

**Preservation Board
Summary of Recommendations - House**

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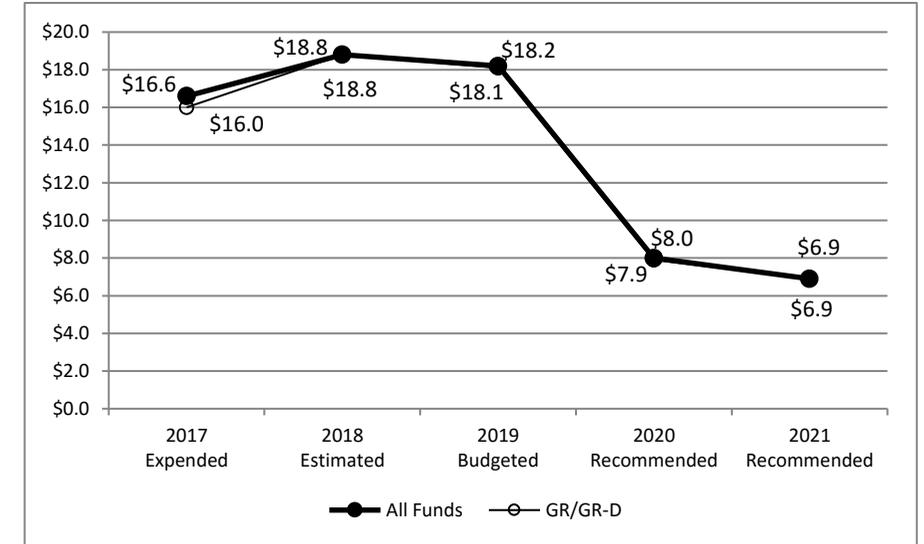
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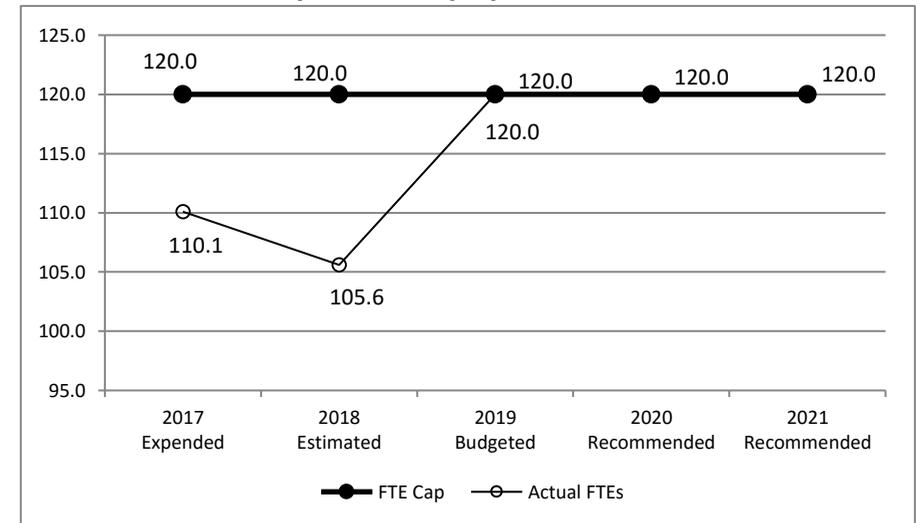
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$36,939,856	\$14,840,057	(\$22,099,799)	(59.8%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$36,939,856</i>	<i>\$14,840,057</i>	<i>(\$22,099,799)</i>	<i>(59.8%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$118,895	\$38,000	(\$80,895)	(68.0%)
All Funds	\$37,058,751	\$14,878,057	(\$22,180,694)	(59.9%)

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	120.0	120.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2020-21 Recommended) represents an estimated 21.8% of the agency's estimated total available funds for the 2020-21 biennium.

Preservation Board
Summary of Funding Changes and Recommendations - House

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Removal of 2018-19 one-time funding for capital projects and the Museum History Education Program.	(\$13.9)	\$0.0	\$0.0	\$0.0	(\$13.9)	A.1.2, A.1.3, and A.2.2
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
B)	Decrease in revenue bond debt service obligations and related building insurance payments for the State History Museum.	(\$8.2)	\$0.0	\$0.0	\$0.0	(\$8.2)	A.2.2
C)	Other decreases primarily related to donations for the Governor's Mansion.	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	A.1.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$22.1)	\$0.0	\$0.0	(\$0.1)	(\$22.2)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$22.1)	\$0.0	\$0.0	(\$0.1)	(\$22.2)	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 remove General Revenue (GR) funding for one-time projects included in the agency’s 2018-19 base funding. These projects total to \$13.9 million and include:
 - Preservation and repair capital projects for the Capitol, Capitol Visitors Center, and the Texas State History Museum, originally appropriated in the 2016-17 biennium and carried forward to the 2018-19 biennium (\$7.0 million);
 - Additional funding for Capitol renewal projects in the 2018-19 biennium (\$4.7 million);
 - Preservation and repair projects at the State Cemetery originally appropriated in the 2016-17 biennium and carried forward to the 2018-19 biennium (\$0.4 million); and
 - Unexpended balances carried forward from the 2014-15 biennium for the State History Museum’s History Education Program (\$1.8 million);

Agency 2020-21 Base Request Not Funded: Recommendations do not include \$13.9 million from the agency’s request to reallocate one-time funding. The agency reallocated this amount towards the following in the 2020-21 biennial baseline funding request:

- Additional renewal projects for the Capitol and Capitol Visitors Center (\$9.4 million);
- Costs for custodial and maintenance contract costs which are partially funded through the Capitol Fund outside the treasury in the 2018-19 biennium (\$1.6 million);
- Costs to transfer 10.0 FTEs from the Museum Fund to General Revenue appropriations (\$1.4 million);
- Costs for salaries, including a 2 percent salary increase in fiscal year 2021, for staff under the current 120.0 FTE cap (\$1.2 million);
- Governor’s Mansion security upgrades (\$0.2 million); and
- Increases in other operating costs (\$0.1 million).

2. **Informational: Funds Outside the Treasury.** The agency has additional resources outside of appropriations. The agency maintains five funds outside the treasury.

Figure 1 Funds Outside the Treasury

	FY 2018 Beginning Balance	2018-19 Net Gain (Loss)	FY 2020 Beginning Balance	2020-21 Net Gain (Loss)	FY 2021 Estimated Ending Balance
Capitol Fund	\$ 15,927,372	\$ 2,469,788	\$ 18,397,160	\$ 2,469,788	\$ 20,866,948
Capital Renewal Fund	\$ 2,962,696	\$ (389,800)	\$ 2,572,896	\$ 115,200	\$ 2,688,096
Museum Fund	\$ 3,502,159	\$ (1,226,918)	\$ 2,275,240	\$ (1,616,113)	\$ 659,127
Mansion Renewal Fund	\$ 798,010	\$ (18,800)	\$ 779,210	\$ 31,200	\$ 810,410
Cemetery Preservation Trust Fund	\$ 10,129,336	\$ 64,600	\$ 10,193,936	\$ 384,000	\$ 10,577,936

Source: State Preservation Board

- **Capitol Fund and 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 and Capitol Visitors Center. The fund also provides for transfers to the Capital Renewal Fund for major facilities projects. The fund receives revenue primarily from two gift shops, parking revenue from 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 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 the Capitol Visitors Center. The Renewal Fund has no revenue source other than depository interest earned on the balance of the account. However, the fund may receive transfers from the Capitol Fund to fund projects.

The Capitol Fund is anticipated to operate with a net gain during the 2018-19 biennium. This is largely due to appropriations in the 2018-19 and 2016-17 biennia for renewal projects that would otherwise necessitate a transfer of funds from the Capitol Fund to the Capital Renewal Fund for financing of these projects. The net gain shown for the 2020-21 biennium assumes continued appropriation of all or a portion of planned renewal projects with appropriated funds.

The net loss shown for the Capital Renewal Fund in the 2018-19 biennium reflects expenditures of \$505,000 as a contingency for potential projects. No expenditures are anticipated for the 2020-21 biennium, which also assumes continued appropriation for renewal projects out of GR.

- **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, commissions from the cafeteria and catering events, donations, and depository interest. The fund is expected to operate at a net loss during the 2018-19 and 2020-21 biennia. Because museum revenues do not keep up with operating expenses, the agency requested GR appropriations of \$1.4 million for 10.0 FTEs currently funded through the Museum Fund in the 2020-21 LAR. This request was reallocated in the agency's baseline request out of funds originally appropriated for one-time projects in the 2018-19 biennium; this amount is not included in recommendations.
- **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. Estimates assume the fund only receives depository interest over the 2018-19 and 2020-21 biennia. Net loss shown for the 2018-19 biennium reflects expenditures of \$50,000 as a contingency for potential projects.
- **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 for 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. The fund received a transfer in fiscal year 2016 of \$10 million from the State Highway Fund 6 from proceeds of the sale of Texas State Cemetery Annex, commonly referred to as the Bull Creek property. The agency estimates expenditures of \$319,400 for the Cemetery Master Plan in the 2018-19 biennium and for the 2020-21 biennium the agency assumes the fund earns only depository interest with no anticipated expenditures.

The agency is requesting \$5.6 million in General Revenue, not included in recommendations, to implement the first phase of improvements identified in the Master Plan. The request includes various facility, burial section, landscaping, civil site, and irrigation system improvements. The agency estimates the total cost of the three-phase construction project to be \$11.8 million. The agency is not proposing to utilize the trust fund for these projects and indicates they are preserving the balance for possible future expansion of the Cemetery. However, the trust fund could be utilized for all or a portion of projects included in the request.

**Preservation Board
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations revise the rider to continue providing authority for the agency to carry forward balances of appropriations for projects from previous biennia, including:
- Capitol, Capitol Visitors Center and State History Museum Repair and Preservation Projects (84th Legislature, 2016-17 biennium);
 - Maintenance of Historic Property at the Texas State Cemetery (84th Legislature, 2016-17 biennium); and
 - Deferred Maintenance (85th Legislature, 2018-19 biennium).
- Project titles are revised to indicate the original appropriating legislature.
3. **Appropriation: Debt Service for Construction of State History Museum.** Recommendations reflect revised estimates of debt service payments for the State History Museum in fiscal year 2020. No payments are required in fiscal year 2021.

New Riders

8. **Unexpended Balances: Deferred Maintenance Projects.** Recommendations provide authority to carry forward to the 2020-21 biennium remaining unexpended and unobligated balances for deferred maintenance projects at the Capitol.

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

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Implementation of Phase I of the Texas State Cemetery Master Plan. Request includes architectural, burial section, landscaping, civil site and irrigation system improvements.	\$5,600,000	\$5,600,000	0.0	No	Yes	\$0
2)	Texas Story Project. Request provides outreach for teachers, including on site Museum programs and educational workshops and seminars, to integrate the Museum's digital content with classroom curriculum. Request also provides for technology to make accessible content on Texas artifacts, history and government resources.	\$4,180,000	\$4,180,000	6.0	Yes	Yes	\$820,000

TOTAL Items Not Included in Recommendations		\$9,780,000	\$9,780,000	6.0			\$820,000
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**Preservation Board
Appendices - House**

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* Appendix is not included - no significant information to report

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
PRESERVE BUILDINGS AND CONTENTS A.1.1	\$693,600	\$693,600	\$0	0.0%	
BUILDING MAINTENANCE A.1.2	\$17,813,284	\$6,013,396	(\$11,799,888)	(66.2%)	Recommendations reflect General Revenue (GR) reductions for completion of repair and renewal projects for the Capitol, Capitol Visitors Center and State History Museum originally funded in the 2016-17 biennium and carried forward into the 2018-19 biennium (\$7 million) and for funding appropriated in the 2018-19 biennium (\$4.7 million) for additional Capitol projects. Funding also reflects a reduction of less than \$0.1 million in Appropriated Receipts related to donations for the Governor's Mansion carried forward from the 2016-17 biennium and estimated to be expended in fiscal year 2019.
STATE CEMETERY A.1.3	\$1,549,327	\$1,036,115	(\$513,212)	(33.1%)	Recommendations reflect GR reductions for completion of State Cemetery capital improvements (\$0.4 million) and reallocation of 1.0 FTE (\$0.1 million) to Strategy B.1.1, Indirect Administration.
MANAGE EDUCATIONAL PROGRAM A.2.1	\$1,467,982	\$1,467,982	\$0	0.0%	
MANAGE STATE HISTORY MUSEUM A.2.2	\$12,068,588	\$2,054,834	(\$10,013,754)	(83.0%)	Funding levels include a reduction of \$1.8 million in GR for the Texas History Education Program. The program was originally funded in the 2014-15 biennium through \$5 million in GR which has been carried forward and expended across biennia to provide online educational content related to Texas history and government. Recommendations also include an \$8.2 million reduction for debt service and insurance payments to the Public Finance Authority for revenue bond obligations related to the museum. Revenue bond obligations will be completed in fiscal year 2020.
MANAGE ENTERPRISES A.3.1	\$137,796	\$137,796	\$0	0.0%	
Total, Goal A, MANAGE CAPITOL AND OTHER BUILDINGS	\$33,730,577	\$11,403,723	(\$22,326,854)	(66.2%)	

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

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
INDIRECT ADMINISTRATION B.1.1	\$3,328,174	\$3,474,334	\$146,160	4.4%	Recommendations reflect an increase of \$0.1 million in GR related to the reallocation funding for 1.0 FTE from Strategy A.1.3, State Cemetery. The reallocation will provide for an Accountant IV position.
Total, Goal B, INDIRECT ADMINISTRATION	\$3,328,174	\$3,474,334	\$146,160	4.4%	
Grand Total, All Strategies	\$37,058,751	\$14,878,057	(\$22,180,694)	(59.9%)	

**Preservation Board
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	120.0	120.0	120.0	120.0	120.0
Actual/Budgeted	110.1	105.6	120.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 5	\$186,714	\$175,990	\$175,990	\$175,990	\$175,990

Notes:

- a) Fiscal years 2017 and 2018 reflect actual FTE figures which are lower than the cap due to staff turnover and vacancies.
- b) The State Auditor's Office report, *Executive Compensation at State Agencies* (Report 18-705, August 2018), indicates a market average salary of \$196,283 and recommended salary range of \$140,900 to \$227,038, including a change in the recommended salary group from group 5 to group 6, for the Executive Director position at the State Preservation Board. The agency is not requesting any changes to its exempt position salary cap or salary group.

Preservation Board
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	Capitol and Capitol Visitors Center Repair and Rehabilitation Projects	One or more of the repair and renewal projects for the Capitol and Capitol Visitors Center would be deferred to the next biennium.	\$690,416	\$690,416	0.0	\$0	7%	\$9,360,000	Yes
2)	Capitol and Capitol Visitors Center Repair and Rehabilitation Projects	One or more of the repair and renewal projects for the Capitol and Capitol Visitors Center would be deferred to the next biennium.	\$690,415	\$690,415	0.0	\$0	7%	\$9,360,000	Yes
3)	Capitol and Capitol Visitors Center Repair and Rehabilitation Projects	One or more of the repair and renewal projects for the Capitol and Capitol Visitors Center would be deferred to the next biennium.	\$690,415	\$690,415	0.0	\$0	7%	\$9,360,000	Yes
4)	Capitol and Capitol Visitors Center Repair and Rehabilitation Projects	One or more of the repair and renewal projects for the Capitol and Capitol Visitors Center would be deferred to the next biennium.	\$690,415	\$690,415	0.0	\$0	7%	\$9,360,000	Yes
TOTAL, 10% Reduction Options			\$2,761,661	\$2,761,661	0.0	\$0			