

TEXAS HIGHER EDUCATION COORDINATING BOARD

Agency Operations Committee

VIA LIVE BROADCAST

April 21, 2021; 11:30 a.m.

(or upon adjournment of the Committee on Academic Workforce and Success meeting,
whichever occurs later)

*Ricky A. Raven,
Chair
Emma W. Schwartz
Vice Chair
S. Javaid Anwar
Cody C. Campbell
Fred Farias III, O.D.
Levi D. McClenny,
Student Representative,
Ex-Officio
Stuart W. Stedman
Ex-Officio*

PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or any other time. For procedures on testifying, please go to <http://www.highered.texas.gov/public-testimony>.

- I. Welcome and Committee Chair's opening remarks
- II. Approval of the minutes
 - A. January 20, 2021, committee meeting
- III. Public testimony on agenda items relating to the Agency Operations Committee
- IV. Agency operations
 - A. Report on grants and contracts
 - B. Update on the 87th Texas Legislature
- V. Finance
 - A. Review of the Fiscal Year 2021 Financial Report to the Board
 - B. Consideration of authorization to enter into an agreement with the Office of the Attorney General (OAG), File and Serve Express, Texas Easy Serve, and Travis County Courts to continue to provide collection services for the agency's student loan program. The amount of the combined agreements is estimated to be \$2,700,000 for a two-year period beginning 9/1/2021.
- VI. Internal Audit
 - A. Update on Internal Audit reports and activities
 - (1) A follow-up of performance measure recommendations made by the State Auditor's Office
 - (2) Status assessment of corrective action plan implementation to address AT&T and NTT Texas Cybersecurity Assessment Reports

Note: Highlighted items in gray are on the Consent Calendar

- B. Discussion of Statements on Auditing Standards No. 114, The Auditor's Communication with Those Charged with Governance

VII. Compliance monitoring

- A. Update on Compliance Monitoring reports and activities
 - (1) A Compliance Monitoring Desk Review of Formula Funding at Coastal Bend College
 - (2) A Compliance Monitoring Desk Review of Formula Funding at Frank Phillips College
 - (3) A Compliance Monitoring Desk Review of Formula Funding at Odessa College
 - (4) A Compliance Monitoring Desk Review of Formula Funding at University of North Texas at Dallas
 - (5) A Compliance Monitoring Follow Up Review of the Nursing Shortage Reduction Program at Clarendon College
 - (6) A Follow Up Review of the Nursing Shortage Reduction Program at The University of Texas of the Permian Basin
 - (7) A Compliance Monitoring Desk Review of Formula Funding at University of Houston – Clear Lake

VIII. Executive session

- A. Pursuant to Texas Government Section 551.076, the Board will meet in closed session to discuss security recommendations from a Department of Information Resources contractor

IX. Adjournment

The Texas Higher Education Coordinating Board Agency Operations Committee may convene in Executive Session at any point in this meeting, concerning any item listed in the agenda or to seek or to receive its attorney's advice on legal matters related thereto, pursuant to Texas Government Code Ann. 551.071.

Note: The Board will not consider or act upon any item before the Agency Operations Committee at this meeting. This meeting is not a regular meeting of the full Board. Because the number of Board members who may attend the committee meeting may create a quorum of

Note: Highlighted items in gray are on the Consent Calendar

the full Board, the meeting of the Agency Operations Committee is also being posted as a meeting of the full Board.

Texas Penal Code Section 46.035(c) states: "A license holder commits an offense if the license holder intentionally, knowingly, or recklessly carries a handgun under the authority of Subchapter H, Chapter 411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter." Thus, no person can carry a handgun and enter the room or rooms where a meeting of the THECB is held if the meeting is an open meeting subject to Chapter 551, Government Code.

***Please Note** that this governmental meeting is, in the opinion of counsel representing THECB, an open meeting subject to Chapter 551, Government Code and THECB is providing notice of this meeting as required by Chapter 551. In addition, **please note** that the written communication required by Texas Penal Code Sections 30.06 and 30.07, prohibiting both concealed and open carry of handguns by Government Code Chapter 411 licensees, will be posted at the entrances to this governmental meeting.*

Note: Highlighted items in gray are on the Consent Calendar

Agency Operations Committee

AGENDA ITEM I

Welcome and Committee Chair's opening remarks

Mr. Ricky Raven, Chair of the Agency Operations Committee, will provide the committee an overview of the items on the agenda.

Agency Operations Committee

AGENDA ITEM II

Consideration of approval of the minutes from January 20, 2021, committee meeting

RECOMMENDATION: Approval

DRAFT
TEXAS HIGHER EDUCATION COORDINATING BOARD
Agency Operations Committee

Wednesday, January 20, 2021; 11:48 a.m.

Via Live Broadcast

The Agency Operations Committee convened at 11:48 a.m. on January 20, 2021, with the following members present: Ricky Raven, presiding; Emma Schwartz; Javaid Anwar; Cody Campbell; Fred Farias; Stuart Stedman (Ex-Officio); and Levi McClenny (Ex-Officio).

Other Board members present: Sam Torn; Donna Williams; and Welcome Wilson

Members absent: None

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's Opening Remarks	Chair, Ricky Raven, called the video conference meeting of the Agency Operations Committee to order and called the role. All members were present. A quorum was met.
II. Consideration of Approval of the Minutes from October 21, 2020, Committee Meeting	On a motion by Mr. Torn, seconded by Mr. Anwar, the committee approved the October 21, 2020, Agency Operations Committee meeting minutes. Vote: Five in favor, none against.
III. Public Testimony	No action required.
IV. Agency Operations	
A. Report on grants and contracts	Ms. Nichole Bunker-Henderson, General Counsel, and Ms. Linda Natal, Director of Contract & Grant Management, were available for questions. This item did not require any action.
B. Update on 87th Texas Legislature	Mr. John Wyatt, Senior Director for External Relations, presented this item to the committee and was available for questions. This item did not require any action.
VI. Finance	

AGENDA ITEM	ACTION
A. Review of the Fiscal Year 2021 Financial Report to the Board	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the committee and was available for questions. This item did not require any action.
B. Consideration of approving the issuance of a Request for Proposals for selection of a vendor for Bond Counsel relating to the performance of legal services for the agency in support of the student loan bond program	<p>On a motion by Dr. Farias, seconded by Ms. Schwartz, the committee approved the issuance of a request for proposals for selection of a vendor for bond counsel relating to the performance of legal services for the agency in support of the student loan bond program. Vote: Five in favor, none against.</p> <p>Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the committee and was available for questions.</p>
C. Consideration of approving a two-year extension for the student loan software contract with Nelnet	<p>On a motion by Mr. Raven, seconded by Mr. Anwar, the committee approved a two-year extension for the student loan software contract with Nelnet. Vote: Five in favor, none against.</p> <p>Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the committee and was available for questions.</p>
VII. Internal Audit	
A. Update on Internal Audit Reports and Activities	Mr. Mark Poehl, Assistant Commissioner for Internal Audit and Compliance, and Mr. Paul Maeyaert, Assistant Director of Internal Audit and Compliance, presented this item to the committee and were available for questions. This item did not require any action.
VII. Compliance Monitoring	
A. Update on Compliance Monitoring Reports and Activities	Mr. Mark Poehl, Assistant Commissioner for Internal Audit and Compliance, and Mr. Paul Maeyaert, Assistant Director of Internal Audit and Compliance, presented this item to the committee and were available for questions. This item did not require any action.
VIII. Adjournment	On a motion by Mr. Campbell, seconded by Mr. Anwar, the meeting adjourned at

AGENDA ITEM	ACTION
	approximately 12:08 p.m. Vote: Five in favor, none against

Agency Operations Committee

AGENDA ITEM III

Public Testimony on agenda items relating to the Agency Operations Committee

RECOMMENDATION: No action required

Background Information:

PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or any other time as determined by the presiding chair.

Agency Operations Committee

AGENDA ITEM IV-A

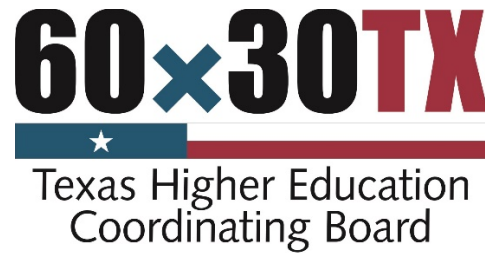
Report on grants and contracts

RECOMMENDATION: No action required

Background Information:

Title 19 Texas Administrative Code, Title 19, Rule 1.16(j) establishes that any contract for the purchase of goods or services that exceeds \$1 million may be entered into only if the contract is approved and signed by the Commissioner, to whom the Board of the Texas Higher Education Coordinating Board (THECB), by virtue of this rule, delegates such approval and signature authority. In addition to the Board receiving a quarterly report on *Contracts Executed by the Agency in Accordance with Board Rule 1.16*, the THECB staff also provides the Board a quarterly report highlighting and listing all grants and contracts exceeding \$1 million.

Linda Natal, Director of Contracts and Procurements, is available to answer questions.



Texas Higher Education Coordinating Board

Contracts Executed by the Agency in Accordance with Board Rule 1.16

November 17, 2020 – March 8, 2021

Division	Contract	Performing Agent	Description	Active Date	Total \$
Academic Planning & Policy	23762	UT Austin Thompson Conf Center	Texas Higher Education Leadership Conference	12/1/2020	11,000.00
Academic Planning & Policy	24269	American Institutes for Research C/O JP Morgan Chase	No-Cost Extension Amendment	3/2/2021	0.00
Academic Quality and Workforce	24068	National Association of State Administrators and Supervisors of Private Schools	Membership Renewal National Association of State Administrators and Supervisors of Private Schools	11/30/2020	495.00
Academic Quality and Workforce	24166	Dispute Resolution Center	Professional Development Training Basic Mediation	1/26/2021	950.00
Academic Quality and Workforce	24147	AVIS-SPL LLC	Zoom Meeting Pro	1/13/2021	137.91
Academic Quality and Workforce	24147	AVIS-SPL LLC	Zoom Add On Webinar	1/13/2021	1,288.00
Academic Quality and Workforce	23984	Brustein & Manasevit	Federal Grants Management Training	11/19/2020	7,500.00
Academic Quality and Workforce	24149	National Alliance for Partnerships in Equity Inc	Registration and Pre Conference Fees Educational Equity Summit	2/9/2021	1,135.00
Academic Quality and Workforce	23101	Texas Education Agency	No-Cost Extension Amendment	11/30/2020	0.01
Academic Quality and Workforce	23869	Baylor College of Medicine	Family Practice Residency Program	12/29/2020	114,402.00
Academic Quality and Workforce	23870	Baylor University Medical Center (Dallas)	Family Practice Residency Program	11/18/2020	43,582.00
Academic Quality and Workforce	23880	Memorial Hermann Hospital System	Family Practice Residency Program	1/7/2021	228,804.00
Academic Quality and Workforce	23881	Methodist Health System	Family Practice Residency Program	12/23/2020	98,059.00
Academic Quality and Workforce	23884	Scott & White FPRP	Family Practice Residency Program	2/2/2021	98,059.00
Academic Quality and Workforce	23886	Texas A&M Health Science Center	Family Practice Residency Program	12/23/2020	157,984.00
Academic Quality and Workforce	23887	Christus St Michael's Hospital DBA Christus Health ARK-LA-TEX	Family Practice Residency Program	12/23/2020	65,373.00
Academic Quality and Workforce	23890	Texas Tech Univ Health Science Center	Family Practice Residency Program	12/23/2020	642,831.00
Academic Quality and Workforce	23892	University of North Texas Health Science Center at Fort Worth	Family Practice Residency Program	12/23/2020	92,611.00
Academic Quality and Workforce	23893	The University of Texas at Austin	Family Practice Residency Program	2/8/2021	114,402.00
Academic Quality and Workforce	23894	The University of Texas Health Science Center at Houston	Family Practice Residency Program	12/23/2020	196,118.00
Academic Quality and Workforce	23895	The University of Texas Health Science Center at San Antonio	Family Practice Residency Program	12/23/2020	234,252.00
Academic Quality and Workforce	23901	Valley Baptist Medical Center	Family Practice Residency Program	2/4/2021	81,716.00
Academic Quality and Workforce	23989	The University of Texas Health Science Center at Houston	Negative Amendment Emergency and Trauma Care Education Program	1/21/2021	-49,400.38
Academic Quality and Workforce	23991	Baylor College of Medicine	Negative Amendment Emergency and Trauma Care Education Program	1/25/2021	-17,550.00
Academic Quality and Workforce	23992	John Peter Smith Hospital	Negative Amendment Emergency and Trauma Care Education Program	1/25/2021	-17,550.00
Academic Quality and Workforce	23994	Scott & White Memorial Hospital	Negative Amendment Emergency and Trauma Care Education Program	1/25/2021	-20,475.00
Academic Quality and Workforce	23995	Texas Tech Univ Health SC - El Paso (774)	Negative Amendment Emergency and Trauma Care Education Program	1/25/2021	-17,550.00
Academic Quality and Workforce	23996	The University of Texas at Austin	Negative Amendment Emergency and Trauma Care Education Program	1/25/2021	-20,475.00
Academic Quality and Workforce	23997	The University of Texas Health Science Center at Houston	Negative Amendment Emergency and Trauma Care Education Program	1/25/2021	-11,700.00
Academic Quality and Workforce	23998	The University of Texas Health Science Center at San Antonio	Negative Amendment Emergency and Trauma Care Education Program	1/25/2021	-20,475.00
Academic Quality and Workforce	23999	The University of Texas Southwestern Medical Center	Negative Amendment Emergency and Trauma Care Education Program	1/25/2021	-20,475.00
Academic Quality and Workforce	24055	Adam Hutchison	No Cost Extension	1/5/2021	0.00
Academic Quality and Workforce	24065	Annette Ferguson	No Cost Extension	1/7/2021	0.00
Academic Quality and Workforce	24067	Brian Bell	No Cost Extension	1/5/2021	0.00
Academic Quality and Workforce	24072	The University of Texas System	Texas Child Mental Health Care Consortium Amendment	12/28/2020	749,947.00
Academic Quality and Workforce	24081	University of North Texas Health Science Center at Fort Worth	Faculty Development Center	2/8/2021	102,110.62
Academic Quality and Workforce	24120	Texas State University	GEER Funds Open Educational Resources	1/4/2021	5,000.00
Academic Quality and Workforce	24124	Jeffery T Walker	Virtual Site Visit	12/22/2020	1,000.00
Academic Quality and Workforce	24127	Harvey S. Borovetz	Virtual Site Visit	1/5/2021	1,000.00
Academic Quality and Workforce	24130	Alison L Barth	Virtual Site Visit	1/14/2021	1,000.00
Academic Quality and Workforce	24131	Michael E Davis	Virtual Site Visit	1/14/2021	1,000.00
Academic Quality and Workforce	24134	Edward Maguire	Virtual Site Visit	1/5/2021	1,000.00
Academic Quality and Workforce	24137	James Forest	Virtual Site Visit	12/30/2020	1,000.00
Academic Quality and Workforce	24142	Kenneth R Bartlett	Desk Review	1/22/2021	500.00
Academic Quality and Workforce	24154	George J Hicks	Desk Review	1/28/2021	500.00
Academic Quality and Workforce	24159	Jacqueline Corcoran	Desk Review	2/8/2021	500.00
Academic Quality and Workforce	24249	Mary Jo Loughran	Desk Review	2/8/2021	500.00
Academic Quality and Workforce	24259	Collin County Community College District	GEER Funds Open Educational Resources	2/25/2021	25,000.00
Academic Quality and Workforce	24262	Texas A&M University-Corpus Christi	GEER Funds Open Educational Resources	2/25/2021	23,059.00
Academic Quality and Workforce	24264	Tarrant County College District	GEER Funds Open Educational Resources	3/3/2021	5,000.00
Academic Quality and Workforce	24265	Texas State University	GEER Funds Open Educational Resources	2/25/2021	5,000.00
Academic Quality and Workforce	24267	The University of Texas at Tyler	GEER Funds Open Educational Resources	3/1/2021	5,000.00
Academic Quality and Workforce	24276	Dallas College	No Cost Extension	3/5/2021	0.00
College Readiness and Success	24244	Texaan Organization	Registrations Fees Texas Academic Advising Network Virtual Conference	2/1/2021	350.00
College Readiness and Success	24250	SXSW	Registration Fees SWSWedu Online	2/10/2021	115.00
College Readiness and Success	24020	Lockbox Objectwin Technology Inc	Tempoary Personnel Developer Analyst 3 Core	12/1/2020	22,610.00
College Readiness and Success	24021	Esolvit Inc	Tempoary Personnel Developer Analyst 3 Core	11/19/2020	24,904.32
College Readiness and Success	24160	Lockbox Objectwin Technology Inc	Tempoary Personnel Developer Analyst 3 Core	1/19/2021	14,440.00
College Readiness and Success	24161	Esolvit Inc	Tempoary Personnel Developer Analyst 3 Core	2/9/2021	10,987.20
College Readiness and Success	24163	Shi Government Solutions Inc	LED Monitor	1/22/2021	592.02
College Readiness and Success	24163	Shi Government Solutions Inc	HD Standard Cable Kit	1/22/2021	24.00
College Readiness and Success	24163	Shi Government Solutions Inc	Wireless Mouse	1/22/2021	58.80
College Readiness and Success	24333	Tarleton State University	College Readiness and Success Models	3/8/2021	19,067.00
College Readiness and Success	24334	Texas A&M University	College Readiness and Success Models	3/8/2021	37,500.00
Commissioner's Office	24241	Carahsoft Technology Corp	Research Core 3 Response Tier	2/9/2021	42,960.53
Commissioner's Office	24241	Carahsoft Technology Corp	Research Core Tier Two Advance Feature	2/9/2021	4,210.53

AGENDA ITEM IV-A

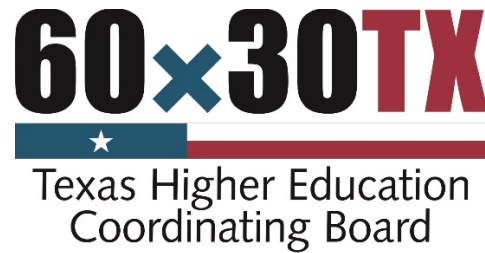
Contracts Executed by the Agency in Accordance with Board Rule 1.16

Division	Contract	Performing Agent	Description	Active Date	Total \$
Commissioner's Office	24271	University of Chicago	Subscriptions to The Chicago Manual of Style Online	2/23/2021	41.00
Commissioner's Office	24273	American Copy Editors Society Inc	Membership Renewal American Copy Editors Society	2/24/2021	75.00
Commissioner's Office	24290	Workquest Temps	Temporary Personnel Engineer VI	2/22/2021	14,928.10
Commissioner's Office	24173	GTS Technology Solutions Inc	Wireless Mouse	2/2/2021	35.19
Commissioner's Office	24323	ACFE	Membership Dues Association of Certified Fraud Examiners	2/25/2021	225.00
Commissioner's Office	24324	ACFE	Membership Dues Association of Certified Fraud Examiners	2/25/2021	225.00
Commissioner's Office	24047	Workplace Resource LLC	Office Chair	11/19/2020	878.80
Commissioner's Office	24174	University of Texas at Austin - UT Copy Center	Information Cards	2/4/2021	29.10
Commissioner's Office	24175	Baker & Taylor LLC	Book	1/28/2021	26.36
Commissioner's Office	24202	Texas Correctional Industries	Constitutional Chair	1/27/2021	700.00
Commissioner's Office	24243	State Higher Education Executive Officers	Membership Dues State Higher Education Executive Officers Association	2/3/2021	22,254.00
Commissioner's Office	24258	Association of Governing Boards of Universities and Colleges	Membership Dues Association of Governing Boards of Universities and College	2/23/2021	3,595.00
Commissioner's Office	24308	CDW Government Inc	Office Supplies	2/24/2021	80.98
Commissioner's Office	24125	GTS Technology Solutions Inc	Smartsheet Licenses	1/4/2021	2,999.80
Commissioner's Office	24136	R W Gonzalez Office Products Inc	Office Supplies	1/4/2021	188.13
Commissioner's Office	24150	V Quest Office Machines & Supplies LTD	Office Supplies	1/8/2021	137.28
Commissioner's Office	24327	University of Texas at Austin - UT Copy Center	Envelopes	2/25/2021	203.00
Commissioner's Office	24052	West Publishing Corporation	Legal Research Website	11/19/2020	5,563.35
Commissioner's Office	24135	University of Texas School of Law	Registration Fees UT Law CLE Courses	1/6/2021	190.00
Commissioner's Office	24171	University of Texas at Austin Testing & Eval	Registration Fees Certified Texas Contract Developer Exam	2/2/2021	130.00
Commissioner's Office	24256	Texas Comptroller of Public Accounts	Registration Fees Certified Texas Contract Developer Training	2/8/2021	375.00
Compliance Monitoring	24071	State Auditors Office	Professional Development Virtual Training Neuro Linguistic Programming	11/30/2020	449.00
Compliance Monitoring	24132	State Auditors Office	Professional Development Virtual Training Red Flags Symptoms and Indicators of Fraud	12/16/2020	249.00
Compliance Monitoring	24138	State Auditors Office	Professional Development Virtual Training Writing Effective Audit Reports	12/22/2020	429.00
Compliance Monitoring	24162	Austin Area Chapter of CFE	Professional Development Webinar A Case Study Disappearing Printer Ink	1/15/2021	40.00
Compliance Monitoring	24191	ACFE	Professional Development Virtual Training A Case Study Disappearing Printer Ink	1/26/2021	40.00
Financial Services	24278	V Quest Office Machines & Supplies LTD	Electronic Badge Cards.	2/23/2021	199.00
Financial Services	24048	Governor's Center for Management Development	Registration Fee for The Management Development Program Seminar	11/18/2020	725.00
Financial Services	24050	Governor's Center for Management Development	Registration Fee for The Management Development Program Seminar	11/18/2020	1,450.00
Financial Services	24140	HOV Services Inc	Renewal of Support and Maintenance for Microfilm Machine	12/30/2020	1,427.74
Financial Services	24167	Workquest Temps	Temporary Personnel Executive Assistant III	1/22/2021	17,784.75
Financial Services	24248	Workquest Temps	Temporary Personnel Customer Serv Rep V	2/9/2021	10,122.24
Financial Services	24328	MeridianLink Inc	Electronic Credit Decisioning Database Subscription	3/4/2021	9,073.84
Financial Services	24049	Governor's Center for Management Development	Registration Fee for The Management Development Program Seminar	11/18/2020	725.00
Information Solutions & Services	24053	Shi Government Solutions Inc	Renewal of Siteimprove Web Governance Suite Software License	12/17/2020	20,948.00
Information Solutions & Services	24054	Shi Government Solutions Inc	Software EntGov50 Box	11/23/2020	435.00
Information Solutions & Services	24133	Insight Public Sector Inc	Adobe Licenses Renewal and New	12/17/2020	26,100.12
Information Solutions & Services	24168	Tx Dept of Info Resources-DCS	Data Center Services for DCS Vendors	1/27/2021	150,000.00
Information Solutions & Services	24217	Shi Government Solutions Inc	Micro Focus	2/11/2021	47,658.30
Information Solutions & Services	24242	Shi Government Solutions Inc	BTO MAC Mini and Apple Care	2/4/2021	1,099.54
Information Solutions & Services	24315	Broadleaf IT LLC	No Cost Extension	2/12/2021	0.00
Information Solutions & Services	24340	Survey Monkey Com LLC c/o Bank of America Lockbox Services	Subscription Renewal for SurveyMonkey Advantage Annual Plan	3/4/2021	384.00
Perkins Compliance Admin	24344	Brustein & Manasevit	Virtual Spring Forum Brustien and Manasevit	3/5/2021	945.00
Perkins Compliance Admin	24345	Brustein & Manasevit	Virtual Spring Forum Brustien and Manasevit	3/5/2021	945.00
Perkins Compliance Admin	24346	Brustein & Manasevit	Virtual Spring Forum Brustien and Manasevit	3/5/2021	945.00
Strategic Planning and Funding	24073	Texas Workforce Comm. BSS Only	Automated Student and Adult Learner Follow Up Study	12/30/2020	7,824.81
Strategic Planning and Funding	24128	V Quest Office Machines & Supplies LTD	Office Supplies	12/17/2020	37.62
Strategic Planning and Funding	24177	Texas Assn For Institutional Research	Registration Fess Texas Assn For Institutional Research Conference	1/27/2021	250.00
Strategic Planning and Funding	24022	Baker & Taylor LLC	Books	11/17/2020	186.00
Strategic Planning and Funding	24126	Leadership Austin	Registration Fees Leadership Virtual Training	12/16/2020	375.00
Strategic Planning and Funding	24139	Workquest Temps	Temporary Personnel Program Specialist III	1/6/2021	26,544.00
					3,481,256.61
Memorandum of Understanding (\$0 Contract Amount)					
College Readiness and Success	24144	The University of Texas at San Antonio	Support for the Virtual Advising Project	1/22/2021	0.00
Financial Services	24001	Tri Docs LP DBA Act Houston at Dallas	State Financial Aid Program No Cost Extension Amendment	12/9/2020	0.00
Financial Services	24003	A Career in Teaching McAllen	State Financial Aid Program No Cost Extension Amendment	12/9/2020	0.00
Financial Services	24004	Educators of Excellence	State Financial Aid Program No Cost Extension Amendment	1/21/2021	0.00
Financial Services	24005	Region I-Edu Service Center	State Financial Aid Program No Cost Extension Amendment	12/16/2020	0.00
Financial Services	24006	Region VII-Edu Service Center	State Financial Aid Program No Cost Extension Amendment	12/9/2020	0.00
Financial Services	24007	Region IV-Edu Service Center	State Financial Aid Program No Cost Extension Amendment	1/7/2021	0.00
Financial Services	24008	Region X-Edu Service Center	State Financial Aid Program No Cost Extension Amendment	12/9/2020	0.00
Financial Services	24009	Region XI-Edu Service Center	State Financial Aid Program No Cost Extension Amendment	1/19/2021	0.00
Financial Services	24010	Region XII- Edu Service Center	State Financial Aid Program No Cost Extension Amendment	12/16/2020	0.00

AGENDA ITEM IV-A

Contracts Executed by the Agency in Accordance with Board Rule 1.16

Division	Contract	Performing Agent	Description	Active Date	Total \$
Financial Services	24011	Region XIII- Edu Service Center	State Financial Aid Program No Cost Extension Amendment	1/11/2021	0.00
Financial Services	24012	Region XIV- Edu Service Center	State Financial Aid Program No Cost Extension Amendment	12/28/2020	0.00
Financial Services	24014	Region XIX-Edu Service Center	State Financial Aid Program No Cost Extension Amendment	12/9/2020	0.00
Financial Services	24015	Region XX-Edu Service Center	State Financial Aid Program No Cost Extension Amendment	1/11/2021	0.00
Financial Services	24017	Teacher Builder	State Financial Aid Program No Cost Extension Amendment	1/12/2021	0.00
Strategic Planning & Funding	24038	The University of Texas System	Research Collaboration Agreement	1/5/2021	0.00



Texas Higher Education Coordinating Board

Contracts Executed by the Agency Over \$1 Million

November 17, 2020 – March 8, 2021

Contracts Executed by the Agency Over \$1 Million

Division	Contract	Performing Agent	Description	Active Date	Total \$
Academic Quality and Workforce	24080	Odessa College	GEER Funds Texas Reskilling Support Fund Grant Program	12/17/2020	1,500,000.00
Academic Quality and Workforce	24086	Dallas College	GEER Funds Texas Reskilling Support Fund Grant Program	12/17/2020	1,500,000.00
Academic Quality and Workforce	24114	El Paso Community College	GEER Funds Texas Reskilling Support Fund Grant Program	12/17/2020	1,500,000.00
Academic Quality and Workforce	24294	Odessa College	GEER Funds Texas Reskilling Support Fund Grant Program	3/5/2021	1,500,000.00
Academic Quality and Workforce	24312	Texas State University	GEER Funds Texas Reskilling Support Fund Grant Program	3/5/2021	1,500,000.00
Academic Quality and Workforce	24101	Collin County Community College District	GEER Funds Texas Reskilling Support Fund Grant Program	12/17/2020	1,287,500.00
Academic Quality and Workforce	24117	Temple College	GEER Funds Texas Reskilling Support Fund Grant Program	12/17/2020	1,024,605.00
					9,812,105.00

Agency Operations Committee

AGENDA ITEM IV-B

Update on the 87th Texas Legislative Session

RECOMMENDATION: No action required

Background Information:

The 87th Texas Legislature convened on January 12, 2021.

John Wyatt, Senior Director for External Relations, will provide an update on agency activities to assist lawmakers and support effective higher education policies during the legislative session.

Agency Operations Committee

AGENDA ITEM V-A

Review of the Fiscal Year 2021 Financial Report to the Board

RECOMMENDATION: No action required

Background Information:

During each quarterly committee meeting, the Finance Department provides a financial report summarizing the agency's fiscal-year-to-date budgetary and financial activities. This is a financial management report that is developed for both agency and Board use. Staff may revise this report periodically to present the most relevant information.

Key points:

- This report reflects data through the second quarter of Fiscal Year (FY) 2021.
 - September 1, 2020, through February 28, 2021.
- The report is distributed to agency executive management on a monthly basis.
- Report overview:
 - Budget adjustments are primarily related to carrying forward of unexpended balances from FY 2020 into FY 2021.
 - College Access Loan volume is about 8% lower than previous year's level.
 - A bond sale is anticipated to occur in July 2021 to fund new loans up to \$180 million for the 2021-22 academic year. The agency received in January approval from the Bond Review Board for the tax exempt bond allocation.
 - The sale of bonds to refund the 2011 bonds is anticipated to take place in July of 2021. The actual sale date may vary based on market conditions.
 - Many programs require various levels of contract approval. Therefore, encumbrances or expenditures for some programs may take longer and will typically be reflected later in the fiscal year.
 - The Graduate Medical Education (GME) Expansion program is projected to receive \$11.8 million from the GME permanent fund to fund additional residency positions. This is \$800,000 higher than originally appropriated.
 - The Texas OnCourse initiative is reflected in this report. The budget and expense activities are consolidated within the administrative strategy A.1.1. College Readiness and Success.

Ken Martin, Assistant Commissioner for Financial Services/CFO, will present this item to the committee and is available to answer any questions.

Agency Operations Committee

AGENDA ITEM V-B

Consideration of authorization to enter into an agreement with the Office of the Attorney General (OAG), File and Serve Express, Texas Easy Serve, and Travis County Courts to continue to provide collection services for the agency's student loan program. The amount of the combined agreements is estimated to be \$2,700,000 for a two-year period beginning 9/1/2021.

RECOMMENDATION: Approval

Background Information:

In 2009, the agency entered into an interagency agreement with the Office of the Attorney General (OAG) to provide collections services in support of the agency's student loan program. The loan default collection team is comprised of nine dedicated staff. This contract is for Fiscal Years (FYs) 2022 and 2023.

Since the inception of the agreement, the annual collections on defaulted student loans has increased from \$3.5 million in FY 2009 to over \$10 million in FY 2020.

Key points:

- This request is to allow for the continuance of the noted agreements for Fiscal Years 2022 and 2023.
- The THECB will reimburse the OAG for: the direct costs of the collections team, OAG related staff time, and various ancillary services that are utilized to support the litigation process. These costs related to collections activity will be limited to \$683,000 per year for a total of \$1.37 million for the biennium. This includes a 2% increase from the current biennium. The current Fiscal Year 2020-21 biennial limit is \$669,500.
- Within this agreement, Financial Services will be required to pay for ancillary services from various vendors selected by the OAG. These services include citation issuing services, case filing and court costs. The annual estimated cost of citation issuing services is \$170,000. Court costs are projected at \$25,000, and filing fees are projected at \$450,000.
- The contract requires final approval by the OAG.
- Since this is related to legal services, the utilization of another vendor would require OAG approval.

Ken Martin, Assistant Commissioner for Financial Services/CFO, and Rachel Obaldo, Assistant Attorney General, Bankruptcy & Collections Division, will present this item to the Committee and are available to answer any questions.

Agency Operations Committee

AGENDA ITEM VI-A

Update on Internal Audit reports and activities

RECOMMENDATION: No Action Required

Background Information:

The Internal Audit team completed two projects during the reporting period since the January 2021 Agency Operations Committee meeting. The final reports are attached.

Internal Audit Engagements Completed

- (1) *A follow up of performance measure recommendations made by the State Auditor's Office*
- (2) *Status assessment of corrective action plan implementation to address AT&T and NTT Texas Cybersecurity Assessment Reports*

Internal Audit Projects in Progress as of 3/12/21	Stage of Project
Audit of Borrower Services	Reporting/Closure
FY 2021 Follow Up Reviews for various prior projects	Fieldwork
Audit of Formula Funding (Health Related Institutions)	Planning

Other Internal Audit Activities

- Continued transition to new TeamMate cloud-based audit software
- Coordination of External Audit(s)
 - Financial Statement Audit - KPMG
 - SAO Audit – SB 65 audit response
 - State of Texas Single Audit - CLA
- Various activities related to federal grants compliance including participation in grant committee meetings and federal grant compliance training
- Legislative requests to proposed legislation and other inquiries

The final reports are attached. Mark Poehl, Assistant Commissioner, Internal Audit and Compliance, and Paul Maeyaert, Assistant Director, Internal Audit and Compliance, will present this item to the committee and are available to answer questions.



TEXAS HIGHER EDUCATION COORDINATING BOARD

AGENDA ITEM VI-A.1

P.O. Box 12788 Austin, Texas 78711

January 4, 2021

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Harrison Keller, Ph.D.
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Dr. Harrison Keller
Commissioner of Higher Education
1200 E. Anderson Lane
Austin, TX 78752

Dear Dr. Keller:

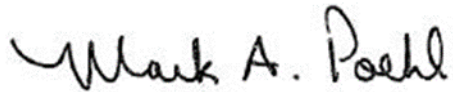
The Texas Higher Education Coordinating Board implemented audit recommendations from the *State Auditor's Office Audit of Performance Measures at the Higher Education Coordinating Board*, Report No. 19-047, issued August 2019 by completing the following:

- Updating written policies and procedures to ensure key and non-key performance measures include detailed steps for creating and retaining documentation of reviews and calculations of key and non-key performance measures,
- Performing and documenting reviews of performance measure results entered into Automated Budget and Evaluation System of Texas (ABEST), and
- Strengthening data collection by updating transmission procedures to ensure data collected by institutions is accurate.

Our consideration of internal control was for the compliance purposes of reasonably confirming the status of prior audit recommendations and was not designed to identify all deficiencies in internal control. THECB Internal Audit is independent per the Generally Accepted Government Auditing Standards (GAGAS) requirements for internal auditors.

If you have any questions or comments, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl". The signature is written in a cursive style with a large, stylized 'M' and 'P'.

Mark A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Ms. Michelle Koog, CFE, CISA, Internal Auditor

CC:

THECB

Board Members

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Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. Ray Martinez, Deputy Commissioner for Academic Quality and Workforce

Ms. Lori Fey, Deputy Commissioner for Data Analytics and Innovation

Ms. Nichole Bunker-Henderson, General Counsel

Mr. Ken Martin, Assistant Commissioner for Financial Services and Chief Financial Officer

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Deputy Assistant Commissioner

Information Solutions and Services

Ms. Zhenzhen Sun, Assistant Commissioner for Information Solutions and Services

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning

Ms. Emily Cormier, Assistant Commissioner for Strategic Planning

Academic Quality and Workforce

Dr. Stacey Silverman, Assistant Commissioner for Academic Quality and Workforce

College Readiness and Success

Dr. Jerel Booker, Assistant Commissioner for College Readiness and Success

State Auditor's Office

Internal Audit Coordinator

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Ms. Jennifer Jones, Director

Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director



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February 1, 2021

Dr. Harrison Keller
Commissioner of Higher Education
1200 E. Anderson Lane
Austin, TX 78752

Dear Dr. Keller,

The July 2020 status report provided by management to the Agency Operations Committee was accurate regarding actions taken to implement the recommendations in the NTT Texas Cyber Security Assessment Report at the Texas Higher Education Coordinating Board, issued June 2017, and AT&T Texas Cyber Security Assessment Report at the Texas Higher Education Coordinating Board, issued August 2019. (see Appendix 1).

Both reports included a security program maturity assessment following control objectives based on the Texas Cybersecurity Framework (TCF) and the DIR (Department of Information Resources) Security Control Standards Catalog.

Our review focused on:

1. assessing the accuracy of management's most recent report of corrective action status, dated August 2020.
2. consideration of actions taken between our first assessment conducted in Fiscal Year 2018, and our second assessment for Fiscal Year 2020.
3. assessing compliance with select provisions of agency information security policy, such as, implementing data classification, integrating data classification with data loss prevention (DLP), and establishing a program to monitor security control compliance by external service providers on an ongoing basis.

Our status assessment provides an outside evaluation of the agency's information security program as required on a biennial basis by Texas Administrative Code Chapter 202 Information Security. We reviewed both NTT and AT&T assessments and obtained a status update with relevant documentation to determine the implementation status.

We conducted this review in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted this review in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives. We further acknowledge that, as internal auditors, we are independent according to the requirements specified in Government Auditing Standards. Our consideration of internal control was for the compliance purposes described in the objective/scope section and was not designed to identify all deficiencies in internal control.

The NTT and AT&T assessments provided 73 recommendations divided into five categories. The most significant recommendations related to areas where the “**maturity**” of a scored element was at level two, on a scale of zero to level five. NTT initially scored 34 of 73 of its recommendations as level two maturity. Later assessment by AT&T resulted as level three maturity to all 73 recommendations. Maturity levels zero to five are defined in Appendix 2.

Details	# of Recommendations
Recommendations Reported by NTT Data at Level 2	34
Areas Remaining at Level 2, Verified by Internal Audit	0
Recommendations Reported by AT&T Data at Level 2	0
Recommendations Reported by AT&T Data at Level 3	73

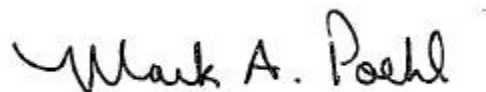
Status of Recommendations	# of Recommendations	Management's Comment
Completed	31	On Going Monitoring
In Progress	42	Future actions pending upon availability of resources.

To comply with security policy as identified in DIR security control standards, ISS:

- Implemented the processes for identifying and classifying data to provide consistency across the enterprise. All the Microsoft Applications now have a default setting, 'sensitive'. Users as well as data owners can change the default setting as appropriate.
- Implemented technical controls that integrate data classification with Data Loss Prevention (DLP) in order to enforce data protection policies. This includes preventing sensitive data from being transmitted over public networks or copied to portable devices without encryption.
- Implemented House Bill (HB) 3834 by working with General Counsel to ensure external service providers such as contractors, complete agency Cybersecurity Awareness Training as a condition to gaining network access.

If you have any questions or comments, please let me know.

Sincerely,



Mark A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Mr. Aporajita Ahmed, CPA, CFE, CITP, CGMA, CICA, Certified Cybersecurity Professional, Internal Audit lead

CC:

THECB

Board Members

Commissioner's Office

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff
Ms. Nicole Bunker-Henderson, General Counsel
Ms. Zhenzhen Sun, Assistant Commissioner for Information Solutions and Services

STATUTORY DISTRIBUTION REQUIREMENT

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Appendix 1

Update on the FY2020 Key Security Initiatives Implementation Roadmap

Zhenzhen Sun
Assistant Commissioner/CIO
Information Solutions and Services

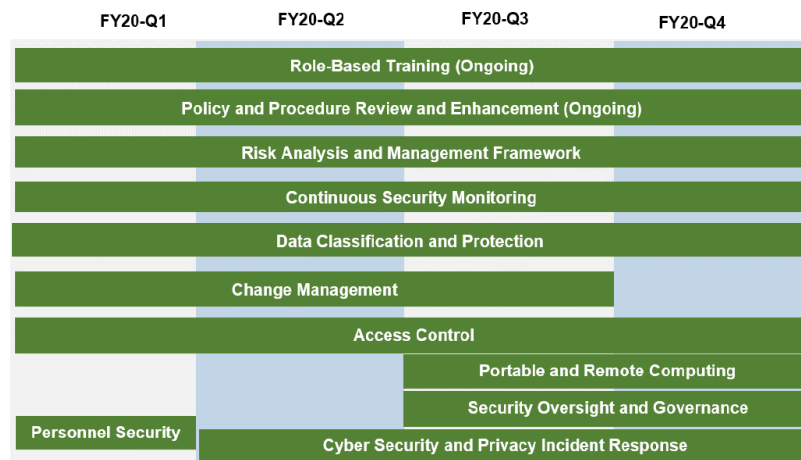


Peter Donton
Information Security Officer
Information Solutions and Services

AOC – July 22, 2020



FY2020 Security Initiatives Implementation Roadmap



9







FY2020 Maturity Level Forecasting




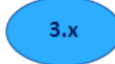
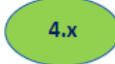

Objective	Control Area	FY2019	Aug 2020
Identify	Data Classification	3	3.50
Identify	Enterprise Security Policy, Standards and Guidelines	3	3.00
Identify	Control Oversight and Safeguard Assurance	3	3.00
Identify	Information Security Risk Management	3	3.25
Identify	Security Assessment and Authorization	3	3.00
Identify	External Vendors and Third Party Providers	3	3.50
Identify	Security Oversight and Governance	3	3.25
Protect	Cryptography	3	3.00
Protect	Change Management	3	3.00
Protect	Security Systems Management	3	3.00
Protect	Security Awareness and Training	3	3.50
Protect	Privacy Awareness and Training	3	3.25
Protect	Secure Configuration Management	3	3.00
Protect	Physical and Environmental Protection	3	3.50
Protect	Personnel Security	3	3.00
Detect	Security Monitoring and Event Analysis	3	3.50
Respond	Cyber-Security Incident Response	3	3.50
Respond	Privacy Incident Response	3	3.00



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Appendix 2

NTT Maturity Levels					
LEVEL 0: Non-Existent. There is no evidence of the organization meeting objective	LEVEL 1: Initial. The organization has an ad hoc, inconsistent, or reactive approach to meeting the objective.	LEVEL 2: Repeatable. The organization has a consistent overall approach to meeting the objective, but it is still mostly reactive and undocumented. The organization does not routinely measure or enforce policy compliance.	LEVEL 3: Defined. The organization has a documented, detailed approach to meeting the objective, and regularly measures its compliance.	LEVEL 4: Managed. The organization uses an established risk management framework to measure and evaluate risk and integrate improvements beyond the requirements of applicable regulations.	LEVEL 5: Non-Existent. The organization has refined its standards and practices focusing on ways to improve its capabilities in the most efficient and cost-effective manner.
Control Objective Maturity Indicators					
					

AT&T					
Maturity Levels					
LEVEL 0: Non-Existent There is no evidence of the organization meeting the objective.	LEVEL 1: Initial The organization has an ad hoc, inconsistent, or reactive approach to meeting the objective.	LEVEL 2: Consistent The organization has a consistent overall approach to meeting the objective, but it is still mostly reactive and undocumented. The organization does not routinely measure or enforce policy compliance.	LEVEL 3: Defined The organization has a documented, detailed approach to meeting the objective, and regularly measures its compliance.	LEVEL 4: Risk-Based The organization uses an established risk management framework to measure and evaluate risk and integrate improvements beyond the requirements of applicable regulations.	LEVEL 5: Optimized The organization has refined its standards and practices focusing on ways to improve its capabilities in the most efficient and cost-effective manner.
Control Objective Maturity Indicators					
					

Agency Operations Committee

AGENDA ITEM VI-B

Discussion of Statements on Auditing Standards No. 114, The Auditor's Communication with Those Charged with Governance

RECOMMENDATION: No action required

Background Information:

In accordance with the requirements of the Statements on Auditing Standards No. 114, the Board's external auditor, KPMG LLP, will be discussing their responsibility under generally accepted auditing standards. The discussion will include the auditor's responsibility for forming and expressing an opinion on whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly in all material respects and in conformity with generally accepted accounting principles.

The auditor will also communicate an overview of the planned scope and timing of the audit, as well as financial risk areas.

Susan Warren, Audit Partner with KPMG LLP, will present this item to the committee and be available for questions.

Agency Operations Committee

AGENDA ITEM VII-A

Update on Compliance Monitoring reports and activities

RECOMMENDATION: No action required

Background Information:

The Compliance Monitoring team completed seven projects during the reporting period since the January 2021 Agency Operations Committee meeting. The final reports are attached. There were no findings for these projects.

- (1) A Compliance Monitoring Desk Review of Formula Funding at Coastal Bend College*
- (2) A Compliance Monitoring Desk Review of Formula Funding at Frank Phillips College*
- (3) A Compliance Monitoring Desk Review of Formula Funding at Odessa College*
- (4) A Compliance Monitoring Desk Review of Formula Funding at University of North Texas at Dallas*
- (5) A Compliance Monitoring Follow Up Review of the Nursing Shortage Reduction Program at Clarendon College*
- (6) A Follow Up Review of the Nursing Shortage Reduction Program at The University of Texas of the Permian Basin*
- (7) A Compliance Monitoring Desk Review of Formula Funding at University of Houston – Clear Lake*

Projects in Progress as of 3/12/21	Stage of Project
Coastal Bend College – (Follow Up on Prior Engagement)	Fieldwork
Sul Ross State University (Formula Funding)	Fieldwork
Southwest Texas Junior College (Formula Funding)	Fieldwork
Lamar Institute of Technology (Formula Funding)	Fieldwork
Galveston College (Formula Funding)	Planning
Paris Junior College (Formula Funding)	Planning
Prairie View A&M University (Formula Funding)	Planning
Alvin College (Formula Funding)	Planning
Hill College (TEOG)	Planning

Other Compliance Monitoring Activities

- Working with Texas Southern University regarding financial aid eligibility questions associated with report on admissions irregularities

The final reports are attached. Mark Poehl, Assistant Commissioner, Internal Audit and Compliance, and Paul Maeyaert, Assistant Director, Internal Audit and Compliance, will present this item and are available to answer questions.



TEXAS HIGHER EDUCATION COORDINATING BOARD

AGENDA ITEM VII-A.1

P.O. Box 12788 Austin, Texas 78711

December 17, 2020

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Dr. Justin Hoggard, President
Coastal Bend College
3800 Charco Road
Beeville, TX, 78102

Dear Dr. Hoggard,

Coastal Bend College complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, in the areas of contact hour eligibility, tuition payments, and enrollments.

Summary

Our review included tests of relevant enrollment data reported and certified by Coastal Bend College for accuracy and completeness in accordance with TAC, Chapter 13. Our desk review focused on the following enrollment data and time periods:

- Semester Credit Hours and Tuition Payments for CBM001 (Student Report) during summer semester 2019, fall semester 2019, and spring semester 2020;
- Contact Hours and Enrollment for CBM004 (Class Report) during summer semester 2019, fall semester 2019, and spring semester 2020; and
- Contact Hours and Enrollment for CBM00C (Continuing Education Class Report) during summer semester 2019, fall semester 2019, and spring semester 2020.

Our work included procedures to verify:

- Student tuition payment was received in accordance with requirements;
- Reported contact hours were eligible for formula funding; and
- Reported enrollment was eligible for formula funding.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this review, please let me know

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl".

Mark A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Ms. Jamyen Robinson-Hall, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Lori Fey, Deputy Commissioner, Data Analytics and Innovation

Mr. Ray Martinez, Deputy Commissioner, Academic Affairs and Workforce Education

Ms. Nichole Bunker-Henderson, General Counsel

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner

Ms. Emily Cormier, Assistant Commissioner

Coastal Bend College

Mr. Carroll W. Lohse, Chairman, Board of Trustees

Dr. Patricia Rehak, Provost and Chief Academic Officer

Ms. Candy Fuller, Director, Admissions and Registrar

Texas Association of Community Colleges

Mr. Jacob Fraire, President and Chief Executive Officer

State Auditor's Office

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Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director



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January 22, 2021

Dr. Glendon Forgey, President
Frank Phillips College
1301 Roosevelt Street
Borger, Texas 79007

RE: A Compliance Monitoring Desk Review of Formula Funding at Frank Phillips College

Dear Dr. Forgey,

Frank Phillips College complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, Subchapter F in the areas of student contact hour eligibility, tuition payment, and enrollment.

Summary

Our review included tests of relevant enrollment data reported and certified by Frank Phillips College for accuracy and completeness in accordance with Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, Subchapter F.

Our desk review focused on the following enrollment data and time periods:

- Contact Hours and Tuition Payments for CBM001 (Student Report) during summer 2019, fall 2019, and spring 2020;
- Enrollment for CBM004 (Class Report) during summer 2019, fall 2019, and spring 2020; and
- Enrollment for CBM00C (Continuing Education Class Report) during summer 2019, fall 2019, and spring 2020.

Our work included procedures to verify:

- Reported contact hours were eligible for formula funding;
- Student tuition payments were received in accordance with requirements; and
- Reported enrollment was eligible for formula funding.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this review, please let me know.

Sincerely,

Mark A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Ms. Shebah Washington, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Lori Fey, Deputy Commissioner, Data Analytics and Innovation

Mr. Ray Martinez, Deputy Commissioner, Academic Affairs and Workforce Education

Ms. Nichole Bunker-Henderson, General Counsel

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner, Strategic Planning

Ms. Emily Cormier, Assistant Commissioner, Funding

Frank Phillips College

Mr. Scott Radach, Chair, Board of Regents

Mr. Jud Hicks, Former President

Ms. Michele Stevens, Director of Enrollment Management

Dr. Shannon Carroll, Executive Vice President for Academic Affairs

Ms. Terry Langwell, Chief Financial Officer

Ms. Patty Kasch, IT Service Manager

Ms. Jackie Brand, Director for Special Projects

Texas Association of Community Colleges

Mr. Jacob Fraire, President and Chief Executive Officer

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Mr. Christopher Mattsson, Assistant Director



TEXAS HIGHER EDUCATION COORDINATING BOARD

AGENDA ITEM VII-A.3

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March 1, 2021

Dr. Gregory D. Williams, President
Odessa College
201 W. University Blvd.
Odessa, Texas 79764

Dear Dr. Williams,

Odessa College complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, Subchapter F, Sections 13.100-13.109 in the areas of contact hours eligibility, tuition payments, and enrollments.

Summary

Our review included tests of relevant enrollment data reported and certified by Odessa College for accuracy and completeness in accordance with TAC, Title 19, Part 1, Chapter 13, Subchapter F, Sections 13.100-13.109.

Our desk review focused on the following enrollment data and time periods:

- Semester Credit Hours and Tuition Payment for CBM001 (Student Report) during summer 2019, fall 2019, and spring 2020;
- Contact Hours and Enrollment for CBM004 (Class Report) during summer 2019, fall 2019, and spring 2020; and
- Contact Hours and Enrollment for CBM00C (Continuing Education Class Report) during summer 2019, fall 2019, and spring 2020.

Our work included procedures to verify:

- Student tuition payment was received in accordance with requirements;
- Reported contact hours were eligible for formula funding;
- Reported enrollment was eligible for formula funding; and
- Evidence of academic credentials were maintained to support required instructor qualifications.

This Compliance Monitoring report will be presented to the Texas Higher Education Coordinating Board (THECB) Committee on Agency Operations, a standing committee of the THECB Board, on April 21, 2021.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,

Mark A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Ms. Carol Conner, CFE, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Lori Fey, Deputy Commissioner, Data Analytics and Innovation

Mr. Ray Martinez, Deputy Commissioner, Academic Affairs and Workforce Education

Ms. Nichole Bunker-Henderson, General Counsel

Data Analytics and Innovation

Dr. Julie Eklund, Assistant Commissioner, Strategic Planning

Ms. Emily Cormier, Assistant Commissioner, Funding

Odessa College

Mr. Tommy Clark, President, Board of Trustees

Mr. Ken Zartner, Vice President of Administrative Services

Ms. Brandy Ham, Chief Financial Officer

Mr. Patrick Cannady, Director of Network Services

Texas Association of Community Colleges

Mr. Jacob Fraire, President

State Auditor's Office

Internal Audit Coordinator

Sunset Advisory Commission

Ms. Jennifer Jones, Director

Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director





TEXAS HIGHER EDUCATION COORDINATING BOARD

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January 11, 2021

Dr. Robert Mong, President
University of North Texas at Dallas

Dallas, Texas 75241

RE: Desk Review of Formula Funding at University of North Texas at Dallas

Dear Dr. Mong,

University of North Texas at Dallas complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with the Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, in the areas of student semester credit hour eligibility, tuition payment, and enrollment. There were no reportable conditions resulting from this engagement.

Summary

Our review included tests of relevant enrollment data reported and certified by University of North Texas at Dallas for accuracy and completeness in accordance with the TAC, Title 19, Part 1, Chapter 13. Our desk review focused on the following enrollment data and time periods:

- Semester Credit Hours and Tuition Payments for CBM001 (Student Report) during summer 2019, fall 2019, and spring 2020; and
- Enrollment for CBM004 (Class Report) during summer 2019, fall 2019, and spring 2020.

Our work included procedures to verify:

- Reported semester credit hours were eligible for formula funding;
- Student tuition payment was received in accordance with requirements;
- Reported enrollment was eligible for formula funding; and
- Evidence of academic credentials were maintained to support required instructor qualifications.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this review, please let me know.

Sincerely,

Mark A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Ms. Carol Conner, CFE, Compliance Specialist

CC:

THECB

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January 11, 2021

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Mr. Tex Buckhaults, President
Clarendon College
1122 College Drive
PO Box 968
Clarendon, TX 79226

RE: A Compliance Monitoring Follow Up Review of the Nursing Shortage
Reduction Program at Clarendon College

Dear Mr. Buckhaults:

Clarendon College implemented the recommendation in our prior report, *A Compliance Monitoring Audit of the Nursing Shortage Reduction Program at Clarendon College* (THECB-CM-FA-19-014), which was issued in November 2019.

Management implemented the recommendation by:

- Updating their policies and procedures to provide that Nursing Shortage Reduction Program awards are separated by award type, program, and by year, to maintain compliance with Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter S, Section §22.508 and with program requirements and standards.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl". The signature is written in a cursive style with a large, stylized "M" and "P".

Mark. A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Ms. Elizabeth M. Steele, Compliance Specialist

CC:

THECB

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Dr. Sandra Woodley, President
The University of Texas of the Permian Basin
4901 East University
Odessa, TX 79762

RE: A Compliance Monitoring Follow Up Review of the Nursing Shortage
Reduction Program at The University of Texas of the Permian Basin

Dear Dr. Woodley:

The University of Texas of the Permian Basin implemented the recommendations in our prior report, *A Compliance Monitoring Audit of the Nursing Shortage Reduction Program at The University of Texas of the Permian Basin* (THECB-CM-FA-19-020), which was issued in November 2019.

Management implemented the recommendations by:

- Revising policies and separating awards under the Nursing Shortage Reduction Program by award type, NSRP program, and by year in order to comply with Texas Administrative Code §22.508 and with program requirements and standards;
- Refunding \$1,671.75 in reported Nursing Shortage Reduction Program travel expenditures to the Texas Higher Education Coordinating Board; and
- Revising practices and properly allocating travel expenses charged in whole or in part to an externally funded project to comply with the University of Texas of the Permian Basin Travel Policy requirements.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl". The signature is written in a cursive, flowing style.

Mark. A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Ms. Elizabeth M. Steele, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

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March 1, 2021

Dr. Ira Blake, President
University of Houston - Clear Lake
2700 Bay Area Boulevard
Houston, TX 77058

RE: A Compliance Monitoring Desk Review of Formula Funding at University of Houston-
Clear Lake

Dear Dr. Blake,

University of Houston – Clear Lake complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, Subchapter F, Section 13.100, in the areas of student semester credit hour eligibility, tuition payment, and enrollment.

Summary

Our review included tests of relevant enrollment data reported and certified by University of Houston – Clear Lake for accuracy and completeness in accordance with TAC, Title 19, Part 1, Chapter 13, Subchapter F, Section 13.100. Our desk review focused on the following enrollment data and time periods:

- Semester Credit Hours and Tuition Payments for CBM001 (Student Report) during summer 2019, fall 2019, and spring 2020; and
- Enrollment for CBM004 (Class Report) during summer 2019, fall 2019, and spring 2020.

Our work included procedures to verify:

- Reported semester credit hours were eligible for formula funding;
- Student tuition payments were received in accordance with requirements; and
- Reported enrollment was eligible for formula funding.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this review, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl".

Mark A. Poehl, CPA, CIA, CISA, CFE
Assistant Commissioner, Internal Audit and Compliance

PERFORMED BY:

Ms. Jamyen Robinson-Hall, Compliance Specialist

CC:

THECB

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Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director

Agency Operations Committee

AGENDA ITEM VIII-A

Pursuant to Texas Government Code Section 551.076, the Board will meet in closed session to discuss security recommendations from a Department of Information Resources contractor

Recommendation: No action required

Background Information:

Texas Administrative Code §2054.059 requires that the Texas Department of Information Resources (DIR) develop strategies and a framework for the securing of cyber infrastructure by state agencies.

DIR subsequently worked with a committee of agency representatives and private sector reviewers to develop a framework and template that can help agencies comply with requirements.

Most recently, DIR contracted with AT&T Cybersecurity Services to conduct an assessment of the alignment of state agencies' cybersecurity infrastructure with the Texas Cybersecurity Framework.

AT&T consultants have performed an assessment of the THECB's cybersecurity infrastructure and will present their findings to the Board.

Ms. Zhenzhen Sun, Assistant Commissioner for Information Solutions and Services/Chief Information Officer, and Mr. Peter Donton, Information Security Officer, will be available to answer questions.