administration of schools and were able to direct that to the classroom. If there is performance audits and evaluation of schools for academics, why not have an A-F evaluation based on fiscal responsibility.

Representative Nelson said we are moving in the right direction for a state that is 100 years old and had over 5,500 school districts when becoming a state. There are currently approximately 530 school districts.

Board Member Price said what was interesting in the numbers was that some of the larger school districts were doing worse in terms of administrative costs than some of the tiny ones. Administrative cost is the real problem and not necessarily size. Size was a horrible problem when there was no ability to have online instruction, AP, and all the accoutrements of a good school. Now the key is the administrative cost and sometimes they correlate and sometimes they do not.

Superintendent Barresi said one of these days we will be glad to give you a tutorial on OCAS coding.

Board Member Hofmeister said she appreciated Representative Nelson for looking into the information. We really do need to have a very strong, robust discussion on school funding and funding the reforms.

Board Member Hayden said it does make a lot of sense in trying to understand this. How do you move forward with something like that so that when leaving this room it does not go away? Do you put people together from the SDE?

Representative Nelson said I think you start with what are your expectations and then how much is that going to cost.

Board Member Ford asked was there an interim study looking at this.

Superintendent Barresi said we have begun the discussion about getting multiple stakeholders around the table including legislators and asking is this about throwing money at it or funding success. How are we going to fund a transition to the world of technology and using that within the classroom, and enhancing opportunities for kids, how are you going to do that? Are we going to fund schools based on seat time or upon mastery of subject matter? How are we going to make sure that we are able to attract the best and the brightest into our classrooms, because this is about getting great teachers into the classroom. What do we need to be able to do that? There are many questions, and she could not agree more that it is time to begin the discussion.

Board Member Ford said she appreciated bringing the information to the SBE and to continue communicating and providing information.

Board Member Hayden said every dollar spent ought to be spent the best way that drives the greatest results. There are so many dollars and programs it makes sense for a group of different kinds of constituencies to come together and start trying to understand whether it does or does not make sense, higher or lower. There are many questions and lots to be learned which will take quite a bit of time to work through it. It will be a great project with great results.

Board Member Price said when attending a Harvard conference there was consensus with not only the people throughout the country but the world that we direct money to education in the wrong way, even teacher salaries. It is better to have people paid up front and paid incentives for performance than it does to have great big pensions on the other side, which tends to create a situation where we get more people of quality coming into the teaching profession, and it is not all money but recognition. The program presented this morning was amazing. Each of the kids received \$100 and each teacher received \$100 for each student that passed the AP test. There were tremendous incentives based in that system on trying to make the kids succeed, and that is an incentive based system that commends itself to be considered throughout the state.

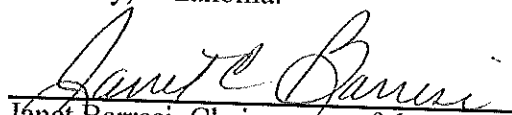
Superintendent Barresi said in her conversations with the superintendents, the teachers and faculty's efforts on behalf of the children went well beyond the incentive. It was an amazing event, and once again it shows it is possible for the whole state.

#### ADJOURNMENT

There being no further business the meeting adjourned at 4:00 p.m. Board Member Ford made a motion to adjourn and Board Member Hofmeister seconded the motion. The motion carried unanimously.

The next regular meeting of the State Board of Education will be held on Thursday, September 27, 2012, at 9:30 p.m. The meeting will convene at the State Department of Education, 2500 North Lincoln Blvd., Oklahoma City, Oklahoma.

  
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Connie Holland, Chief Executive Secretary

  
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Janet Barresi, Chairperson of the Board

OKLAHOMA STATE BOARD OF EDUCATION MEETING

AUGUST 23, 2012

Sign In Sheet  
(please print)

Name	Business-School-Agency	Address
Pat Jordan	OCTP	OKC
Tom Pickens	EOC Test Center	Chokwe
Ted Brewer	"	" "
Joe Wickhart	UCO	Edmond, OK
Paul Richards	Haworth Schools	Haworth
Bradley Richards	Haworth Schools	Haworth
Anna Frazier	"	"
John Burreck	Cooked Oak	OKC
Roger Hill	ODCTE	STW
Ratic Overlap	ODCTE	STW
Kevin Burt	Alpha Plus	
Michael Burtong	Hobart Schools	Hobart
Steve Muller	CTB	OICC
Monte Thompson	Sapulpa Public Schools	
Alicia Priest	Professional Oklahoma Educators	Norman OK
Carol Eversan	JPS	Edmond, OK
Kim Hickey	Wagoner Public School	Wagoner, OK
	Wagoner Public School	Wagoner, OK
	DEA	
	Pearson	SAW
	Strothe Public Schools	Seminole, OK
	Tulsa World	Tulsa

OKLAHOMA STATE BOARD OF EDUCATION MEETING

AUGUST 23, 2012

Sign In Sheet  
(please print)

Name	Business-School-Agency	Address
Erin Beckman	eCapitol	
Jolyn Rose	Hubert Elementary	





Oklahoma State Department of Education

State Board Of Education  
**2012-2013 Oklahoma First-Year Superintendents**

Thursday, August 23, 2012

*KEVIN BURR*  
SAPULPA Public Schools

Clayton Edwards  
Stigler Public Schools

Ronal Flanagan  
Muldrow Public Schools

Marsha Gore  
McAlester Public Schools

Monty Guthrie  
Pocola Public Schools

Cindy Hackney  
Anadarko Public Schools

Clemo Haddox  
South Coffeyville Public School

Tracie Hale  
Lone Star Public School

Sharon Herrington  
Haskell Public Schools

Cynthia Hunter  
Springer Public Schools

Billie Jordan  
Keys Public Schools

Tina Judkins  
LeFlore Public Schools

Chuck Karpe  
Geronimo Public Schools

Jeff Kelly  
Erick Public Schols

Tracy Kincannon  
Frontier Public Schools

*Kevin Burr*

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*Cynthia Hunter*

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Oklahoma State Department of Education

State Board Of Education  
**2012-2013 Oklahoma First-Year Superintendents**  
Thursday, August 23, 2012

**Whitney Allen**  
Milfay Public School

**Kathy Berry**  
Nowata Public Schools

**Tyler Bridges**  
Pleasant Grove Public School

**Krista Burden**  
Oak Grove Public Schools

**Kevin Burr**  
Sapulpa Public Schools

**Stephen Carroll**  
Hardesty Public Schools

**Ryan Cole**  
Zaneis Public School

**Kaylin Coody**  
Hilldale Public Schools

**Curtis Curry**  
Porum Public Schools

**Pam Deering**  
Mid-Del Public Schools

**Marilyn Dewoody**  
Hulbert Public Schools

**Robbie Dorsey**  
Drumright Public Schools

**Tommy Eaton**  
Bowlegs Public Schools

*Curtis Curry*

