

**Section 1**

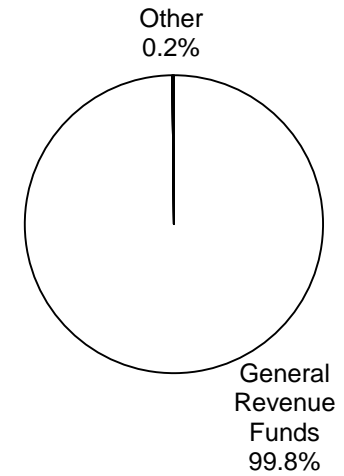
**Preservation Board  
Summary of Recommendations - House**

Page: I-85  
John Sneed, Executive Director

Lena Conklin, LBB Analyst

<b>Method of Financing</b>	<b>2012-13 Base</b>	<b>2014-15 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>
General Revenue Funds	\$29,265,042	\$22,230,716	(\$7,034,326)	(24.0%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$29,265,042</i>	<i>\$22,230,716</i>	<i>(\$7,034,326)</i>	<i>(24.0%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$2,615,831	\$38,000	(\$2,577,831)	(98.5%)
<b>All Funds</b>	<b>\$31,880,873</b>	<b>\$22,268,716</b>	<b>(\$9,612,157)</b>	<b>(30.2%)</b>

RECOMMENDED FUNDING  
BY METHOD OF FINANCING



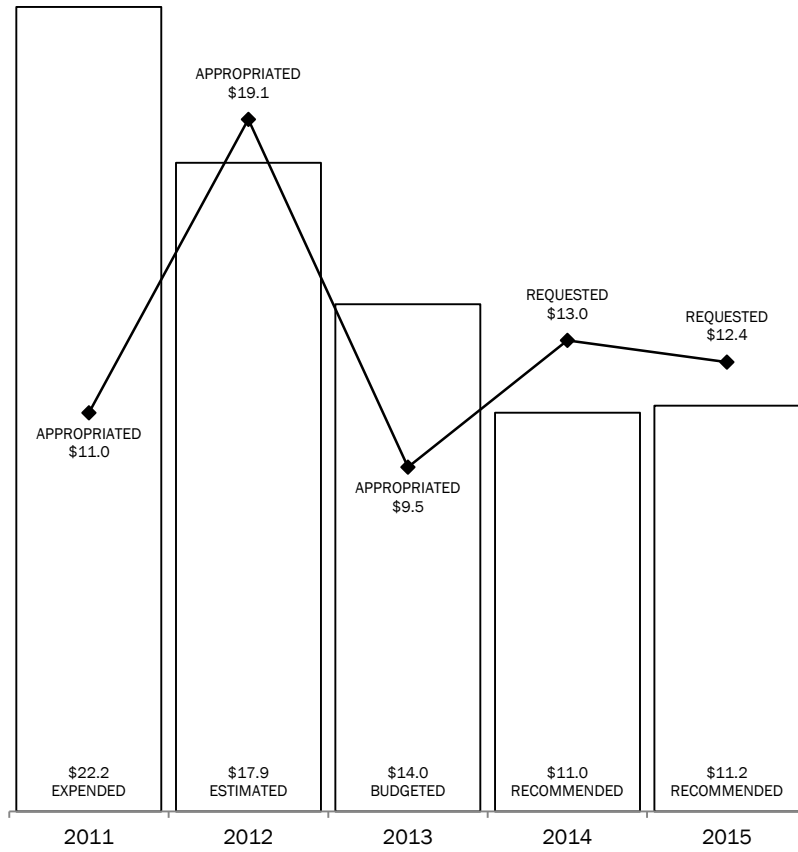
	<b>FY 2013 Budgeted</b>	<b>FY 2015 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>
<b>FTEs</b>	63.0	88.0	25.0	39.7%

The bill pattern for this agency (2014-15 Recommended) represents an estimated 34.3% of the agency's estimated total available funds for the 2014-15 biennium.

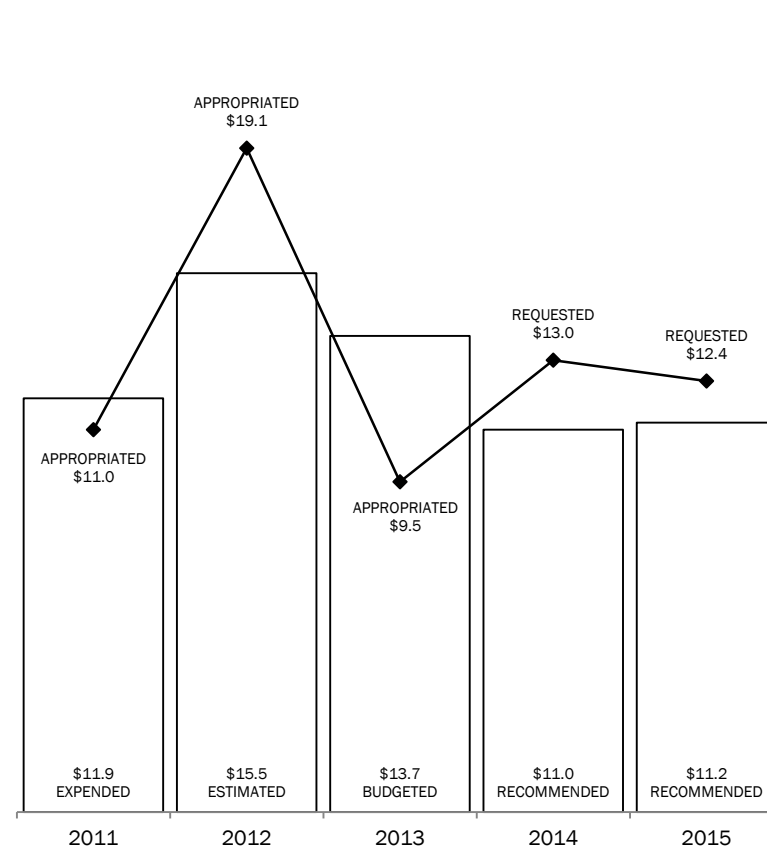
**Section 1**  
**Preservation Board**  
 2014-2015 BIENNIUM  
 IN MILLIONS

TOTAL= \$22.3 MILLION

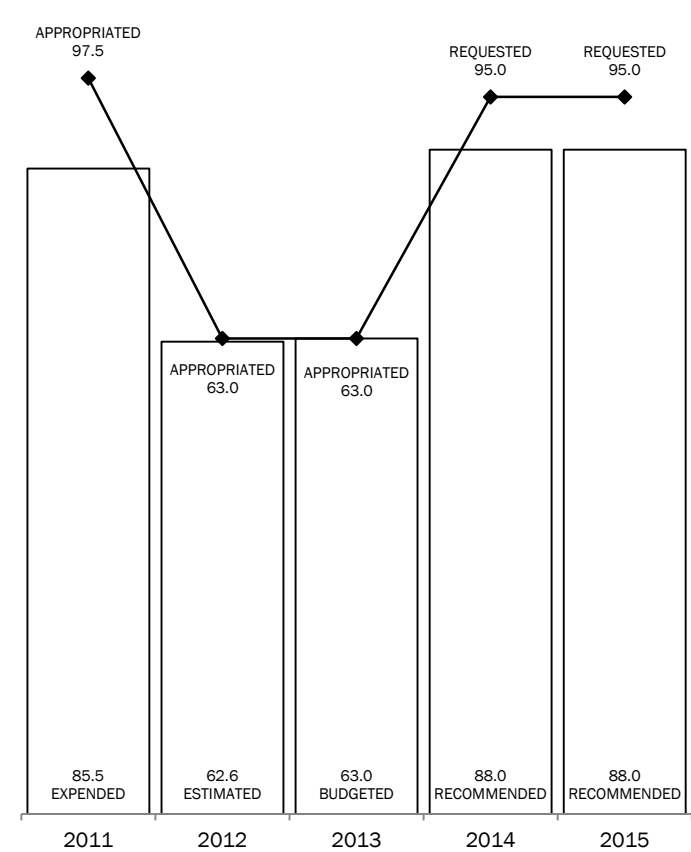
**ALL FUNDS**



**GENERAL REVENUE AND  
 GENERAL REVENUE-DEDICATED FUNDS**



**FULL-TIME-EQUIVALENT POSITIONS**



Section 2

**Preservation Board**  
**Summary of Recommendations - House, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
					Recommendations reflect an overall decrease of \$7.0 million in General Revenue funds reflecting completion of the restoration of the Governor's Mansion and other capital budget projects (\$10.3 million) offset by an increase of \$3.3 million to transfer funding of salaries and other operating expenses for staff (26.0 FTEs) from the Capitol Fund outside the Treasury into General Revenue.
					In addition, recommendations reflect a decrease of \$2.6 million in Other Funds, primarily reflecting a decrease in donations due to completion of the restoration of the Governor's mansion.
PRESERVE BUILDINGS AND CONTENTS A.1.1	\$376,134	\$576,134	\$200,000	53.2%	
BUILDING MAINTENANCE A.1.2	\$15,363,952	\$5,578,395	(\$9,785,557)	(63.7%)	
MANAGE EDUCATIONAL PROGRAM A.2.1	\$957,055	\$957,055	\$0	0.0%	
MANAGE STATE HISTORY MUSEUM A.2.2	\$12,943,375	\$12,916,775	(\$26,600)	(0.2%)	
MANAGE ENTERPRISES A.3.1	\$102,932	\$102,932	\$0	0.0%	
<b>Total, Goal A, MANAGE CAPITOL AND OTHER BUILDINGS</b>	<b>\$29,743,448</b>	<b>\$20,131,291</b>	<b>(\$9,612,157)</b>	<b>(32.3%)</b>	
INDIRECT ADMINISTRATION B.1.1	\$2,137,425	\$2,137,425	\$0	0.0%	
<b>Total, Goal B, INDIRECT ADMINISTRATION</b>	<b>\$2,137,425</b>	<b>\$2,137,425</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$31,880,873</b>	<b>\$22,268,716</b>	<b>(\$9,612,157)</b>	<b>(30.2%)</b>	

Section 2

**Preservation Board**  
**Summary of Recommendations - House, By Method of Finance -- GENERAL REVENUE FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
					Recommendations reflect a method of finance swap of \$3.3 million for salaries of 26.0 FTEs and other related expenses from the Capitol Fund outside the Treasury to General Revenue funds. These expenses were paid out of the General Revenue Fund in the 2010-11 biennium and prior biennia and were moved to the Capitol Fund in the 2012-13 biennium as a result of General Revenue reductions. Balances of the Capitol Fund are not expected to be sufficient to support long-term funding of the 26.0 FTEs and are therefore included in recommendations as out of the General Revenue Fund.
PRESERVE BUILDINGS AND CONTENTS A.1.1	\$374,134	\$574,134	\$200,000	53.5%	Recommendations reflect a method of finance swap of \$0.2 million from funds from the Capitol Fund outside the Treasury for 2.0 FTEs related to curatorial services and reviews of building and grounds design and modifications.
BUILDING MAINTENANCE A.1.2	\$12,750,541	\$5,542,395	(\$7,208,146)	(56.5%)	Recommendations reflect a decrease of \$10.1 million for completion of the restoration of the Governor's mansion and \$0.2 million for completion of Capitol security and infrastructure improvements projects offset by \$3.1 million for a method of finance swap for salaries and related expenses for 24.0 FTEs, including housekeeping services (0.2 FTE), maintenance services (22.8 FTEs), groundskeeping services (1.0 FTE) which are currently paid out of the Capitol Fund outside the Treasury.
MANAGE EDUCATIONAL PROGRAM A.2.1	\$957,055	\$957,055	\$0	0.0%	
MANAGE STATE HISTORY MUSEUM A.2.2	\$12,942,955	\$12,916,775	(\$26,180)	(0.2%)	Recommendations include \$11.8 million for revenue bond debt service payments and \$0.1 million for insurance payments for the Texas State History Museum. According to the Texas Public Finance Authority, as of August 31, 2012, outstanding lease revenue bond debt service for the Museum is estimated to be \$33.6 million and is expected to be paid off in fiscal year 2020.
					Recommendations also reflect continuation of \$1 million appropriated in the 2012-13 biennium which was contingent on certification of revenue above the Biennial Revenue Estimate. Additional revenue was certified by the Comptroller in October 2011.
MANAGE ENTERPRISES A.3.1	\$102,932	\$102,932	\$0	0.0%	
<b>Total, Goal A, MANAGE CAPITOL AND OTHER BUILDINGS</b>	<b>\$27,127,617</b>	<b>\$20,093,291</b>	<b>(\$7,034,326)</b>	<b>(25.9%)</b>	

Section 2

**Preservation Board**  
**Summary of Recommendations - House, By Method of Finance -- GENERAL REVENUE FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION B.1.1	\$2,137,425	\$2,137,425	\$0	0.0%	
<b>Total, Goal B, INDIRECT ADMINISTRATION</b>	<b>\$2,137,425</b>	<b>\$2,137,425</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$29,265,042</b>	<b>\$22,230,716</b>	<b>(\$7,034,326)</b>	<b>(24.0%)</b>	

Section 2

**Preservation Board**  
**Summary of Recommendations - House, By Method of Finance -- OTHER FUNDS**

Strategy/Goal	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
PRESERVE BUILDINGS AND CONTENTS A.1.1	\$2,000	\$2,000	\$0	0.0%	
BUILDING MAINTENANCE A.1.2	\$2,613,411	\$36,000	(\$2,577,411)	(98.6%)	Recommendations reflect a decrease in donations due to completion of the restoration of the Governor's Mansion.
MANAGE EDUCATIONAL PROGRAM A.2.1	\$0	\$0	\$0	0.0%	
MANAGE STATE HISTORY MUSEUM A.2.2	\$420	\$0	(\$420)	(100.0%)	Recommendations reflect a decrease in interest earned on revenue bond proceeds to finance the Texas State History Museum and applied towards debt service payments.
MANAGE ENTERPRISES A.3.1	\$0	\$0	\$0	0.0%	
<b>Total, Goal A, MANAGE CAPITOL AND OTHER BUILDINGS</b>	<b>\$2,615,831</b>	<b>\$38,000</b>	<b>(\$2,577,831)</b>	<b>(98.5%)</b>	
INDIRECT ADMINISTRATION B.1.1	\$0	\$0	\$0	0.0%	
<b>Total, Goal B, INDIRECT ADMINISTRATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$2,615,831</b>	<b>\$38,000</b>	<b>(\$2,577,831)</b>	<b>(98.5%)</b>	

**Preservation Board  
Selected Fiscal and Policy Issues**

1. **Method of Finance Swap with Funds outside the Treasury.** Recommendations reflect a method of finance swap to shift \$3,250,000 in funding for salaries and related expenses for 26.0 FTEs (including 2.0 FTEs for curatorial services and reviews of building and grounds modifications; 0.2 FTE for housekeeping services; 1.0 FTE for groundskeeping services; and 22.8 FTEs for maintenance services) from the Capitol Fund outside the Treasury to the General Revenue Fund out of reallocation of funding for the restoration of the Governor's Mansion. Funding for these FTEs was shifted from the General Revenue Fund to the Capitol Fund as a result of General Revenue reductions in the 2012-13 General Appropriations Act (GAA). However, balances and revenues of the Capitol Fund are not expected to be sufficient to support long-term funding of the 26.0 FTEs.

Overview of the State Preservation Board's three funds outside the Treasury:

- **Capitol Fund.** Recommendations shift funding of \$3,250,000 for salaries and related expenses for 26.0 FTEs from the Capitol Fund to the General Revenue Fund, effectively reversing the method of finance swap instituted in the 2012-13 biennium due to General Revenue reductions. The agency anticipates the balance of the Capitol Fund to decrease to \$7.6 million at the end of fiscal year 2013, which is a reduction of \$5.2 million from the balance of \$12.8 million at the beginning of the current biennium. According to the agency, the balance of the Fund will continue to drop to \$3.9 million at the end of fiscal year 2015. This estimate assumes that the agency is appropriated their entire original request of \$25.4 million in General Revenue as shown in the Legislative Appropriations Request. This includes the \$3.3 million method of finance swap in the recommendations and an additional \$3.1 million not included in recommendations, of which \$1.6 million is requested for additional funding (see Section 6, Items Not Included). The ending fiscal year 2015 estimated balance also reflects transfers of \$4.9 million to the Capital Renewal Fund. It is anticipated that some portion of the funding for items not included in recommendations would be paid for out of the Capitol Fund and result in a further decline in balances and/or reductions in transfers to the Capital Renewal Fund, thereby also reducing the balance of the Capital Renewal Fund.

The Capitol Fund is used to pay for educational programming, historic preservation, groundskeeping, housekeeping, facilities maintenance and other operating expenses of the Capitol, including the Capitol Extension, and Capitol Visitors Center. Revenue sources to the Fund include two gift shops, cafeteria, visitor parking garage, parking meters, leasing of space to news media and cellular carrier space.

- **Capital Renewal Fund.** The agency anticipates the balance of the Capital Renewal Fund to decrease to \$6.9 million at the end of fiscal year 2013 which is a reduction of \$1.4 million from the balance of \$8.3 million at the beginning of the current biennium. The agency anticipates transferring \$4.9 million from the Capitol Fund to the Capital Renewal Fund to offset capital projects scheduled for the 2014-15 biennium totaling \$4.9 million, thereby maintaining the balance of the Capital Renewal Fund at \$6.9 million. It is anticipated that balances of the Capital Renewal Fund may decline as a result of reduced transfers from the Capitol Fund due to diminishing balances of the Capitol Fund. The Capital Renewal Fund provides for major repairs and replacement of fixtures and equipment and restoration of historic property at the Capitol, including the Capitol Extension,

and the Capitol Visitors Center.

- **Museum Fund.** The agency estimates approximately \$1.5 million as the ending balance of fiscal year 2013, reflecting an increase of \$0.1 million from the beginning balance of the 2012-13 biennium. The agency anticipates maintaining the balance of \$1.5 million at the end of fiscal year 2015. Revenues to the Museum Fund include donations and net proceeds from operations of the Texas State History Museum. The Museum Fund is used to pay for the Museum's operations.

Note: Included in recommendations is continuation of \$1 million appropriated in the 2012-13 biennium which was contingent on certification of revenue above the January 2011 Biennial Revenue Estimate. This revenue was certified by the Comptroller in October 2011 which met the contingency.

2. **African American Texans Monument.** Recommendations do not provide authority for the agency to carry forward unexpended balances (estimated to be \$0.3 million in General Revenue funds) from fiscal year 2013 to fiscal year 2014 for the design and construction of a monument commemorating African American Texans. Approximately \$0.4 million in General Revenue funds originally appropriated to the Historical Commission for the completion of the Juneteenth monument was directed to be transferred to the Preservation Board by Article IX, Section 18.18 Contingency for Senate Bill 1928. Of this amount, approximately \$0.2 million was expended by the Historical Commission towards the new monument prior to the transfer of the remaining amounts (\$0.3 million) to the Preservation Board. The agency does not anticipate that they would need this appropriation in the 2012-13 biennium. Senate Bill 1928 was passed by the Eighty-second Legislature, Regular Session, 2011, and charged the State Preservation Board with the establishment of the monument on the Capitol grounds. The agency has indicated that a nonprofit organization, the Texas African American History Memorial Foundation, was established to raise \$2 million for the monument and the monument is anticipated to be placed on the Capitol grounds in 2014. The Preservation Board, which is responsible for approval of designs and placements of memorials and monuments on the Capitol grounds, approved the initial design in December 2011.
3. **Sunset Recommendations.** The agency has been reviewed by the Sunset Commission. The Commission met on June 5, 2012 and approved continuation of the agency for 12 years.



**Preservation Board  
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2011	Estimated 2012	Budgeted 2013	Recommended 2014	Recommended 2015
Cap	97.5	63.0	63.0	88.0	88.0
Actual/Budgeted	85.5	62.6	63.0	NA	NA
<b>Schedule of Exempt Positions (Cap)</b>					
Executive Director, Group 4	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000

Recommendations reflect an increase of 25.0 FTEs from fiscal year 2012 to fiscal year 2014 reflecting a method of finance swap to fund the salaries of 26.0 FTEs (2.0 FTEs for curatorial services and reviews of building and grounds modifications; 0.2 FTE for housekeeping services; 1.0 FTE for groundskeeping services; and 22.8 FTEs for maintenance services) from General Revenue funds. This increase is offset by the agency's reduction of 1.0 FTE related to the Texas State History Museum.

State Auditor's Office Report No. 12-708, *A Report on Executive Compensation at State Agencies*, indicates a market average salary of \$152,431 for the Executive Director of the State Preservation Board. The report recommends a change in salary group from Group 4 to Group 5, with a recommended salary range of \$160,000 to \$192,600.

**Preservation Board  
Performance Measure Highlights**

	Expended 2011	Estimated 2012	Budgeted 2013	Recommended 2014	Recommended 2015
<ul style="list-style-type: none"> <li>• <i>Number of Visitors to the Museum</i></li> </ul>	464,797	402,727	498,750	523,690	549,875
<p><i>Measure Explanation: Targets in fiscal years 2014 and 2015 reflect an anticipated increase in visitors due to opening of the La Belle exhibit showcasing the hull of the shipwreck and related artifacts.</i></p>					
<ul style="list-style-type: none"> <li>• <i>Revenue from Parking Meters</i></li> </ul>	569,858	680,092	650,000	620,000	650,000
<p><i>Measure Explanation: Targets in fiscal years 2014 and 2015 reflect an increase in revenues above fiscal year 2011 due to extension of parking hours to include Saturdays and the increase in parking meter per-day reservation fee from \$8 to \$12. Amounts in fiscal year 2012 reflect a one-time payment to the agency for approximately \$60,000 for the release of interest in several parking meters in front of a hotel that was under construction.</i></p>					

**Section 4**

**State Preservation Board (SPB)  
Performance Review and Policy Report Highlights**

<b>Reports &amp; Recommendations</b>	<b>Report Page</b>	<b>Savings/ (Cost)</b>	<b>Gain/ (Loss)</b>	<b>Fund Type</b>	<b>Included in Introduced Bill</b>	<b>Action Required During Session</b>
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**NO RELATED RECOMMENDATIONS**

**Preservation Board  
Rider Highlights**

2. (old) **Capital Budget.** Delete rider as recommendations do not include capital budget items.
2. (revise) **Appropriation: Debt Service for Construction of State History Museum.** Revise fiscal years and amount included in recommendations for insurance payments for the Museum.
4. (new) **Sunset Contingency.** Add rider due to Sunset Review.
5. (old) **Unexpended Balances: Restoration of the Governor's Mansion.** Delete rider due to completion of the project to restore the Mansion.
6. (old) **Unexpended Balances: Infrastructure and Replacement.** Delete rider due to completion of the project to repair and replace various facility equipment.
7. (old) **Unexpended Balances: Capitol Security.** Delete rider due to completion of the project to repair and replace security equipment.
8. (old) **Bob Bullock State History Museum.** Delete rider providing appropriations of \$1 million in General Revenue funds for Strategy A.2.2, Manage State History Museum, contingent on certification of revenue above the Biennial Revenue Estimate. Amounts were certified and are included in recommendations.

**Section 6**

**Preservation Board  
Items not Included in Recommendations - House**

	<b>2014-15 Biennial Total</b>	
	<b>GR &amp; GR- Dedicated</b>	<b>All Funds</b>
1. Preventative maintenance contracts for high volume air conditioning system, fire suppression system, generator, elevators, and security systems.	\$ 413,500	\$ 413,500
2. Lighting and fire protection repairs and maintenance contracts.	\$ 330,000	\$ 330,000
3. Insurance for artifacts, moving expenses, and repairs and restorations of artifacts, artwork, and furniture.	\$ 138,750	\$ 138,750
4. Replacement of lift mechanism for Capitol perimeter bollards. Also add project under new Rider 2, Capital Budget.	\$ 750,000	\$ 750,000
<b>Total, Items Not Included in the Recommendations</b>	<b>\$ 1,632,250</b>	<b>\$ 1,632,250</b>