

**TEXAS HIGHER EDUCATION COORDINATING BOARD  
Committee on Agency Operations**

**Wednesday, July 29, 2009  
Board Room, 2nd Floor  
Room 2.140  
1:00 p.m.**

**MINUTES**

**Committee Members Present:** Joe B. Hinton, Chair, Brenda Pejovich Vice Chair, Fred W. Heldenfels IV, Elaine Mendoza, A.W. "Whit" Riter, (Ex-Officio), and Robert V. Wingo.

**Other Members Present:** Laurie Bricker, Heather Morris, Dr. Lyn Phillips.

**Member Absent:** Robert Shepard

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The meeting convened at 1:30 p.m.

**I. Welcome and Committee's Chair Opening Remarks**

*Chairman Hinton called the meeting to order and welcomed everyone to the Committee on Agency Operations (AOC) meeting.*

**II. Approval of Minutes from the April 29, 2009, Agency Operations Committee meeting**

*On motion by Brenda Pejovich, seconded by Robert Wingo, the April 29, 2009, Agency Operations Committee meeting minutes were approved.*

**III. Deputy Commissioner's Report**

A. Quarterly Financial Report

*Arturo Alonzo announced to the members that a new version of the quarterly financial report will be forthcoming.*

B. Facilities Update

*Arturo Alonzo provided an update on the process related to the leasing of facilities.*

C. Report on increase to contract with Bond Counsel, V&E

*Bill Franz, General Counsel reported on this item. Bill Franz informed members that the contract ending August 31, 2009 with Vinson & Elkins was capped at \$500K but was increased to \$600K due to bond related issues.*

- D. Report on the license plate program

*Arturo Alonzo reported on this item and provided an update on the license plate program.*

#### **IV. Auditing**

- A. Consideration of Approval of Internal Audit Reports on:

- 1. Financial Aid and Enrollment Audit of Houston Community College

*On motion by Brenda Pejovich, seconded by Fred Heldenfels, the Committee approved to accept the report, Financial Aid and Enrollment Audit of Houston Community College.*

- B. Discussion of Updates on External Audits

*Tony Tegbe provided the following external audit updates:*

***U.S. Department of Education (DOE)*** – Discussion continues on resolution of outstanding issues.

***Audit of State Financial Aid Program by State Auditor's Office (SAO)*** – THE SAO is conducting an audit of the state financial aid programs at seven higher education institutions and will release the report in January 2010.

***A-133 Audit by State Auditor's Office (SAO) and KPMG, LLP*** – The SAO is planning the A-133 audit for fiscal year ending August 31, 2009 for the federal loan program. Fieldwork will start in the fall. The SAO outsources the Federal Perkins program to KPMG, LLP and plans to start fieldwork in September 2009.

***State Comptroller of Public Accounts Office Audit*** – The State Comptroller's office has conducted a post-payment audit at the Coordinating Board. The scope of their audit included Accounts Payable, Payroll and Human Resources. The results of the audit are pending.

- C. Consideration of adopting the Commissioner's recommendation to the Committee regarding approval of the report on Audits of Agency's Loan Program and Agency-wide Financial Statements for fiscal year ended August 31, 2008 by KPMG, LLP

*A representative of KPMG, LLP presented the results of the FY 08 financial statements audit. For the third consecutive year, KPMG issued a non-qualified opinion on the CB's financial statements. No material weaknesses were noted by the auditors in their report. On motion by Fred Heldenfels, seconded by Brenda Pejovich, the committee approved the report on Audits of Agency's Loan Program and Agency-wide Financial Statements for fiscal year ended August 31, 2008 by KPMG, LLP.*

- D. Consideration of approval of Annual Internal Audit Work Plan for Fiscal Year 2010

*This item was withdrawn from the agenda.*

## Agency Operations

- A. Consideration of adopting the Commissioner's recommendation to the Committee regarding the Coordinating Board's operating budget for Fiscal Year 2010

*On motion by Robert Wingo, seconded by Fred Heldenfels, the Committee approved the Coordinating Board's operating budget for Fiscal Year 2010.*

- B. Consideration of authorizing the continuation of active advisory committees which will expire on August 31, 2009, unless continued by the Board

*On motion by Fred Heldenfels, seconded by Robert Wingo, the Committee approved the authorization of the continuation of active advisory committees which would expire on August 31, 2009, unless approved by the Board.*

- C. Consideration of adopting the Commissioner's recommendation for an amendment to section 1.16 of Board rules, concerning contracts and grants for materials and services

*On motion by Fred Heldenfels, seconded by Brenda Pejovich, the Committee approved the amendment to section 1.16 of Board rules, concerning contracts and grants for materials and services.*

- D. Consideration of adopting the Commissioner's recommendation for a new section 1.19 of Board Rules, concerning education and training of Board administrators and employees pursuant to section 656.048 of the Texas Government Code

*On motion by Brenda Pejovich, seconded by Robert Wingo, the Committee approved a new section 1.19 of Board Rules, concerning education and training of Board administrators and employees pursuant to section 656.048 of the Texas Government Code.*

- E. Consideration of adopting the Commissioner's recommendation relating to an amendment to the Memorandum of Understanding between Texas Higher Education Coordinating Board and College for All Texans Foundation: *Closing the Gaps*

*On motion by Robert Wingo, seconded by Fred Heldenfels, the Committee approved the amendment to the Memorandum of Understanding between Texas Higher Education Coordinating Board and College for All Texans Foundation: Closing the Gaps.*

- F. Consideration of adopting the staff recommendation relating to the distribution of funds trustee to support medical and graduate medical education for Fiscal Year 2010 and report on trustee funds distributed in Fiscal Year 2009

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the distribution of funds trustee to support medical and graduate medical education for Fiscal Year 2010 and report on trustee funds distributed in Fiscal Year 2009.*

- G. Consideration of adopting the staff recommendation relating to the Norman Hackerman Advanced Research Program, request for approval of Program Announcement for 2009 Competition

*On motion by Fred Heldenfels, seconded by Robert Wingo, the Committee approved the Norman Hackerman Advanced Research Program, Program Announcement for 2009 Competition.*

- H. Consideration of adopting the staff recommendation relating to the Carl D. Perkins Career and Technical Education Improvement Act funds to colleges and consortia for Basic Grant, Tech-Prep, and Leadership activities for program year 2009-2010

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the Carl D. Perkins Career and Technical Education Improvement Act funds to colleges and consortia for Basic Grant, Tech-Prep, and Leadership activities for program year 2009-2010.*

- I. Consideration of adopting the staff recommendation relating to the revisions to the College Access Challenge Grant, Fiscal Years 2009 and 2010
  - 1. Request for extension and amendment of Texas Counseling Association contract

*On motion by Fred Heldenfels, seconded by Robert Wingo, the Committee approved the request for extension and amendment of the Texas Counseling Association contract.*

- 2. Request to fund the addition of a Web Portal component to CollegeforAllTexans.com, Fiscal Year 2009

*On motion by Fred Heldenfels, seconded by Robert Wingo, the Committee approved the request to fund the addition of a Web Portal component to CollegeforAllTexans.com, Fiscal Year 2009.*

- 3. Approval to issue Request for Applications for College Connection 2+2+2 Programs, Fiscal Year 2010

*On motion by Fred Heldenfels, seconded by Robert Wingo, the Committee approved the request to issue Request for Applications for College Connection 2+2+2 Programs, Fiscal Year 2010.*

- 4. Approval of second-year funding of College Connection (\$240,000), College Connection 2+2+2 (\$969,556), and Community Partnership Programs (\$849,324)

*On motion by Robert Wingo, seconded by Fred Heldenfels, the Committee approved the second-year funding of College Connection (\$240,000), College Connection 2+2+2 (\$969,556), and Community Partnership Programs (\$849,324).*

- J. Consideration of requests for the purchase of materials or services in excess of \$100,000 and less than \$750,000:
  - 1. Request to extend a contract for HELMS Student Loan software annual usage fee for Fiscal Year 2010 based on a 12-month term with a not-to-exceed amount of \$675,000

*On motion by Brenda Pejovich, seconded by Robert Wingo, the Committee approved to extend contract for HELMS Student Loan software annual usage fee for Fiscal Year 2010 based on a 12-month term with a not-to-exceed amount of \$675,000.*

2. Request approval of the Fiscal Year 2010 purchase, in the estimated amount of \$120,000, of network services through an interagency contract with the Department of Information Resources

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved for Fiscal Year 2010 purchase, in the estimated amount of \$120,000, of network services through an interagency contract with the Department of Information Resources.*

3. Request approval of the purchase of printing services through an interagency contract with The University of Texas System for a not-to-exceed amount of \$750,000, the purchase will be through a blanket, two-year contract without obligation

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the purchase of printing services through an interagency contract with The University of Texas System for a not-to-exceed amount of \$750,000; the purchase will be through a blanket, two-year contract without obligation.*

4. Request approval of a purchase of services through a contract regarding the Adult Basic Education Transitions Project, Fiscal Year 2010

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved a purchase of services through a contract regarding the Adult Basic Education Transitions Project, Fiscal Year 2010.*

5. Request approval of a purchase of services through a contract regarding the College and Career Readiness Standards Regional Meetings, Fiscal Year 2009

*On motion by Brenda Pejovich, seconded by Robert Wingo, the Committee approved a purchase of services through a contract regarding the College and Career Readiness Standards Regional Meetings, Fiscal Year 2009.*

6. Request approval of a purchase of services through a contract regarding the Model Vertical Alignment Projects, Fiscal Year 2009

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved a purchase of services through a contract regarding the Model Vertical Alignment Projects, Fiscal Year 2009.*

7. Request approval of a purchase of services through a contract for testing fees for evaluation purposes regarding Intensive Summer Programs and Summer Bridge-Transition Programs, Fiscal Year 2009

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the request of a purchase of services through a contract for testing fees for evaluation purposes*

*regarding Intensive Summer Programs and Summer Bridge-Transition Programs, Fiscal Year 2009.*

8. Requests approval of a purchase of services through one or more contracts regarding the Accelerated Developmental Education Course Models, Fiscal Year 2009

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the requests of a purchase of services through one or more contracts regarding the Accelerated Developmental Education Course Models, Fiscal Year 2009*

- K. Consideration of adopting the staff recommendation for a purchase of services through a contract regarding the Community College Developmental Education Initiative, Fiscal Year 2009

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the purchase of services through a contract regarding the Community College Developmental Education Initiative, Fiscal Year 2009.*

- L. Consideration of adopting the staff recommendation for a purchase of services through a contract regarding the Master College Readiness Special Advisors, Fiscal Years 2009, 2010 and 2011

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the purchase of services through a contract regarding the Master College Readiness Special Advisors, Fiscal Years 2009, 2010 and 2011.*

- M. Consideration of adopting the staff recommendation for a purchase of services through a contract regarding the Pre-service, Practicum, Induction, and In-Service Project, Fiscal Years 2010 and 2011

*On motion by Brenda Pejovich, seconded by Robert Wingo, the Committee approved the purchase of services through a contract regarding the Pre-service, Practicum, Induction, and In-Service Project, Fiscal Years 2010 and 2011.*

- N. Consideration of adopting the staff recommendation for a grant to purchase services through a contract regarding the Centers for Teacher Education, Fiscal Years 2010 and 2011

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the purchase services through a contract regarding the Centers for Teacher Education, Fiscal Years 2010 and 2011.*

- O. Consideration of adopting the staff recommendation for the purchase of services through contracts regarding the Math, Science, and Technology Teacher Preparation Academies, (Cycle 2) Fiscal Years 2009 and 2010, two-year contracts amended and extended through Fiscal Year 2011

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the purchase of services through contracts regarding the Math, Science, and Technology Teacher*

*Preparation Academies, (Cycle 2) Fiscal Years 2009 and 2010, two-year contracts amended and extended through Fiscal Year 2011.*

- P. Consideration of adopting the staff recommendation of an amendment to the interagency contract with the Department of Information Resources (DIR) to provide services under the Data Center Services contract to add costs of \$1,658,604 for Fiscal Year 2010 and \$1,421,493 for Fiscal Year 2011

*On motion by Brenda Pejovich, seconded by Robert Wingo, the Committee approved an amendment to the interagency contract with the Department of Information Resources (DIR) to provide services under the Data Center Services contract to add costs of \$1,658,604 for Fiscal Year 2010 and \$1,421,493 for Fiscal Year 2011.*

- Q. Consideration of Approval of Requests for Qualifications, Requests for Proposals, or similar requests for the purchase of services as follows:
  - 1. Requests for Applications regarding P-16 Regional Councils, Fiscal Year 2010

*On motion by Fred Heldenfels, seconded by Robert Wingo, the Committee approved the requests for applications regarding P-16 Regional Councils, Fiscal Year 2010.*

- 2. Requests for Applications regarding the Work-Study Mentorship Program, Fiscal Years 2010 and 2011

*On motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the requests for applications regarding the Work-Study Mentorship Program, Fiscal Years 2010 and 2011.*

- 3. Requests for Applications regarding the Intensive Programs, Fiscal Years 2010 and 2011

*On motion by Fred Heldenfels, seconded by Brenda Pejovich, the Committee approved the requests for applications regarding the Intensive Programs, Fiscal Years 2010 and 2011.*

- 4. Requests for Applications regarding the Developmental Education Demonstration Projects, Fiscal Years 2010 and 2011

*On motion by Fred Heldenfels, seconded by Robert Wingo, the Committee approved the requests for applications regarding the Developmental Education Demonstration Projects, Fiscal Years 2010 and 2011.*

- 5. Requests for Applications regarding the Math, Science, and Technology Teacher Preparation Academies, (Cycle 4) Fiscal Years 2010 and 2011

*On motion by Robert Wingo, seconded by Fred Heldenfels, the Committee approved the requests for applications regarding the Math, Science, and Technology Teacher Preparation Academies, (Cycle 4) Fiscal Years 2010 and 2011.*

*At 4:09 p.m., Chairman Hinton announced, the Committee will hold a closed , Executive Session, on motion by Robert Wingo, seconded by Brenda Pejovich, the Committee approved the motion to go into Executive Session.*

*At 4:44 p.m., the Agency Operations Committee meeting resumed.*

R. Consideration of approval of a Request for Qualifications regarding Bond/Tax Legal Counsel to perform legal services for the agency

*On motion by Brenda Pejovich, seconded by Robert Wingo, the Committee approved the request for qualifications regarding Bond/Tax Legal Counsel to perform legal services for the agency.*

*On motion by Robert Wingo, seconded by Brenda Pejovich, the AOC meeting adjourned at 4:45 pm.*