



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

April 22, 2020

Ms. Jennifer Jones
Executive Director
Sunset Advisory Commission
1501 N. Congress Ave.
Austin, Texas 78701

Dear Ms. Jones:

We appreciate the professional and thorough work by the Sunset Advisory Commission in conducting their review of the Texas Prepaid Higher Education Tuition Board (Board).

As Chair and Executive Director of the Board, I have reviewed the recommendations in the Staff Report with the Board and appreciate the opportunity to provide comments on behalf of the Board.

1.1 Continue the Prepaid Higher Education Tuition Board for 12 years.

This recommendation would continue the Board within the Office of Comptroller of Public Accounts until 2033.

Board comment: We agree with this recommendation.

1.2 Update the standard Sunset across-the-board requirement related to Board member training.

This recommendation would update existing statute to require staff to develop a training manual that each Board member attests to receiving and reviewing annually. This recommendation would also require existing Board member training to include information and guidance about the scope and limitations on the Board's rulemaking authority.

Board comment: As noted in the Staff Report, our Board members receive robust training at the time of appointment to the Board. A welcome letter is sent to new Board members advising that they may not vote, deliberate or be counted as a member in attendance until completing the training requirements in Education Code, Chapter 54, Subchapter F, Sec. 54.610. Prior to attending his or her first meeting, a new member is sent a detailed training manual that includes:

- I. Board Member Training Requirements
- II. Open Government Training Requirements

- III. Laws That Impact the Board
- IV. Overview of Directors and Officers Liability Insurance Coverage
- V. Overview of the Programs Administered by the Board
- VI. Program Statutes
- VII. Texas Administrative Code (Program Rules)
- VIII. Annual Report
- IX. Budget
- X. Overview of Administrative Procedures / Rulemaking
- XI. Ethics Policy
- XII. Overview of Investments
- XIII. Review of Investment Policy Statements
- XIV. Overview of Major Contracts

A new member is required to attend a hours-long session provided by Comptroller program and legal staff and the Board's investment consultant to review the training manual prior to beginning his or her Board service. In addition, new members are required to submit the following to program staff:

- A. Course Completion Certificate for the Attorney General's Open Meetings Act training video;
- B. Public Information Coordinator Designation Letter or Course Completion Certificate for the Attorney General's Public Information Act training video; and
- C. Governing Bodies Webinar Training Acknowledgment Form for completion of the required contract training

We will continue with our training process for each Board member as outlined above and will begin providing annual continuing education and training to Board members related to certain key components of Board responsibility including information and guidance about the scope and limitations on the Board's rulemaking authority. The training material will be included in the notebooks sent to each member prior to every Board meeting containing the documents to be discussed at the meeting.

1.3 Authorize the Board to appoint advisory committees by rule.

Under this recommendation, the Board would be authorized to establish any necessary advisory committees in rule, including reestablishing the expired Texas ABLE advisory committee. Advisory committees established under this authority would be exempt from Chapter 2110 of the Texas Government Code. The Board should review the use and need for its advisory committees as part of its four-year rule review. As part of this recommendation, the Board should adopt rules regarding each advisory committee, including its:

- Purpose, role, and goals
- Appointment procedures, composition, terms, and quorum requirements
- Membership qualifications, such as experience or geographic location
- Conflict-of-interest policies
- Compliance with the requirements of the Open Meetings Act

Board Comment: We agree that having the authorization to establish any necessary advisory committees by rule would be of assistance to the Board in carrying out its duties. The Board would adopt rules for each advisory committee as mentioned above, including compliance with the Open Meetings Act by rule as applicable. The Board valued and benefitted from the guidance and assistance provided by the Texas ABLE Advisory Committee in implementing the Texas ABLE Program®.

1.4 Direct the Board to update its websites to provide more user-friendly information, including information about the Board and its operations.

This recommendation directs the Board to develop and maintain information on both its main webpage and individual savings plan websites about current Board members, Board meeting agendas and minutes, rules, and annual reports. Additionally, the Board should work with the contracted plan manager to ensure the plan-specific websites are more user friendly and written in plain language with simple graphics to better explain plan eligibility, limitations, fee schedules, and other specifications.

Board Comment: We agree with the recommendation to provide user-friendly information on our website. We have included links to the annual report on all program websites. We are adding a listing of current Board members and will post future meeting agendas and copies of the minutes for the current and immediately preceding fiscal years. Links to the enabling statutes and rules will also be added.

While information provided on the program websites must comply with applicable federal securities law, we are reviewing each plan website to determine where additional graphics and language could be incorporated to facilitate easier comprehension of the information that must be provided.

We look forward to working with the Commission on completing this process.

Please contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Hegar", with a stylized, cursive script.

Glenn Hegar