

TEXAS HIGHER EDUCATION COORDINATING BOARD
Committee on Agency Operations

Wednesday, July 25, 2018

**Board Room, 1st Floor
Room 1.170**

2:00 p.m.

1200 East Anderson Lane, Austin, Texas

The Committee on Agency Operations convened at 2:00 p.m. on July 25, 2018, with the following members present: John Steen, presiding; Fred Farias; Javaid Anwar; and Stuart Stedman (Ex-Officio).

Members absent: Michael Plank; Ricky Raven

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's Opening Remarks	Chair John Steen called the meeting of the Committee on Agency Operations to order and announced that a quorum was met for this Committee meeting.
II. Consideration of Approval of the Minutes from April 25, 2018, Committee Meeting	On a motion by Dr. Farias, seconded by Mr. Anwar, the Committee approved the April 25, 2018, Agency Operations Committee meeting minutes.
III. Public Testimony on Agenda Items Relating to the Committee on Agency Operations	No action required.
IV. Agency Operations	
A. Consideration of adopting the Commissioner's recommendation to the Committee relating to the agency's Legislative Appropriation Request for Fiscal Years 2020 and 2021	Ms. Linda Battles, Deputy Commissioner for Agency Operations and Communications/Chief Operating Officer, presented this item to the Committee. On a motion by Dr. Farias, seconded by Mr. Anwar, the Committee approved the agency's Legislative Appropriation Request for FY 2020 and 2021.
B. Report on grants and contracts, including those exceeding \$1 million	No action required. Mr. Bill Franz, General Counsel was available for questions.

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C. Final report on the key initiatives recommended by NTT Data regarding the Agency Cybersecurity Framework	Ms. Zhenzhen Sun, Assistant Commissioner for Information Solutions and Services, and Mr. John House, Information Security Officer, presented the final report to the committee regarding the Agency Cybersecurity Framework. This item did not require any action.
D. Consideration of adopting the Commissioner's recommendation to the Committee relating to proposed amendments to Chapter 1, Subchapter C, Sections 1.83 and 1.84 of Board rules concerning Agency Administration (Standards of Conduct)	On a motion by Mr. Anwar, seconded by Dr. Farias, the Committee approved the proposed amendments to the rules concerning Standards of Conduct.
E. Discussion of the Governor's Office new requirement to review all proposed rules introduced by state agencies prior to submission to the <i>Texas Register</i>	Ms. Linda Battles, Deputy Commissioner for Agency Operations and Communications/Chief Operating Officer, and Bill Franz, General Counsel, were available to answer questions. This item did not require any action.
V. Finance	
A. Consideration of adopting a resolution authorizing the issuance of State of Texas College Student Loan Bonds in one or more series; and delegation of the authority for administration and approval of the activities necessary to complete the sale of the private activity bonds	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the Committee. Mr. Richard Donoghue, McCall Parkhurst & Horton (bond counsel) and Mr. Lee Donner, Hilltop Securities, Inc. (financial advisor), were available to answer any questions regarding the proposed resolution authorizing the issuance of the bonds, the delegation, the authority to approve all final terms of the bonds, or the delegation of authority to file for the state's allocation of private activity volume cap. On a motion by Dr. Farias, seconded by Mr. Anwar, the Committee approved the resolution.
B. Review of the Fiscal Year to Date 2018 Financial Report to the Board	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the Committee. This item did not require any action.

AGENDA ITEM	ACTION
VI. Internal Audit	
A. Discussion of the Audit of the Agency-Wide Financial Statements for Fiscal Year Ended August 31, 2017 by KPMG, LLP	Mr. David Harwood with KPMG, LLP presented this item to the Committee. This item did not require any action.
B. Consideration of adopting the Commissioner's recommendation to the Committee relating to the Annual Internal Audit Plan for Fiscal Year 2019	Mr. Mark Poehl, Director of Internal Audit and Compliance, presented this item to the Committee. On a motion by Dr. Farias, seconded by Mr. Anwar, the Committee approved the Annual Internal Audit Plan for FY 2019.
C. Update on Internal Audit Reports and Activities	Mr. Mark Poehl, Director of Internal Audit and Compliance, presented this item to the Committee. This item did not require any action.
VII. Compliance Monitoring	
A. Consideration of adopting the Commissioner's recommendation to the Committee relating to the Annual Compliance Monitoring Plan for Fiscal Year 2019	Mr. Mark Poehl, Director of Internal Audit and Compliance, presented this item to the Committee. On a motion by Dr. Farias, seconded by Mr. Anwar, the Committee approved the Annual Compliance Monitoring Plan for FY 2019.
B. Update on Compliance Monitoring Reports and Activities	Mr. Mark Poehl, Director of Internal Audit and Compliance, presented this item to the Committee. This item did not require any action.

With no further business, on a motion by Dr. Farias, seconded by Mr. Anwar, the meeting adjourned at approximately 3:37 p.m.