

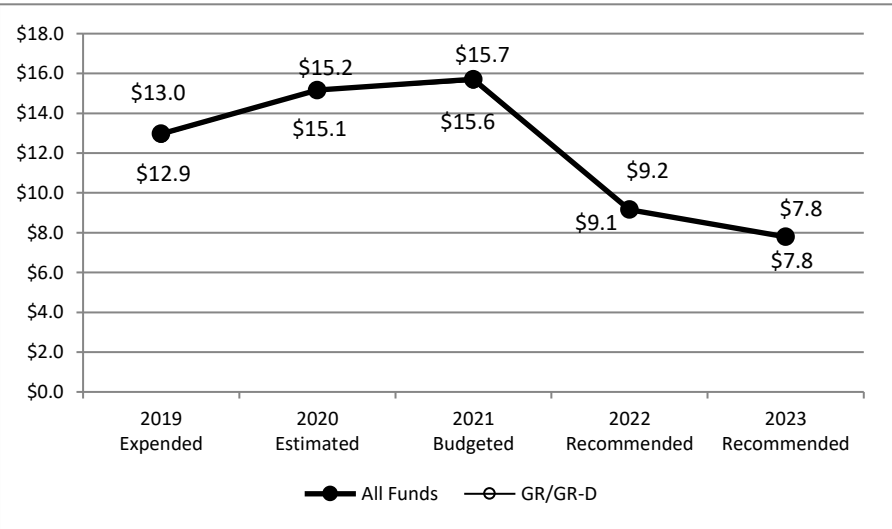
Preservation Board **Summary of Budget Recommendations - House**

Page I-87
 Roderick Welsh, Executive Director
 Mirna Bowman, LBB Analyst

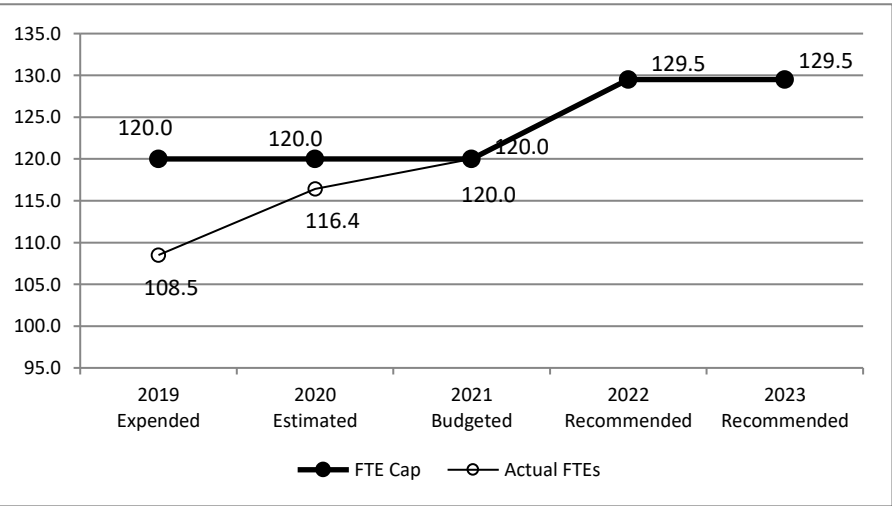
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$30,767,572	\$16,911,455	(\$13,856,117)	(45.0%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$30,767,572</i>	<i>\$16,911,455</i>	<i>(\$13,856,117)</i>	<i>(45.0%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$105,227	\$38,000	(\$67,227)	(63.9%)
All Funds	\$30,872,799	\$16,949,455	(\$13,923,344)	(45.1%)

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	120.0	129.5	9.5	7.9%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 28.3% of the agency's estimated total available funds for the 2022-23 biennium.

Preservation Board
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
---	----------------------------	---------------------	--------------------------	--------------------	------------------	-----------------------------------

SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Removal of one-time funding for capital projects (\$13.5 million) and the Texas Museum History Education Program (\$0.9 million).	(\$14.4)	\$0.0	\$0.0	\$0.0	(\$14.4)	A.1.2., A.1.3., A.2.2.
B)	Increase capital budget by \$1.4 million for State Cemetery Master Plan Phase 1.	\$1.4	\$0.0	\$0.0	\$0.0	\$1.4	A.1.3.

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

C)	Decrease in revenue bond debt service obligations for the State History Museum. Bonds were retired in fiscal year 2020.	(\$1.1)	\$0.0	\$0.0	\$0.0	(\$1.1)	A.2.2.
D)	Increase in museum operations budget for non-capitalized maintenance and repairs (\$270,000) and operations (\$11,688) associated with FTEs moved from the Museum Fund outside the treasury to General Revenue as part of a transfer of \$1.4 million in funding from the State Cemetery Master Plan Phase 1 capital project to support museum operations.	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	A.2.2.
E)	Decrease of \$67,227 in Appropriated Receipts from unexpended balances of donations.	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	A.1.2.

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	(\$13.9)	\$0.0	\$0.0	(\$0.1)	(\$13.9)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$1.7	\$0.0	\$0.0	\$0.0	\$1.7	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$15.5)	\$0.0	\$0.0	(\$0.1)	(\$15.6)	As Listed

NOTE: Totals may not sum due to rounding.

Preservation Board
Selected Fiscal and Policy Issues - House

1. **Adjustments to the Agency's Baseline Budget.** Recommendations reflect decreases in General Revenue (GR) funds for one-time projects included in the agency's 2020-21 base funding. These projects total \$14.4 million and include the following capital projects:
 - Repair and preservation of the Capitol, Capitol Visitors Center, and Texas State History Museum, originally appropriated in the 2016-17 biennium and carried forward to the 2020-21 biennium (\$4.6 million);
 - Maintenance of historic property at the Texas State Cemetery originally appropriated in the 2016-17 biennium and carried forward to the 2020-21 biennium (\$0.35 million);
 - Deferred maintenance at the Capitol originally appropriated in the 2018-19 biennium and carried forward to the 2002-21 biennium (\$4.1 million);
 - Phase 1 of the three-phase Texas State Cemetery Master Plan originally appropriated in the 2020-21 biennium (\$4.2 million);
 - Security upgrades at the Governor's Mansion originally appropriated in the 2020-21 biennium (\$0.2 million); and
 - Unexpended balances carried forward from the 2014-15 biennium for the State History Museum's Texas History Education Program (\$0.9 million).
2. **Agency's 2022-23 Base Request Not funded in Recommendations.** Recommendations do not include \$4.0 million in GR funds from the agency's request to re-allocate one-time funding for capital projects and operations support:
 - Costs for custodial, maintenance, and session preparation services (\$2.8 million);
 - Costs for salaries and FTEs associated with the Texas History Education Program at the State History Museum (\$777,154), (also see item 3 below);
 - Costs for salaries, including a salary increase for the executive director, and operating expenses (\$280,400); and
 - Costs for property and casualty insurance at the State History Museum (\$130,000).
3. **Transfer from Capital Budget for State Cemetery Master Plan – Phase 1 to operations at the State History Museum.** The agency was appropriated \$5.6 million for the 2020-21 biennium for the State Cemetery Master Plan – Phase 1. In fiscal year 2020, the agency received approval to transfer \$1.4 million in capital funding from the capital budget for the State Cemetery Master Plan – Phase 1 to fund operating expenses at the State History Museum. Recommendations maintain the \$1.4 million in General Revenue funds in Strategy A.2.2., Manage State History Museum, and 9.5 FTEs to reflect the continued FTEs in this strategy. Recommendations also provide an increase of \$1.4 million in General Revenue to restore the capital budget funding for the State Cemetery Master Plan Phase 1.
4. **Texas History Education Program.** The program has previously been funded from a \$5 million appropriation from the 2014-15 biennium that has mostly been spent down. The agency included 5.9 FTEs and \$777,154 in its base request. As noted in item 2 above, this funding and the associated FTEs are not included in the recommendations.

5. **Informational Item: Funds Outside the Treasury.** The agency maintains five funds outside the treasury. These additional resources are available to the agency.

Figure 1, Funds Outside the Treasury

	FY 2020 Beginning Balance	FY 2020-21 Net Gain (Loss)	FY 2022 Beginning Balance	FY 2022-23 Estimated Net Gain (Loss)	FY 2023 Estimated Ending Balance
Capitol Fund	\$17,113,868	(\$942,523)	\$16,171,345	\$(835,365)	\$15,335,980
Capital Renewal Fund	\$3,139,890	(\$901,458)	\$2,238,432	(\$901,460)	\$1,336,972
Museum Fund	\$2,074,983	(\$4,123,525)	\$(2,048,542)	(\$846,194)	\$(2,894,736)
Mansion Renewal Fund	\$809,711	(\$70,950)	\$738,761	(\$68,800)	\$669,961
Cemetery Preservation Trust Fund	\$10,233,206	\$317,100	\$10,550,306	\$317,100	\$10,867,406

Source: State Preservation Board (October 2020)

Capitol Fund: The Capitol Fund is used to pay for educational programming, historic preservation, groundskeeping, housekeeping, facilities maintenance and other operating expenses of the Capitol and Capitol Visitors Center. The fund receives revenue primarily from two gift shops, the visitor's parking garage and parking meters, commissions from the cafeteria operations, leasing of space to news media and cellular carrier space, donations, and depository interest. The fund also provides for transfers to the Capital Renewal Fund for major facilities projects.

Capital Renewal Fund: The Capital Renewal Fund is used to fund major repairs and replacement of fixtures and equipment and restoration of historic artifacts and fixtures at the Capitol and Capitol Visitors Center. The Renewal Fund has no revenue source other than depository interest earned on the account balance. However, the fund may receive transfers from the Capitol Fund to fund projects.

Texas State History Museum Fund: The Museum Fund is used to pay for the operations of the Texas State History Museum. The fund receives revenue from admissions, concessions, gift shop sales, facility rentals, parking, membership, commission from the cafeteria and catering events, donations, and depository interest.

Governor's Mansion Renewal Trust Fund: The Mansion Renewal Trust Fund was created for the purpose of funding major repair projects and preservation of the Governor's mansion. The fund has no revenue source other than gifts and donations, depository interest earned, and money transferred to the fund at the direction of the legislature.

Cemetery Preservation Trust Fund: The Cemetery Preservation Trust Fund was established for the purpose of funding maintenance, major repair projects and preservation of the State Cemetery, and also the acquisition of land in close proximity to the Cemetery for its expansion. The fund may receive money transferred or appropriated to the fund, gifts and donations received by the State Cemetery Committee, and interest received from investment of money in the fund.

**Preservation Board
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations reflect increased funding of \$1.4 million and unexpended balance authority for the Texas State Cemetery Master Plan Phase 1 and unexpended balance authority only for the Governor's Mansion Security Upgrades projects (86th Legislature, 2020-21 biennium).

Deleted Riders

3. **Appropriation: Debt Service for Construction of Texas State History Museum.** Recommendations remove this rider. Debt service obligations for the State History Museum were retired in fiscal year 2020.
9. **Elevator Maintenance.** Recommendations remove this rider directing the agency to fund elevator maintenance of \$88,000 out of funds outside the treasury in the 2020-21 biennium. The agency has complied with the rider.

New Riders

8. **Unexpended Balances: Texas State Cemetery Master Plan Phase 1.** Recommendations provide authority for the agency to carry forward to the 2022-23 biennium any remaining unexpended and unobligated balances for the Texas State Cemetery Master Plan Phase 1 project. Balances are estimated to be \$2 million as of August 31, 2021.
9. **Unexpended Balances: Governor's Mansion Security Upgrades.** Recommendations provide authority for the agency to carry forward to the 2022-23 biennium any remaining unexpended and unobligated balances for security upgrades at the Governor's Mansion. Balances are estimated to be \$75,000 as of August 31, 2021.

Preservation Board
Items Not Included in Recommendations - House

		2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items Not Included (in agency priority order)							
1)	Capitol, Capitol Extension and Capitol Visitors Center Repair and Preservation Projects. Funding request includes several projects, the largest of which are \$15 million for the Capitol historic roof replacement and \$12.45 million for the Capitol and Extension Phase 1 exterior waterproofing project.	\$33,605,000	\$33,605,000	0.0	No	Yes	\$0
2)	Capitol, Extension, and Capitol Visitors Center Janitorial and Maintenance Contracts	\$2,505,124	\$2,505,124	0.0	No	Yes	\$2,505,124
3)	Texas State History Museum Repair and Renovation Projects	\$2,595,000	\$2,595,000	0.0	No	Yes	\$130,000
4)	Texas History Education Program	\$777,154	\$777,154	5.9	Yes	Yes	\$777,154
TOTAL Items Not Included in Recommendations		\$39,482,278	\$39,482,278	5.9			\$3,412,278

**Preservation Board
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	8
B	Summary of Federal Funds	*
C	FTE Highlights	9

* Appendix is not included - no significant information to report

Preservation Board
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
PRESERVE BUILDINGS AND CONTENTS A.1.1	\$723,250	\$723,250	\$0	0.0%	
BUILDING MAINTENANCE A.1.2	\$14,709,177	\$6,151,654	(\$8,557,523)	(58.2%)	Recommendations reflect General Revenue (GR) reductions for one-time funding for Capitol, Capitol Visitors Center, and State History Museum repair and preservation projects (\$4.6 million); Deferred Maintenance (\$4.1 million); and Governor's Mansion Security Upgrades (\$0.2 million). Recommendations also reflect an increase in GR for salaries associated with 3.0 FTEs transferred from Strategy B.1.1., Indirect Administration, of \$0.4 million.
STATE CEMETERY A.1.3	\$5,749,041	\$2,598,732	(\$3,150,309)	(54.8%)	Recommendations reflect GR reductions for one-time funding for two capital budget projects, State Cemetery Maintenance (\$0.4 million), and the State Cemetery Master Plan Phase 1 (\$2.8 million).
MANAGE EDUCATIONAL PROGRAM A.2.1	\$1,639,380	\$1,618,272	(\$21,108)	(1.3%)	Recommendations reflect GR reductions for salaries and operating costs reallocated to other strategies.
MANAGE STATE HISTORY MUSEUM A.2.2	\$4,352,178	\$2,600,272	(\$1,751,906)	(40.3%)	Recommendations reflect a reduction in GR for unexpended balances carried forward for the Texas History Education Program (\$0.9 million). The program was originally funded in the 2014-15 biennium with \$5 million in GR that has been carried forward and expended across biennia. Recommendations also include a reduction due to the retirement of debt service in fiscal year 2020 for the museum (\$1.1 million). These funding decreases are offset by an increase in GR of \$0.3 million to pay for non-capitalized maintenance costs for the museum.
MANAGE ENTERPRISES A.3.1	\$143,546	\$143,546	\$0	0.0%	
Total, Goal A, MANAGE CAPITOL AND OTHER BUILDINGS	\$27,316,572	\$13,835,726	(\$13,480,846)	(49.4%)	
INDIRECT ADMINISTRATION B.1.1	\$3,556,227	\$3,113,729	(\$442,498)	(12.4%)	Recommendations reflect the transfer of salaries for 3.0 FTEs transferred to Strategy A.1.2., Building Maintenance (\$0.4 million).
Total, Goal B, INDIRECT ADMINISTRATION	\$3,556,227	\$3,113,729	(\$442,498)	(12.4%)	
Grand Total, All Strategies	\$30,872,799	\$16,949,455	(\$13,923,344)	(45.1%)	

Preservation Board
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	120.0	120.0	120.0	129.5	129.5
Actual/Budgeted	108.5	116.4	136.4	NA	NA

Schedule of Exempt Positions (Cap)

Executive Director, Group 6	\$175,990	\$186,469	\$186,469	\$186,469	\$186,469
-----------------------------	-----------	-----------	-----------	-----------	-----------

Notes:

a) The State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels. Fiscal years 2019 and 2020 FTEs are lower than the cap due to vacancies and staff turnover.

b) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2020) indicates a market average salary of \$196,324 and recommended salary range of \$140,990 to \$227,038, for the Executive Director position at the Preservation Board. The agency is not requesting any changes to its exempt position.

c) Pursuant to Article IX, Sec. 14.03, Transfers - Capital Budget, and Article IX, Sec. 14.01, Appropriation Transfers, the agency received approval in fiscal year 2020 to transfer \$1.4 million in capital funding from the Texas State Cemetery Master Plan Phase 1 project to Strategy A.2.2., Manage State History Museum, for the purpose of paying operating expenses for the State History Museum. Recommendations increase the FTE cap by 9.5 FTEs to reflect the continued FTEs funded in this strategy out of General Revenue.