

Executive Committee

October 26, 2023



TEXAS HISTORICAL COMMISSION

AGENDA EXECUTIVE COMMITTEE

The National Museum of the Pacific War
Admiral Nimitz Historic Ballroom
340 E. Main Street
Fredericksburg, TX 78624
October 26, 2023
3:30 p.m.

(or upon the adjournment of the 3:00 p.m. Finance & Government Relations committee meeting, whichever occurs later)

This meeting of the THC Executive committee has been properly posted with the Secretary of State's Office according to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. The members may discuss and/or take action on any of the items listed in the agenda.

NOTE: The Executive Committee may go into executive session (closed meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, TGC, Chapter 551.

1. **Call to Order** – *Chairman John Nau*
 - A. Committee member introductions
 - B. Establish quorum
 - C. Recognize and/or excuse absences
2. **Consider approval of the Executive Committee meeting minutes** – *Nau*
 - A. July 20, 2023
 - B. September 12, 2023
3. **Internal Audit Program** (Item 7.2)
 - A. Discussion regarding the Internal Audit Annual Report
 - B. Consider approval of the Annual Internal Audit Plan
4. **Consider approval of THC Committee Charters** (Item 7.3) – *Wolfe*
5. **THGAAC** (Item 15.2) – *Wolfe*
 - A. Consider approval of the THGAAC's Strategic Plan for Fiscal Years 2024 and 2025
 - B. Consider approval of the Friends of THGAAC's funding priority list
 - C. Consider approval of the THGAAC Education Grant scoring updates
6. **Consider approval of recommendations for the 2023 Texas Historical Commission Preservation Awards** (Item 15.3) – *Sadnick*
7. **Consider approval of funding recommendations for the Texas Preservation Trust Fund Grant Program for Fiscal Year 2024, and policy changes for the Fiscal Year 2025 Grant Round** (Item 15.4) – *Brummett*

8. **Report on the Agency Plan** – *Dr. Egele*
9. **Human Resources, Information Technology, and Administration updates** – *Dr. Egele*
10. **Committee Chairman’s Report**
 - A. Ongoing Projects; and
 - B. Updates and Upcoming Events
11. **Adjourn**

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS: Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print or Braille, are requested to contact Paige Neumann at 512-463-5768 least four (4) business days prior to the meeting so that appropriate arrangements can be made.

TEXAS HISTORICAL COMMISSION

MINUTES EXECUTIVE COMMITTEE

Saint George Hall
113 E. El Paso Street
Marfa, TX 79843
July 20, 2023
1:49 p.m.

(or upon the adjournment of the 1:45 p.m. Historic Sites committee meeting, whichever occurs later)

Note: For the full text of action item, please contact the THC at P.O. Box 12276, Austin, TX 78711 or call 512-463-6100.

1. Call to Order

The meeting of the Texas Historical Commission (THC) Executive Committee was called to order by Chairman John L. Nau, III at 1:49 p.m. on July 20, 2023. He announced the meeting had been posted to the *Texas Register*, was being held in conformance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, and that notice had been properly posted with Secretary of State's Office as required.

A. Committee member introductions

Chairman John Nau welcomed everyone, and introductions were made around the table. Members present included:

Chairman John Nau	Commissioner John Crain
Vice-Chair Catherine McKnight	Commissioner Pete Peterson
Commissioner Garrett Donnelly	Commissioner Daisy White

B. Establish quorum

Chairman Nau reported a quorum was present and declared the meeting open.

C. Recognize and/or excuse absences

Chairman Nau noted there were no absences.

2. Consider approval of the Executive Committee meeting minutes from April 27, 2023

Commissioner Peterson moved to approve the April 27, 2023, Executive Committee meeting minutes. Commissioner McKnight seconded the motion. Chairman Nau called for a vote. The vote to approve was unanimous.

3. Consider approval of the project Fundraising Priorities list requiring private funds in excess of \$50,000 for FY 2024 – (Item 14.2)

Executive Director Mark Wolfe introduced Anjali Zutshi, Executive Director of the Friends of THC to provide information. Zutshi said that all projects with a scope of work over \$50,000 or larger must be approved by the commission in order for staff to proceed with further fundraising efforts. She noted that the list was developed with input from division directors. Zutshi said that once approved by the Commission that the list will go before the Friends board for approval at their meeting on July 28, 2023. Commissioner White moved that the committee send forward to the full commission and recommend approval of the projects as presented and to request that the Friends proceed with fundraising. Commissioner McKnight seconded the motion. Chairman Nau called for a vote. The vote to approve was unanimous.

4. Consider confirmation of appointments and reappointments to the Board of Trustees of the Friends of Texas Historical Commission – (Item 14.3)

Zutshi presented the list of names for new appointments and re-appointments to the Board of Trustees of the Friends of the THC. Commissioner McKnight moved to send forward to the commission to confirm the re-appointment of Sarita Armstrong Hixon, Harriet Latimer, and Dianne Duncan Tucker for an additional three-year term and to confirm the new appointments of Kristine Navarro McElhaney and Vanessa McElwrath as Commission Trustees of the Friends of the Texas Historical Commission for a three-year term beginning September 1, 2023, and ending on August 31, 2026. Commissioner Peterson seconded the motion. Chairman Nau called for a vote. The vote to approve was unanimous.

5. Consider approval of recommended THGAAC Education Grants – (Item 14.4)

Executive Director Wolfe said that as an advisory commission, one of the THGAACs primary purposes was to provide grants. The grants list was approved by the THCAAC grant committee and the board approved the list that is being presented for consideration today. There was a question as to where the funding for the THGAAC was. Wolfe said that the funding is part of THC operating budget but remains a separate line item. Chairman Nau moved that the committee send forward to the Commission and recommend approving the THGAAC Education Grants as outlined. Commissioner Peterson seconded the motion. Chairman Nau called for a vote. The vote to approve was unanimous.

6. Human Resources, Information Technology, and Administration updates

Dr. Carol Egele, Deputy Executive Director of Administration, said that the 88th legislature allocated forty-three full-time employees to THC. Human Resources continued to work with THC division directors to implement a phased hiring plan by prioritizing critical positions. She noted that as early as July 1, several job postings were advertised to begin the recruitment process. She referred to the slide being shown listing several positions that were currently posted.

Dr. Egele noted that the Information Technology (IT) Division is increasing their Cybersecurity efforts by implement several measures to raise the agency's current score of 2.64 on the Department of Information Resources, biennial Texas Cybersecurity Framework Assessment (TCFA). The TCFA Report recommended multiple areas of improvement. Dr. Egele stated that of these recommendations, IT is working to enhance the following items:

- To review THC's IT Security Policies to include Media Protection, Information Systems Currency;
- Implement a Security Information and Event Monitoring (SIEM) tool to scan critical systems for signs of cyber-attacks;
- Create an efficient process to log critical and/or sensitive systems for forensic evidence of attacks; and
- Use cloud security systems to scan files for viruses and reduce spam and phishing attempts.

Dr. Egele said that the THC was preparing to undergo a rapid growth. Dr. Egele stated that with the approval of approximately \$215M in funding for new capital projects, the addition of 43 FTEs, the expansion of historic sites, and the release of the new mobile app. She said that THC was in a good position to improve its operations to accommodate this change and growth. She said that THC Administration was implementing a Quality Initiative to innovate processes and workflows and gain efficiencies to help staff focus on their core functions. Dr. Egele said that the project started in June to identify issues, gaps, and areas of opportunity and would go live using a phased approach from September - November. She stated that staff was focusing on the technology to improve the following functions:

- Accounts Payable – to permit vendors to submit invoices via an online portal, automating invoice routing for approval and establishing a comprehensive tracking system.
- Procurement and Contract Services, Contract Services – develop an online repository of contracts, automate the creation of required reports, and schedule reminder emails to THC staff to take contract actions.
- Procurement – automate procurement card purchases and create workflow templates that guide staff through the required steps.
- Fleet Operations – allow staff to check in and check-out vehicles online or by using an application; install Geotabs so that we can accurately track THC fleet assets or identify staff who require roadside assistance.

Dr. Egele concluded, noting that this initiative allowed the Administration Division to create a one-stop shop for staff to receive updates, check on projects, and access resources, training, and forms. She introduced the change agent buttons.

7. Committee Chairman's Report

Chairman Nau stated he would defer his report to the end of the full Commission meeting and that no further report was necessary.

8. Adjourn

At 2:07 p.m., Commissioner McKnight made the motion to adjourn and without objection, the meeting was adjourned.

TEXAS HISTORICAL COMMISSION

MINUTES EXECUTIVE COMMITTEE

Barbara Jordan Building
1601 Congress Ave.
2nd Floor, Room 2.035
Austin, TX, 78701
September 12, 2023
12:00 p.m.

Note: For the full text of action items, please contact the Texas Historical Commission at P.O. Box 12276, Austin, TX 78711 or call 512-463-6100

1. **Call to Order** – *Chairman John L. Nau, III*

The meeting of the Texas Historical Commission (THC) Executive Committee was called to order by Chairman John Nau at 12:11 p.m. on September 12, 2023. He announced the meeting had been posted to the Texas Register, was being held in conformance with the Texas Open Meetings Act, Texas Government Code, Chapter 551 and that notice had been properly posted with the Secretary of State's Office as required.

A. Committee member introductions

Chairman Nau welcomed everyone, and introductions were made around the table.

Members present included:

Chair John Nau

Vice-Chair Catherine McKnight

Secretary Garrett Donnelly

Commissioner John Crain

Commissioner Laurie Limbacher

Commissioner Pete Peterson

B. Establish quorum

Chairman Nau reported a quorum was present and declared the meeting open.

C. Recognize and/or excuse absences

Chairman Nau noted there were no absences.

2. **Courthouse Grants**

Elizabeth Brummett, division director for the Division of Architecture provided information on the four supplemental grants under consideration for Hall, Kimble, Upshur, and Wise Counties. She noted that the 88th Legislature recently raised the cap on Texas Historic Courthouse Preservation Program (THCPP) grants from \$6 to \$10 million through S.B. 1332 which went into effect September 1, 2023. She said that due to the previous cap of \$6 million and skyrocketing construction costs, Round XII grant recipients had taken on a substantially increased financial burden. Brummett stated that Round XII grant recipients were seeking supplemental funding for cost overruns on their projects. The program rules allow the THC to increase grant amounts based upon program or project changes.

Brummett said that commissioners voted at the commission meeting in July 2023 that the fairest way to award supplemental funding to Round XII construction projects was to hold to the local match percentage agreed to in the grant application and funding agreement.

Brummett stated that Hall County's project cost had increased from \$9.2 million to \$11.2 million. In maintaining the original local and state match, the THC determined that the supplemental funding award would be \$1.3 million. She noted that in a letter received from Hall County Judge Ray Powell that \$1.5 million would cover expenses that exceed the county's ability to pay, but respectfully requests the maximum allowable amount. Brummett said that staff recommends that Hall County receive supplemental funding in the amount of \$1.3 million which would maintain the original local and state match proportions.

In Kimble County, Brummett stated that the Commissioner's Court voted to submit a request for supplemental funding of \$2 million knowing that the maximum allowable request had been determined to be \$858,289 to maintain the original local and state match proportions. Brummett said that Kimble County had indicated they would respectfully decline the additional funding of the lower award amount and return their Round XII construction grant and re-apply in Round XIII, without the assurance of success. She said that with a significantly lower cash match from the county, they were willing to take those risks. Staff recommends that Kimble County receive supplemental funding of \$858,289 in keeping with the original local and state match proportions. There was discussion regarding future applications and how the scores would be affected by a smaller county match.

Brummett stated that Upshur County's project cost had increased from \$12.8 million to \$15.2 million. In keeping with the original local and state match proportions, staff recommends that THC's 41 percent state match be maintained resulting in a supplemental grant of \$976,767.

Wise County's project cost increased from \$9.5 million to \$14.9 million. Brummett stated that during their initial request, the county unintentionally did not include the increased architecture and engineering fees. Staff used the actual total project cost to determine the allowable supplemental funding for Wise County. Brummett said that staff recommends that Wise County receive supplemental funding in keeping with the original local and state match proportions in the amount of \$2.9 million.

Commissioner Laurie Limbacher motioned, and Commissioner Cathy McKnight seconded, to approve supplemental funding to the following previously awarded projects, all which maintains the original local and state match proportions: Hall County in the amount of \$1,307,446; Kimble County in the amount of \$858,289; Upshur County in the amount of \$976,767; and Wise County in the amount of \$2,949,398. Chairman Nau called for a vote. The vote to approve was unanimous.

3. Historic Sites Retail Report Update

Joseph Bell, Deputy Executive Director of Historic Sites, provided a report on retail operations. He stated that staff have been working with Museum Revenue Partners (MRP). After having gone through three audits, in 2017, 2020, and 2023 staff had identified several areas needing attention, those being the POS system, which was being upgraded; staffing, which had been restructured; inconsistent branding, and procurement and inventory processes. Bell said that staff was working on merchandising standards for the stores, making sure that products are of high quality and unique items specific to the site. Staff were also focusing on inventory controls using industry best practices, fiscal controls, and control metrics. He said that Historic Sites was going through a point of sale (POS) upgrade with Clover. The new system should be up and running by late November. Bell noted that one of the findings by MRP was that the inventory contained too many SKU numbers. He said that staff were working to reduce the number to make transfers to the new system flow more smoothly. MRP recommends using Shopify for

the e-commerce platform and staff were exploring the options available. Bell said that at site store staff are working to reduce inventory and limiting the THC brand items as they were beginning to realize that those items make great promotional items but are not items that sell very well. He said that several sites were focusing on unique items from their collections. He also said that staff were working to ensure continuity of design for museum stores. Bell also noted that they hired a Director of Earned Revenue to oversee the retail operations.

Bell said that for E-Commerce staff were looking at a custom product line of 35-50 items and would use the site stores as distribution centers. Staff were looking at TexasHistoryStory.com to be the landing page for the platform. He said that staff was also looking into making sure the processes are in place to ensure fulfillment of online orders.

Bell stated that staff was clarifying retail statute and creating an Auxiliary Enterprise Account. This account would be outside the state treasure which exempts adherence to state procurement rules and requirements and provides more flexibility to the sites. The staff was also working with the Comptroller of Public Accounts on a purchasing manual to accompany this venture. Bell said that part of the process was to clarify the language in the bill for the Legislative Budget Board (LBB). He noted that all funding for retail would not be exempt and that funding sources would be identified for the auxiliary account. The last step in the process would be to develop a purchasing manual.

Bell noted that when the site makes a request and identifies potential local vendors, it goes to the retail team that would assist with item procurement. Bell said that all stores would have THC branded items, site specific items, and local vendor items. He also noted that sites were looking into food service options and for opportunities where they could partner with local vendors to sell items food items.

There was a question about the selection of books being sold at the sites. Bell answered stating that the selection of books for sale in museum stores was being reviewed. An inventory had been conducted and a process for selecting future titles was in development. It would ensure the book could be tied to the site mission, site interpretation, or would enhance the visitor experience. Bell noted that site friends groups were also being invited to participate in the item selection process.

4. Discussion and possible action to request capital spending authority.

Bell explained that there were five site projects that would be presented to the LBB to request capital spending authority. He noted that the funding source for the following projects was additional Sporting Goods Sales Tax funds.

- Bush Family Home (\$700K) renovation of the office structure, children's library, and to construct rear additions to two houses recently purchased, and the construction of a maintenance building.
- Port Isabel Lighthouse (\$600K) Construction of a classroom facility, renovation of the keeper's cottage and the bathrooms, and for landscaping.
- Palmito Ranch Battlefield (\$499K) to construct a viewing tower to assist in site interpretation of the battle and the battleground.
- Charles and Mary Ann Goodnight Ranch (\$650K) to purchase land adjacent to the highway to protect the viewshed and provide additional acres to support livestock to interpret the ranch's history.
- Caddo Mounds (\$1.2M) for the Cultural Center, Phase 2. This amount would get us to the point where we can work with Friends of THC to raise the funds needed to construct the cultural center facility to support Caddo programming and events at the site.

Commissioner Peterson motioned, and Commissioner McKnight seconded, to approve the five noted projects be sent to the LBB requesting Capital Spending Authority to utilize Sporting Goods Sales Tax funds. Chairman Nau called for a vote. The vote to approve was unanimous.

5. Consider approval of contract amendment with Phoenix I Restoration & Construction, Ltd. for construction services for the Fanthorp Inn State Historic Site.

Bell said that an amendment to the agreement between THC and Phoenix I Restoration & Construction Ltd is needed for construction services related to exterior preservation of Fanthorp Inn. He introduced Glenn Reed, Chief Architect, to provide details of the need and the amendment. Reed said that the work includes extensive carpentry repairs to the exterior of the building which includes paint removal. A lead and asbestos survey revealed that much of the paint on the building contains lead. He stated that the amendment requested was to increase the contract amount by \$165,264 and the end date of the contract by adding 63 calendar days. This proposed amendment would bring the contract total to \$940,264 and bring the end date to July 19, 2025. Commissioner Garrett Donnelly provided an amended motion, and Commissioner Peterson seconded, to approve the amendment of contract 808-23-222176 with Phoenix I Restoration & Construction, Ltd to increase the contract amount to \$940,264 and extend the contract end date by 63 calendar days. Chairman Nau called for a vote. The vote to approve was unanimous.

6. Discussion re: additions to historic buildings.

Brummett said that the Secretary of the Interior's Standards for the Treatment of Historic Properties developed by the National Park Service set the tone for preservation practice nationwide. She said these standards are the foundation for reviews in all THC architectural programs that include Texas Historic Preservation Tax Credit Program, and the Texas Preservation Trust Fund. It also includes review of work on county courthouses, Recorded Texas Historic Landmarks, and at State Antiquities Landmarks.

Brummett explained there are four different approaches for project evaluation, and each had their own set of standards. Describing the slides being shown, she noted that the two standards most relevant to the discussion of rooftop additions are Standards 9 and 10. She said that new additions must be differentiated from the historic building, they must be understood as new, but must also be compatible with the materials, features, size, scale, and proportion of the historic property. She further noted that additions must be reversible.

Brummett explained that the THC staff uses these documents daily to align our reviews with national best practices and ensure THC staff understand how the standards should be applied. She said that even by using these guidelines each project was evaluated on a case-by-case basis. She stated that standards for rooftop additions on historic buildings provide criteria that include but were not limited to:

- Generally, not appropriate for a building less than four stories.
- Should only be evaluated from a public right of way.
- Should be set back from all visible planes of the building.
- Should be minimally visible from a public right of way.
- The addition should be different enough from the historic building while being similar with the massing, size, scale, and architectural features.

Brummett said that the federal tax credit program was the program in which rooftop additions were proposed most often. Describing the slides, she noted that in general this project meets the parameters for a rooftop addition. She stated that this addition does not meet the standards as it was not compliant with the massing, size, scale, and architectural features of the historic building. She gave the example of the candy company building shown on the slides noting the differences between the historic photograph

and the more recent one. She said that this project would not meet the standards without making some changes.

Continuing, Brummett said that elevations and renderings were not always the most accurate way to gauge visibility. She noted that a useful tool was to build a mockup to show the overall dimensions and placement of an addition, and then photograph that mockup from important vantage points such as the main corners as well as the tallest elements of the addition that could include stair towers and HVAC system components among other things. Again, describing the slides of the completed rooftop addition stating it clearly shows that the design was changed by reducing the height of the addition, pulling it back from the edge of the building, removing the overhand from the corners, and the mechanical units were broken up to reduce visibility. Brummett said that even with the changes from the original design, this addition was still not the ideal project, but still certified for federal tax credits and that the rooftop addition met the standards when the overall rehabilitation project was considered.

Brummett described the next few slides showing POST Houston which was a former postal distribution center adapted into a downtown hub for culture, food, and recreation. She noted the features of the building that were changed to make it able to be certified for federal and state tax credits. The last two slides she described were photos of 505 E. Travis Street in San Antonio noting this was an example of a rooftop addition that was also certified for federal and state tax credits. She said that the rooftop addition was not visible from directly across the street and was set back over 13 feet from the front of the building. While the addition was visible from across a parking lot, it was next to a taller building and does not have a huge impact on either building's character. There was some discussion regarding the Woolworth Building in San Antonio.

7. Committee Chairman's Report

A. Updates and upcoming Events including recognition of retiring commissioners
Chairman Nau said there was no report at this time.

B. Update on Executive Director position

Commissioner McKnight said that she recently spoke to the recruiting firm, and they have ten candidates that they would provide resumes to the search committee on September 21, 2023. She noted that there were twenty that declined stating that the job was too big and more to take on than they were looking for. She further noted that of the ten, three were from out of state and seven were from Texas. She noted that there would be a meeting on September 28 with the recruiting firm.

Commissioner McKnight also mentioned developing an interim plan for the agency to be without an executive director.

8. Adjourn

Chairman Nau asked if any further business was to be brought before the committee. There being none, he stated that the meeting was adjourned at 1:37 p.m.

TEXAS HISTORICAL COMMISSION

Item 7.2
Texas Historical Commission
Quarterly Meeting
October 26-27, 2023

Consider approval of FY2024 Annual Internal Audit Plan

Background:

Chapter 2102 of the Government Code requires the internal audit plan be risk-based and include areas identified through a risk assessment process. The attached document presents the proposed fiscal year 2024 Internal Audit Plan for review and approval in accordance with the Texas Internal Auditing Act.

The annual audit plan was developed using a risk assessment framework. Agency sources for potential engagement and auditable activities were identified; agency risk factors were examined using a weighted average risk measurement scoring system; risk assessment results were evaluated; and the audits based on the risk measurement score were prioritized. The engagements selected were based on the quantified risk priorities and the agency's risk strategy.

Suggested Executive Committee Motion:

Move that the committee send forward to the Commission and recommend approval of the Fiscal Year 2024 Annual Internal Audit Plan.

Full Commission:

Consent Item



TEXAS HISTORICAL COMMISSION

Internal Audit Services

AN INTERNAL AUDIT OF

Retail Revenue

Report No. 23-001

Final

June 21, 2023

This report provides management with information about the condition of risks and internal controls as a specific point in time. Future changes in environmental factors and actions by personnel may impact these risks and internal controls in ways that this report cannot anticipate.

Report Highlights

Why Was This Review Conducted?

McConnell & Jones LLP (MJ) serving as the outsourced internal audit function (Internal Audit) for the Texas Historical Commission (THC) performed this internal audit as part of the approved FY 2023 Annual Internal Audit Plan.

Audit Objectives and Scope

To assess management controls protecting retailer sales revenue and the point of sales system.

The audit scope period was FY 2022.

Audit Focus

Retail Revenue

- Cash handling and deposit procedures.
- Check handling.
- Credit card handling.
- Point of Sale System access.
- Point of Sale data security.
- Revenue recording.
- Revenue reconciliations.

Audit Conclusions

The Texas Historical Commission operates 21 museum stores which leverage QuickBooks-POS-19.0 as the point of sales system.

We noted multiple control weaknesses in the Texas Historical Commission’s management control structure safeguarding retailer sales revenue along with the access and system data collected through the point of sales (POS) system.

THC was recently informed that QuickBooks Desktop Point of Sale 19.0 support will be discontinued as of October 3, 2023. This discontinuation has prompted THC to research alternate solutions to replace the POS. The recommendations identified within this report should be considered during the selection and implementation of the new POS.

Internal Control Rating

Major Improvement Needed.

What Did We recommend?

We recommend that THC:

1. Update and distribute written policy and procedures which detail the requirements for the handling of cash, check, and credit cards from the point of sale to deposit.
2. Communicate and enforce the requirements listed in the THC Personnel Manual to the POS userbase related to:
 - a. Passwords.
 - b. Account sharing.
3. Conduct periodic reviews of all POS user accounts to validate the following:
 - a. Valid accounts.
 - b. System privileges.
4. Use a Service Account with less privileges to log into the POS desktop and consider configuring the POS to run in Kiosk mode.
5. Update the configuration of POS desktop to strengthen security. Specifically.
 - a. Set the POS password protected screensaver to engage after 10 minutes of inactivity.
 - b. Archive the System log files.
6. Document the annual Payment Card Industry (PCI) compliance process.
7. Implement a procedure for the THC finance office to reconcile what is reported from each THC retail site, to TexNet and what appears in the financial reports.

Number of Findings/ Opportunities by Risk Rating

Category	High	Medium	Low	Total
Findings	6	1	0	7
Improvement Opportunities	0	0	2	2



We wish to thank all employees for their openness and cooperation. Without this, we would not have been able to complete our review.

Introduction

We performed this audit as part of the approved FY 2023 Annual Internal Audit Plan. This audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained accomplishes that requirement.

Pertinent information has not been omitted from this report. This report summarizes the audit objective and scope, our assessment based on our audit objectives and the audit approach.

Objective, Conclusion, and Internal Control Rating

This audit identified findings that resulted in an overall internal control rating of: **Major Improvement Needed**. **Exhibit 1** describes the internal control rating.

The purpose of this audit was to assess management's controls protecting retailer sales revenue and the point of sales system.

As such we focused on the following Retail Revenue processes:

- Cash handling and deposit procedures.
- Check handling.
- Credit card handling.
- Point of Sale system access.
- Point of Sale data security.
- Revenue recording.
- Revenue reconciliations.

The scope period was FY 2022.

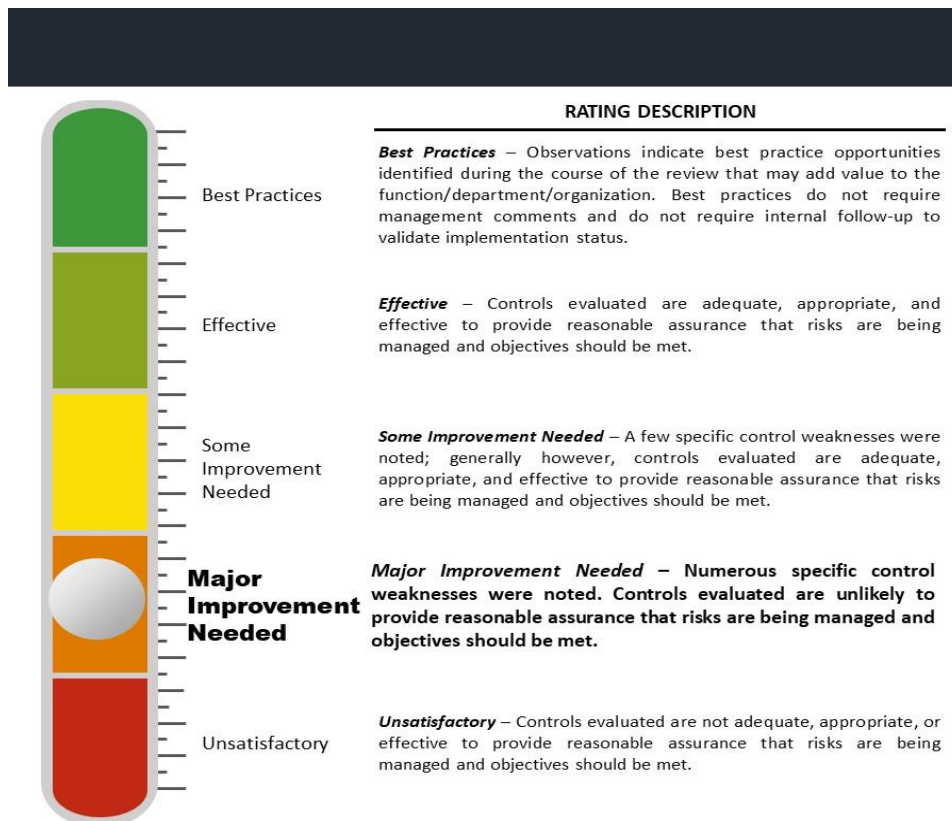


Exhibit 1: Internal control rating description.

Finding vs Improvement Opportunity

We define a finding as an internal control weakness or non-compliance with required policy, law, or regulation. We define an improvement opportunity as an area where the internal control or process is effective as designed but can be enhanced.

Findings and Risk Rating Summary

Inherent risk is internal audit’s ranking of the impact to the organization if controls or processes were not in place or effective to prevent a negative event from occurring. Inherent risk ratings are assigned prior to audit activities performed. Residual risk is internal audit’s ranking of the remaining risk or likelihood of a negative event occurring with the internal controls and processes in place.

Exhibit 2 provides a summary of our audit observations. See the findings and management response section of this report for a discussion of all issues identified recommendations and management responses.

Business Objective	Inherent Risk Rating	Residual Risk Rating	Control Assessment / Findings	Recommendations
<p>1. To have management controls, policies, and processes in place to ensure cash, and check, and credit card handling and deposit procedures are sufficient, accurate and safeguard THC's revenue from the point of sale to the deposit.</p>	<p>High</p>	<p>Medium</p>	<p>Some Improvement Needed</p> <p>1. THC does not have consistent policy or procedures in place related to the fiscal controls for the handling of cash, check, and credit cards.</p> <p><i>(See Findings and Management Response Section Business Objective #1)</i></p>	<p>1. Update and distribute policy and procedures which detail the requirements for the handling of cash, check, and credit cards from the point of sale to deposit.</p>
<p>2. To have management controls and processes in place to ensure that the THC Point of Sales (POS) system is protected from unauthorized access.</p>	<p>High</p>	<p>High</p>	<p>Major Improvement Needed</p> <p>2. POS password enforcement is weak, and segregation of duties (SOD) risks were identified within with museum stores' point of sale system.</p> <p>3. POS system access and security options across all museum stores are not being reviewed and updated at least annually.</p> <p><i>(See Findings and Management Response Section Business Objective #2)</i></p>	<p>2. Communicate and enforce the requirements listed in the THC Personnel Manual to the POS userbase related to:</p> <p>a. Passwords.</p> <p>b. Account sharing.</p> <p>3. Conduct periodic reviews of all POS user accounts to validate the following:</p> <p>a. Valid accounts.</p> <p>b. System privileges.</p>
<p>3. To have management controls and processes in place to ensure customer data captured within the THC Point of Sales (POS) is protected from unauthorized disclosure.</p>	<p>High</p>	<p>High</p>	<p>Major Improvement Needed</p> <p>4. Segregation of duties (SOD) risks were identified within the site desktop point of sale systems.</p> <p>5. The local POS desktop password protected screensaver does not</p>	<p>4. Use a Service Account with less privileges to log into the POS desktop. Additionally, THC should consider configuring the POS to run in Kiosk mode.</p> <p>5. Update the configuration of POS desktop to</p>

Business Objective	Inherent Risk Rating	Residual Risk Rating	Control Assessment / Findings	Recommendations
			<p>engage after 10 minutes of inactivity, and the security log is not being saved to a log repository before overwriting.</p> <p>6. THC does not have a documented procedure detailing the steps to complete the Fiserv PCI Certification.</p> <p><i>(See Findings and Management Response Section Business Objective #3)</i></p>	<p>strengthen security. Specifically.</p> <ul style="list-style-type: none"> a. Set the POS password protected screensaver to engage after 10 minutes of inactivity. b. Archive the System log files. <p>6. Document the annual PCI compliance process.</p>
<p>4. To ensure management controls and processes are in place to ensure revenue recording and revenue reconciliations are performed timely and accurately resulting in accurate financial statements.</p>	<p>High</p>	<p>High</p>	<p>Major Improvement Needed</p> <p>7. No reconciliation is performed within the THC finance office between what is reported by THC retail sites to TexNet and what appears in the financial reports.</p> <p><i>(See Findings and Management Response Section Business Objective #4)</i></p>	<p>7. Implement a procedure for the THC finance office to reconcile what is reported from each THC retail site, to TexNet and what appears in the financial reports.</p>
<p>5. To have management controls and processes in place to ensure that the THC Point of Sales (POS) system is protected from unauthorized access.</p>	<p>High</p>	<p>Low</p>	<p>Opportunity for Improvement</p> <p>A. Centralized POS does not provide the functionality to report on the population of POS users.</p>	<p>A. THC should develop a schedule to periodically collect and combine the user access lists from each site, to serve as the population for periodic access assessments.</p>
<p>6. To ensure management controls and processes are in place to ensure revenue recording and revenue</p>	<p>High</p>	<p>Low</p>	<p>Opportunity for Improvement</p> <p>B. The museum store inventory balances are not updated to reflect sales or purchase</p>	<p>B. Consider reporting retail sales to include cost of goods sold, purchases, changes in inventory as</p>

Business Objective	Inherent Risk Rating	Residual Risk Rating	Control Assessment / Findings	Recommendations
reconciliations are performed timely and accurately resulting in accurate financial statements			transactions. Instead, the inventory balances are updated after the physical inventories are conducted at the end of the fiscal year (August). Net differences between the prior year and current year inventory balances are booked as an expense. There is no state requirement for the recording inventory in a manner that follows generally accepted accounting principles.	well as other adjustments which impact the net income of each retail store. This will provide a better picture of how each store is performing and identify potential risks that are not being addressed, such as theft or breakage.

Exhibit 2: Summary of Internal Audit Findings and Recommendations.

Background

The Texas Historical Commission operates 36 state historic museum stores across Texas. Twenty-one (21) of these museum stores have retail operations. Of those, 16 stores leverages QuickBooks-POS-19.0 as the point of sales system. Admission fees, merchandise (coffee cups, T-shirts, magnets, books, etc.), and campsite rental fees are among the sources of revenue for the museum stores. **Exhibit 3** shows the changes in Historic Sites sales of goods and services as well as inventory balances as of August 2020, 2021, and 2022 that was pulled from the respective THC Unaudited Annual Financial Report.

Category	August 31, 2020 Balance	August 31, 2021 Balance	% change	August 31, 2022 Balance	% change
Sales of Goods and Services (program revenue) *	\$134,194.10	\$ 334,818.11	150%	\$ 442,259.26	32%
Merchandise Inventories**	\$320,403.84	\$ 359,847.91	12%	\$ 491,917.51	37%

Exhibit 3: Yearend Balances for Sales of Historic Sites Sales and Merchandise Inventory

*Sales of Goods and Services for August 31, 2022, is comprised of:

- Rental Other (5.43%)
- Sale of Publications (.01%)
- Gift Shop Sales (87.56%)
- Employee Housing (7.0%)

** Inventories are valued at cost, generally using last-in, first-out (LIFO) method.

THC was recently informed that QuickBooks Desktop Point of Sale 19.0 will be discontinued as of October 3, 2023. This discontinuation has prompted THC to research alternate solutions to replace the POS. The recommendations identified within this report should be considered during the selection and implementation of the new POS.

Detailed Findings and Management Response



This section of the report provides a detailed discussion of opportunities we noted during the audit along with recommendations to improve internal controls or the business process.

Business Objective Chapter #1: CASH, CHECK AND CREDIT CARD HANDLING AND DEPOSIT PROCEDURES

Inherent Risk Rating: High

Residual Risk Rating: Medium

Business Objective: To have management controls, policies, and processes in place to ensure cash, check, and credit card handling and deposit procedures are sufficient, accurate and safeguard THC 's revenue from the point of sale to deposit.

Control Rating: Some Improvement Needed.

Finding Narrative:

THC has 21 museum stores. Of those, 16 stores use the THC POS system. We conducted interviews and reviewed policies and procedures on cash, check, and credit card handling. Although the majority of the museum stores appear to have similar processes in place from the point of sale to revenue recording, many of these processes are not documented. For those that are documented, there is a lack of consistency amongst their respective documents to ensure accurate reporting of their sales revenue.

Criteria	<ul style="list-style-type: none"> Fiscal Control Policy. Texas Government Code: Sec. 442.105., Sec. 442.106., Sec. 442.108, Sec.422.109., Sec 442.073, Sec 442.074
Effect/Risk/Impact	<ul style="list-style-type: none"> Cash, check, and credit card handling, and deposit procedures may not be sufficient, accurate, or safeguard THC 's revenue from the point of sale to deposit.
Control Tests	<ul style="list-style-type: none"> Interviewed 16 site managers with THC's POS system on their cash, check, and credit card handling procedures from point of sale to deposit, to revenue recording. Reviewed documented fiscal policies for all museum stores and actual procedures to determine if the cash, check, and credit card handling procedures were sufficient.
Management Controls in Place	<ul style="list-style-type: none"> The museum stores utilize logs (safe access logs, deposit logs, cash drawer logs, donation collection log, and key box logs) to document who has access to or has accessed the safe or key box. Logs are also used to document dual control, which is when two people are required to be present when a process is taking place, i.e., counting cash or making a deposit. The museum stores secure their cash, keys, and bank deposits in a secure device, such as a safe or a lock box. Fiscal training on how to properly safeguard cash, credit card and checks is provided by the Regional Retail Development Manager during onboarding and set up of new stores. Site specific policies and procedures exist.
Findings / Opportunities	<ul style="list-style-type: none"> Procedures for cash, check, and credit card handling, from the point of sale to deposit, either do not exist or are not consistent across museum stores.

	<ul style="list-style-type: none"> • Five (5) of the museum stores do not have or did not provide their fiscal control plan for review during this audit. • The museum stores perform a point-of-sale reconciliation, but no reconciliation is performed within the THC finance office between what is reported from THC retail sites to TexNet and what appears in the financial reports.
Root Cause	<ul style="list-style-type: none"> • There is no standard THC process or policy in place for fiscal controls regarding cash, check, and credit card handling procedures.

Recommendation:

1. Update and distribute written policy and procedures which detail the requirements for the handling of cash, check, and credit cards from the point of sale to deposit.

Management Response (1) - Management agrees with this finding.

The Historic Sites retail manager, in collaboration with Staff Services, will review the current fiscal control plans for each of the State Historic Sites and make necessary updates no later than December 31, 2023. Staff Services is currently collecting information from the sites that can be used to prepare updated fiscal control plans as well as policies and procedures to be incorporated into day-to-day operations. Upon completion of the updated fiscal control plans and the new policies and procedures the Retail Manager, along with Staff Services will establish a training schedule for the sites beginning in January 2024. Staff training will then be held two times annually either in-person or virtually as part of the sales staff onboarding process and continuing education. The Retail Manager will monitor the implementation of processes throughout the fiscal year.

THC will be upgrading the POS software and hardware beginning in August 2023. As part of the implementation staff will be trained on the new system operations. The THC Retail Operations Manual will be updated to reflect changes to policy and procedures including the handling of cash, check, and credit cards from the point of sale to deposit and distributed to each site. The Retail Operations Manual and site Fiscal Control plans will be reviewed on an annual basis once established.

Business Objective Chapter #2: POINT OF SALE ACCESS

Inherent Risk Rating: High

Residual Risk Rating: High

Business Objective: To have management controls and processes in place to ensure that the THC Point of Sale (POS) system is protected from unauthorized access.

Control Rating: Major Improvement Needed.

Finding Narrative:

QuickBooks-POS-19.0 serves as the Point of Sales (POS) system for the THC individual museum stores. Though the POS is configurable to restrict access to users by role, the reliance on the individual museum stores to update and maintain the configuration, has resulted in potential segregation of duties (SOD) risks. Additionally, the weak password controls inherent to the implementation do not meet the requirements established within the THC policy and procedures.

Criteria	<ul style="list-style-type: none"> • THC Information Security Standards and Practice. • DIR Security Control Standards Catalog 2.0. • THC PERSONNEL-MANUAL-03-01-2022-1.pdf. • New PC Set Up Procedure Updated 2022 Sentinel One.
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Effect/Risk/Impact	<ul style="list-style-type: none"> Point of Sale system access may not be sufficient to protect the agency from unauthorized access.
Control Tests	<ul style="list-style-type: none"> Inquired with Regional Retail Development Manager & Information Resources Manager. Reviewed THC Policy and procedures. Conducted testing of the POS Application Users. Conducted testing of the POS Application access by roles. Conducted testing of the POS Desktop Users.
Management Controls in Place	<ul style="list-style-type: none"> THC has established information security standards and practices to protect information resources. THC maintains an acceptable use policy detailing the THC information security policies, standards, practices, and procedures regarding access and use of information systems. Users must authenticate on the local POS Desktop. Users must authenticate on the local POS application. Access to individual functionality within the POS application is role-based.
Findings / Opportunities	<p><u>Findings:</u></p> <ul style="list-style-type: none"> POS password enforcement is weak, and Segregation of Duties (SOD) risks were identified within site point of sale systems. Specifically. <ul style="list-style-type: none"> <u>Passwords</u> <ul style="list-style-type: none"> Users are not required to change the initial password. Passwords history is not enforced. Maximum password age is not enforced. Minimum password age is not enforced. Minimum password length is not enforced. Password complexity requirements are not enforced. <u>SOD</u> <ul style="list-style-type: none"> Credentials for the POS security system administrator account are shared among staff at all levels. This creates a level of indiscernibility as to who performed any systems changes or updates regardless of if the changes were in good faith or not. Museum stores with limited staff are provided POS system access that would be considered above their level of needed accessibility. POS system access and security options across all museum stores are not being reviewed and updated at least annually. During our testing, we identified: <ul style="list-style-type: none"> Two (2) POS application active accounts are assigned to individuals who are not listed on the HR active THC staff as of 2-16-2023 detail report. Two (2) THC staff are assigned to an incorrect Security Group, which grants access rights beyond what the individuals need based on their role. Three (3) THC site users are not assigned their own user account access, and instead are leveraging using the Sysadmin account as a generic account. Five (5) Non-THC staff have Owner and Manager privileged access to operate the POS at the San Jacinto Museum. Three (3) volunteer accounts are assigned to an incorrect Security Group, which grants access rights beyond what the individuals need based on their job role. Two (2) generic volunteer accounts need to be removed or assigned to an individual volunteer.

	<ul style="list-style-type: none"> ○ The POS security options across all museum stores are not identical. ○ At any given point, THC would not be able to determine exactly who was logged into the POS. <p><u>Opportunities for Improvement:</u></p> <ul style="list-style-type: none"> • Compiling the population of POS users requires exporting users from each site.
Root Cause	<p><u>Findings:</u></p> <ul style="list-style-type: none"> • THC management has historically followed a decentralized IT approach with regards to the individual museum stores establishing their local security options. This has led to IT site controls that are convenient but not always secure.

Recommendations:

Findings:

2. Communicate and enforce the requirements listed in the THC Personnel Manual to the POS userbase related to:
 - a. Password history, age, and length requirements. However, if THC wishes to maintain the frequency of password change to once a year, implement multi-factor authentication (MFA).
 - b. Require each user to change their password to comply with policies.
 - c. Limit access to the Sysadmin account to IT and the Regional Retail Development Manager.
3. Conduct periodic reviews of all POS user accounts to validate the following:
 - d. Users are still employed at the THC site and their role has not changed, update or remove access accordingly.
 - e. Security options across all museum stores, to validate the assignment by role at least annually, however, semi-annual, or quarterly would be preferable.

Opportunities for Improvement:

- A. Consider developing a schedule to periodically (annually, semiannually, or quarterly) collect and combine the user access lists from each site, to serve as the population for access assessments.

Management Response (2) - Management agrees with this finding.

The Information Technology (IT) and Human Resources (HR) Divisions will reiterate the current THC policy standards and requirements, located in the THC Personnel Manual, with regards to password strength and change requirements, and the policy restriction on account sharing by August 31, 2023. Additionally, THC IT will enforce these policy requirements to the extent capable of the Point-of-Sale technology utilized at the retail locations when the new technology is selected, anticipated September 1, 2023.

Management Response (3) - Management agrees with this finding.

The Information Technology (IT) and Human Resources (HR) Divisions will reiterate the current THC policy standards and requirements, located in the THC Personnel Manual, with regards to password strength and change requirements, and the policy restriction on account sharing by August 31, 2023. Additionally, THC IT will enforce these policy requirements to the extent capable of the Point-of-Sale technology utilized at the retail locations when the new technology is selected, anticipated September 1, 2023.

Business Objective Chapter #3: Data Security

Inherent Risk Rating: High

Residual Risk Rating: High

Business Objective: To have management controls and processes in place to ensure customer data captured within the THC Point of Sales (POS) is protected from unauthorized disclosure.

Control Rating: Major Improvement Needed.

Finding Narrative:

The THC Point of Sales (POS) system at the individual museum stores are installed on a desktop computer. The desktop is accessed by staff using a shared user account with administrator (high level security) privileges.

We noted the POS systems are currently PCI compliant, per the 2022 PCI certification. However, the individual who performed the certification process is no longer with the agency. THC is in the process of performing the certification process for 2023.

Criteria	<ul style="list-style-type: none"> • THC Information Security Standards and Practice. • DIR Security Control Standards Catalog 2.0. • THC PERSONNEL-MANUAL-03-01-2022-1.pdf. • New PC Set Up Procedure Updated 2022 Sentinel One.
Effect/Risk/Impact	<ul style="list-style-type: none"> • Data security may not be sufficient to protect the customer information, including PCI compliance by credit card service provider(s).
Control Tests	<ul style="list-style-type: none"> • Inquired with Regional Retail Development Manager, Chief Accountant, Historical Site Accountant, & Information Resources Manager. • Reviewed THC policy and procedures. • Conducted testing of the POS Application Security Options. • Conducted testing of the POS Desktop Security. • Inspected THC PCI Compliance Procedures.
Management Controls in Place	<ul style="list-style-type: none"> • The THC POS (QuickBooks-POS-19.0) has 170 security options which restrict functionality to four (4) roles. • THC IT maintains the general security of the POS Desktop at the local museum stores, leveraging Sentinel One for real-time virus protection, Intune for security patching, and Windows security settings through Active Directory Group Policies. • Annually, THC is required to complete the certification process to comply with the PCI standard. This is accomplished through submission of information, including the annual self-assessment, on the 3rd party certification site (Clover Security) per the Merchant Card Services Contract negotiated between First Data Merchant Services, LLC and the Texas State Comptroller.
Findings / Opportunities	<ul style="list-style-type: none"> • The POS application security options across all museum stores are not identical. • Segregation of duties (SOD) risks were identified within museum stores desktop point of sale systems. These risks include: <ul style="list-style-type: none"> ○ Credentials for POS desktop local system administrator account is shared among staff at all levels. THC would not be able to determine exactly who was logged into the POS desktop. • The local POS desktop password protected screensaver does not engage after 10 minutes of inactivity, and the security log is not being saved to a log repository before overwriting.

	<ul style="list-style-type: none"> ○ The POS desktop security log is not being saved to a log repository before it reaches capacity. When capacity is reached, older events are overwritten with new events. ● Though THC is up to date with regards to Fiserv PCI Certification, THC does not have a documented procedure detailing the steps to complete the Fiserv PCI Certification PCI compliance.
Root Cause	<ul style="list-style-type: none"> ● THC management has historically followed a decentralized IT approach with regards to the individual museum stores establishing their local security options. This has led to IT site controls that are convenient but not always secure. ● The annual PCI compliance process was performed by a long-term employee with institutional knowledge. With the loss of this individual and the lack of documented steps, a gap exists for current staff of what is required to complete the annual PCI compliance process.

Recommendations:

4. Strengthen the POS desktop security by:
 - Utilizing a service account with less privileges to log into the POS desktop.
 - Configure the POS to run in Kiosk mode. Kiosk mode is a Windows operating system (OS) feature that only allows one application to run. Kiosk mode is a common way to lock down a Windows device when that device is used for a specific task or used in a public setting.
5. Strengthen the POS desktop security by:
 - Configure the desktop password protected screensaver to engage after 10 minutes of inactivity.
 - Configure the logs to archive versus overwriting. This would allow the administrators the ability to troubleshoot potential unauthorized activity, system failures, and other important problems.
6. Document the annual PCI compliance process.

Management Response (4) - Management agrees with this finding.

THC is projecting to utilize Apple iPads for Point-of-Sales transaction terminals in our new implementation of the retail operation. The IT Division will utilize the 'least privilege' model of assigning user account roles and access to ensure users have only the access they need to perform their duties when the new technology is selected. The iPads will be configured in Kiosk mode as recommended when implemented, anticipated September 1, 2023.

Management Response (5) - Management agrees with this finding.

THC is projecting to utilize Apple iPads for Point-of-Sales transaction terminals in our new implementation of the retail operation. The iPads will be configured with a password-protected screen time-out of 10 minutes as recommended when implemented, anticipated September 1, 2023. Until this implementation, the current Point-of-Sale desktops will be configured with a password-protected screen saver to engage after 10 minutes of inactivity by July 1, 2023. When the new system is implemented, the transaction logs will be archived in an alternate location to the extent possible with the system's capabilities.

Management Response (6) - Management agrees with this finding.

Staff Services and IT will work together to establish procedures for the retail operations staff to follow for the annual PCI compliance process by December 31, 2023. Staff Services started documenting this process in April of 2023 while completing the annual certification. Upon completion of the policies and procedures, Staff Services and IT will provide training to necessary retail operations staff and complete the 2024 PCI compliance certification together in April of 2024 and be able to turn this task over to retail operations staff with support from Staff Services and IT thereafter.

Business Objective Chapter #4: REVENUE RECONCILIATION

Inherent Risk Rating: High

Residual Risk Rating: High

Business Objective: To ensure management controls and processes are in place to ensure revenue recording and revenue reconciliations are performed timely and accurately resulting in accurate financial reports and statements.

Control Rating: Major Improvement Needed.

Finding Narrative:

The museum stores reconcile their sales daily to the POS system, make bank deposits, and enter the amounts directly into CAPPs. However, no reconciliation is being performed by Staff Services in the THC finance function to validate the amounts deposited by the museum stores to the amounts reported in CAPPs.

Criteria	<ul style="list-style-type: none"> • Best Cash Handling Procedures for Retail Businesses • Texas Government Code: Sec 442.073, Sec 442.074.
Effect/Risk/Impact	<ul style="list-style-type: none"> • Revenue recording and revenue reconciliations may not be performed timely and accurately resulting in inaccurate financial reports and statements.
Control Tests	<ul style="list-style-type: none"> • Inquired with the Historic Sites Accountant and THC Chief Accountant if revenue recording and revenue reconciliations are being performed timely and accurately, and about the different line items that make up the financial reports' revenue and expenditures. • Inquired if revenue recording and revenue reconciliations are being performed by the museum stores timely and accurately with Regional Retail Development Manager. • Reviewed the Annual Financial Report for last year (FY 2022) to gain an understanding of all the revenue, expenditures, and net income reported by the museum stores.
Management Controls in Place	<ul style="list-style-type: none"> • The museum stores reconcile their sales daily and enter revenue directly into (TexNet) USAS. • Separation of duties: One employee performs sales duties on the POS, while a separate employee performs end of the day duties, e.g., TexNet (deposit) duties. • THC limits the number of employees per museum store who can enter sales revenue information into TexNet, typical it is only two (2).
Findings / Opportunities	<p><u>Findings:</u></p> <ul style="list-style-type: none"> • Reconciliations are not currently performed by Staff Services of the revenue deposited and reported by the museum stores, which may result in inaccurate financial reports and statements. <p><u>Opportunities for Improvement:</u></p> <ul style="list-style-type: none"> • The museum store inventory balances are not updated to reflect sales or purchase transactions. Instead, the inventory balances are updated after the physical inventories are conducted at the end of the fiscal year (August). Net differences between the prior year and current year inventory balances are booked as an expense. There is no state requirement for the recording inventory in a manner that follows generally accepted accounting principles.

Root Cause

- Due to resource constraints in Staff Services, reconciliations of the museum stores' sales revenue to USAS and the agency's financials are not performed.

RecommendationsFindings:

7. Implement a procedure for the THC finance office to reconcile what is reported from each THC retail site, to TexNet and what appears in the financial reports.

Opportunities for Improvement:

- B. Consider providing retail sales reporting that includes cost of goods sold, purchases, changes in inventory as well as other adjustments which impact the net income of each retail store. This will provide a better picture of how each store is performing and identify potential risks that are not being addressed, such as theft, shrinkage, or breakage.

Management Response (7) - Management agrees with this finding.

The Staff Services Division has begun the process of collecting the necessary end-of-day closing information and forms from the sites to create a uniform process for end-of-day reporting to aid in the reconciliation of revenues. The Staff Services Division will create policies and procedures for end-of-day reporting by the State Historic Sites no later than August 31, 2023. Training for site staff on the new end-of-day reporting will be provided by the Staff Services Division by December 31, 2023. Staff will also complete preliminary sample revenue reconciliations using currently available information by August 31, 2023, and create a policy and procedure based on these preliminary findings and incorporate the new end-of-day policy/procedure by January 31, 2024.

In addition, the retail team in collaboration with individual sites will create a policy and procedure for the tracking of museum store merchandise. This will include the entry of beginning balances for each site and provide the ability to add merchandise received in the system by the site staff and have POS accurately track sales to decrease inventory at the site level as well as across all sites. The policy will include the proper method for tracking damaged and donated items removed from inventory. The policy will also provide a method of identifying inventory shrinkage following monthly spot checks. The policy will also address the method for conducting cycle counts, either weekly or monthly, to be performed by site staff and the proper procedure for adjusting the inventory based on these counts. An annual inventory will still take place at each site. A draft of this policy will be available by December 31, 2023, to consider the new POS system to be implemented by October 31, 2023.

Lastly, as part of the implementation of the new POS system, monthly revenue and inventory reports will be developed and standardized for the agency. These reports will be generated for individual sites to review as well as the retail operations team and Staff Services.



**TEXAS HISTORICAL
COMMISSION**

Report on Prior Audit Findings Follow-Up

Report # 23-002



McConnell Jones
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Audit Objectives and Focus



Executive Summary



Prior Audit Findings and Implementation Status



Key Recommendations



AUDIT OBJECTIVES AND FOCUS AREAS

Internal audit conducted a follow-up review on prior audit findings issued to determine management's implementation progress towards remediating the respective issue or internal control weakness. This follow-up audit was included in the Annual Internal Audit Plan.

We conducted this audit in conformance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained during the audit satisfied GAGAS standards.

We have not omitted pertinent information from this report, which summarizes the audit objective and scope of our assessment based on our audit approach.



FINDINGS STATUS SUMMARY

Finding Status	Number	Percentage of Total Findings Assessed	Comments
Fully Addressed	2	100%	
Partially Addressed	0	0%	
In-Progress	0	0%	
Chosen not to Address	0	0%	
Total	2	100%	



DETAILED FINDINGS, RECOMMENDATIONS, AND IMPLEMENTATION STATUS

#	Audit Date	Risk Ranking	Finding	Recommendation	Status
1	2022	Low	The process for the documentation, tracking, and storing grant application and management support documentation has not been formalized and responsibility for tracking and storing supporting documentation is decentralized, causing inefficiencies in tracking project status and documentation.	1. Update the Texas Historic Courthouse Preservation Program (THCPP) grant policies and procedures to: a. Establish roles and responsibilities for documenting, tracking, storage and monitoring of grant applications and management support documentation and photographs.	Fully Addressed
2	2022	Low	1. The THCPP web application does not track whether conservation easement documentation has been signed by the County Clerk or reviewed and approved by the Executive Director, making it difficult for the THCPP Program Coordinator and Staff to determine the status of each project related to these steps. 2. The THCPP shared folders and files have not been configured using a standard structure or naming convention to organize projects within those Grant Round folders. Additionally, because most documentation prior to Round VII have not been digitized, the shared folders for those rounds are sparsely available.	Update the THCPP grant policies and procedures to: b. Establish a standardized naming convention and folder structure for shared network folders. c. Establish a standardized naming convention and process for storing documentation and photographs relevant to courthouse projects 1. Update the THCPP web application to include such information as whether and when County Clerk and Executive Director review and approval has been documented.	Fully Addressed

The background of the entire page is a grayscale photograph of the Texas State Capitol building, showing the large dome and the surrounding architecture. A semi-transparent blue box is overlaid on the center of the image, containing the title and subtitle.

Texas Historical Commission Internal Audit Services

FY 2023 Annual Internal Audit Report

This report provides management with information about the condition of risks and internal controls at a specific point in time. Future changes in environmental factors and actions by personnel will impact these risks and internal controls in ways that this report cannot anticipate.



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McConnell Jones

October 27, 2023

The Honorable Greg Abbott, Governor
Members of the Legislative Budget Board
Members of the Sunset Advisory Commission
Internal Audit Coordinator, State Auditor

Dear Ladies and Gentlemen:

Attached is the FY 2023 Internal Audit Annual Report for the Texas Historical Commission (THC). This report was presented to the THC Commissioners and is submitted in accordance with the Texas Internal Auditing Act requirement for state agency internal auditors to prepare and distribute an annual report (Government Code, Chapter 2102). THC engaged McConnell & Jones LLP (MJ) to provide internal audit services to the agency in accordance with The Texas Internal Auditing Act. MJ submits this FY 2023 Annual Internal Audit Report on behalf of the THC Commissioners.

The Texas Internal Auditing Act requires agencies to file an annual report on their internal audit activities and the internal audit reports prepared for their governing board. The purpose of the Internal Audit Annual Report is to provide information on the assurance services, consulting services, and other activities of the internal audit function. In addition, the Internal Audit Annual Report assists oversight agencies in their planning and coordination efforts. According to Texas Government Code, Sections 2102.009 and 2102.0091, the FY 2023 Internal Audit Annual Report is due November 1, 2023.

Please contact Darlene Brown at 713.968.1600 or Chairman John L. Nau, III at 512.463.5767 if you should have any questions about this audit report.

Sincerely,

Darlene Brown, CIA, CFE
Partner

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Suite 320
Austin, TX 78759
Phone : 512.430.5358

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I. COMPLIANCE WITH TEXAS GOVERNMENT CODE, SECTION 2102.015: POSTING THE AUDIT PLAN AND ANNUAL REPORT ON THE INTERNET

Texas Government Code, Section 2102.015, requires state agencies and institutions of higher education to post agency internal audit plans and internal audit annual reports to the agency’s internet website within 30 days of approval. Texas Government Code, Section 2102.015, also requires agencies to update the posting on the website to include a detailed summary of any weaknesses, deficiencies, wrongdoings, or other concerns raised by the audit plan or annual report and include a summary of the actions taken by the agency to address the issues raised.

In accordance with requirements of Texas Government Code, Section 2102.015, McConnell & Jones LLP (MJ) will ensure the required Annual Internal Audit Plan, Internal Audit Annual Report and any other required internal audit information is provided to the Texas Historical Commission for posting to their website.

II. FISCAL YEAR 2023 INTERNAL AUDIT PLAN STATUS

McConnell & Jones LLP prepared the Fiscal Year 2023 Annual Internal Audit plan based on a comprehensive risk assessment which was approved by the THC commissioners. The table below reflects the status of the approved Internal Audit Plan as of August 31, 2023.

Fiscal Year 2023 Internal Audit Plan Status

#	Description	Report Number	Report Date	Report Title	Audit Status
1	Retail Revenue	23-001	June 21, 2023	Retail Revenue	Completed
2	Follow-up on Prior Audit Findings	23-002	June 30, 2023	Report on Prior Audit Findings Follow-Up	
3	Update Risk Assessment	N/A	N/A	N/A	Completed
4	Annual Audit Plan	N/A	N/A	N/A	Completed
5	Annual Audit Report	N/A	N/A	N/A	Completed
6	Audit Communications, Committee Meetings, Project Management	N/A	N/A	N/A	On-going

Deviations from FY 2023 Annual Internal Audit Plan

The FY 2023 Annual Internal Audit Plan was executed as originally approved with no deviations made.

III. CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

Internal audit did not perform any consulting services during FY 2023.

IV. EXTERNAL QUALITY ASSURANCE REVIEW (PEER REVIEW)

MJ has been a member of the AICPA since 1987 and is subject to the AICPA's peer review process every three years. Our commitment to quality is underscored by the fact that, in our four most recent peer reviews, we have consistently received an unqualified opinion in external peer review reports on the quality of our accounting and auditing practice by the AICPA. After a thorough review of our procedures and work practices, which include reviews of our nonprofit, governmental, and commercial engagements, the reviewers concluded that MJ complies with the stringent quality control standards established by the American Institute of Certified Public Accountants. We provide a copy of our most recent peer review letter below.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of **McConnell & Jones, LLP**, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2020, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. **McConnell & Jones, LLP** has received a peer review rating of *pass*.

Turner, Stone & Company, L.L.P.

Turner, Stone & Company, L.L.P.

Your Vision Our Focus



Report on the Firm's System of Quality Control

June 18, 2021

To the Partners of
McConnell & Jones, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of **McConnell & Jones, LLP** (the Firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Turner, Stone & Company, L.L.P.
Accountants and Consultants
12700 Park Central Drive, Suite 1400
Dallas, Texas 75251
Telephone: 972-239-1660 / Facsimile: 972-239-1665
Toll Free: 877-833-4193
Web site: turnerstone.com



V. INTERNAL AUDIT PLAN FISCAL YEAR 2024

MJ developed the Fiscal Year 2024 Annual Internal Audit Plan based on results of the annual risk assessment which focused on audit history and speaking with THC leadership. Our assessment evaluated risk exposures relating to the THC’s governance, operations, and information systems regarding the reliability and integrity of financial and operational information; effectiveness and efficiency of operations; safeguarding of assets; and compliance with laws, regulations, and contracts.

MJ will conduct one audit, conduct follow-up activities related to prior audit findings, update the risk assessment, prepare the Fiscal Year 2025 Annual Internal Audit Plan, and prepare the Fiscal Year 2024 Annual Internal Audit Report in accordance with the Texas Internal Auditing Act. These activities are estimated to require **276 hours**. The planned audits, timing and estimated hours are summarized in the table below.

Contract management activities are included in this audit plan under financial operations. We have not excluded high-risk areas that have not been audited within the previous five years from this audit plan.

Fiscal Year 2024 Annual Internal Audit Plan Activities

Audit Activity #	Description	Risk Rating	Estimated Timing	Estimated Hours
1	Finance Operations Advisory ✓ Staff Services Division Roles, Responsibilities, and Processes (Accounting and Procurement) ✓ Auxiliary Fund ✓ Appropriation Flow Throughs ✓ Trust Fund Management and Reporting	High	November – December 2023	224
2	Follow-Up on Prior Audit Findings	Compliance	March 2024	31
3	Update Risk Assessment and Annual Audit Plan	Compliance	July 2024	11
4	Annual Audit Report	Compliance	August 2024	5
5	Audit Communications, Committee Meetings, Project Management	N/A	All Year	5
Total				276

VI. EXTERNAL AUDIT SERVICES PROCURED IN FISCAL YEAR 2023

External audit services procured in fiscal year 2023 consisted of internal audit services necessary to execute THC’s internal audit plan.

VII. REPORTING SUSPECTED FRAUD AND ABUSE

Texas Historical Commission includes a link to the State Auditor's Office website for fraud reporting at the footer of the Texas Historical Commission website. In addition, on reporting suspected fraud to the State Auditor is included in the agency's policies and procedures. These actions were implemented to comply with:

- Article IX, Section 7.10, the General Appropriations Act (81st Legislature)
- Texas Government Code, Section 321.022.
- Section 7.09, page IX-37, the General Appropriations Act (86th Legislature), and
- Section 7.09, page IX-38, the General Appropriation Act (87th Legislature).

The THC's Fraud Prevention Policy also includes information on how to report any known, alleged or suspected fraud or other illegal activities at the THC to management within the agency or directly to the State Auditor's Office.

VIII. SIGNIFICANT INTERIM CHANGES

Interim changes to the annual audit plan may occur from time to time due to changes in management direction, objectives, business risks, timing of initiatives, and staff availability. In accordance with IIA Performance Standard 2020, MJ will communicate any significant changes of the audit plan to THC's executive management and present these changes to the THC Commissioners for review and approval. Notification of significant changes to the Internal Audit Plan approved by the Audit Committee will be submitted to the State Auditor's Office.

This annual internal audit report was provided to the THC Commissioners.

IX. REPORT DISTRIBUTION

This report is being distributed to the following individuals.

Texas Historical Commission Members

Mr. John Nau, III, Chair
Ms. Donna Bahorich
Mr. Earl Broussard, Jr.
Mr. Jim Bruseth
Ms. Monica Burdette
Mr. John W. Crain
Mr. Garrett Donnelly
Ms. Renee Dutia
Ms. Lilia Garcia
Mr. David Gravelle
Ms. Laurie Limbacher
Ms. Catherine McKnight
Mr. Tom Perini
Mr. Gilbert E. Peterson
Ms. Daisy Sloan White

Texas Historical Commission

Mr. Mark Wolfe, Executive Director
Dr. Carol Egele, Deputy Executive Director

Oversight Agencies

Governor's Office of Budget Planning and Policy
Legislative Budget Board
Internal Audit Coordinator, State Auditor's Office



TEXAS HISTORICAL COMMISSION
real places telling real stories

TEXAS HISTORICAL COMMISSION FY 2024 ANNUAL INTERNAL AUDIT PLAN

As Prepared by
McConnell & Jones LLP



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McConnell Jones

October 27, 2023

The Honorable Greg Abbott, Governor
Members of the Legislative Budget Board
Members of the Sunset Advisory Commission
Internal Audit Coordinator, State Auditor

Dear Ladies and Gentlemen:

Attached is the FY 2024 Annual Internal Audit Plan for the Texas Historical Commission (THC) that was approved by the THC Commissioners on October 27, 2023. The Annual Internal Audit Plan will enable the THC to comply with the Texas Internal Auditing Act, Texas Government Code Chapter 2102 as amended by House Bill 2485 during the 78th Legislature and House Bill 16 during the 83rd Legislature. McConnell Jones LLP (MJ) will execute this Annual Internal Audit Plan in accordance with The Texas Internal Auditing Act, The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing, the IIA's Code of Ethics, and Generally Accepted Government Auditing Standards (GAGAS).

Please contact Darlene Brown at 713.968.1617 or Commissioner John H. Nau, III at 512.463.5767 if you should have any questions about this audit plan.

Sincerely,

Darlene Brown, CPA
Partner

9130 Jollyville Rd
Suite 320
Austin, TX 78759
Phone: 713.968.1600

WWW.MCCONNELLJONES.COM

Diverse Thinking | Unique Perspectives

1.0 COMPLIANCE WITH TEXAS GOVERNMENT CODE, SECTION 2102.015: POSTING THE AUDIT PLAN AND ANNUAL REPORT ON THE INTERNET

Texas Government Code, Section 2102.015, requires state agencies and institutions of higher education to post agency internal audit plans and internal audit annual reports to the agency's internet website within 30 days of approval. Texas Government Code, Section 2102.015, also requires agencies to update the posting on the website to include a detailed summary of any weaknesses, deficiencies, wrongdoings, or other concerns raised by the audit plan or annual report and include a summary of the actions taken by the agency to address the issues raised.

In accordance with requirements of Texas Government Code, Section 2102.015, MJ will provide the required internal audit plan, internal audit annual report and any other required internal audit information to the Texas Historical Commission's Deputy Executive Director who will ensure the information is posted to the THC's website.

2.0 PURPOSE

The purpose of this document is to communicate the annual risk-based audit plan as approved by the Texas Historical Commission Commissioners, the methodology used to develop the annual audit plan, the timing and resource requirements necessary to complete the audit plan, and the communication of audit results and any significant interim changes to the annual audit plan.

The Annual Internal Audit Plan was developed based on a prioritization of the audit universe using the results of the risk assessment and input from the THC leadership team. Using our risk assessment framework, we identified the organizational sources for potential engagements and auditable activities; examined organizational risk factors; and prioritized the audits based on the risk rating. The engagements selected were based on the quantified risk priorities and the organization's risk strategy.

3.0 RISK ASSESSMENT

Risk is defined as the possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood. An organization's risk exposure is determined through the identification of risks and evaluating the impact on operations and likelihood of occurrence.

Risk assessments identify an organization's exposure to business disruptions and barriers to achieving the organization's strategic goals. They serve as a tool to focus limited resources to perform evaluations of controls that are in place to limit the exposure.

In accordance with Texas Internal Auditing Act and The Institute of Internal Auditors (IIA) Standard 2010.A1, this internal audit plan is based on a documented risk assessment and input of the THC leadership team. Our assessment evaluated risk exposures relating to the THC's governance, operations, and information systems regarding the reliability and integrity of financial and operational information; effectiveness and efficiency of operations; safeguarding of assets; and compliance with laws, regulations, policies and procedures, and contracts.

The types of risk exposure relevant to the THC are:

- **Financial Exposure:** Financial exposure exists whenever an audit area is susceptible to errors or defalcations that affect the general ledger and financial statements or the integrity and safekeeping of agency assets, regardless of the financial statement impact.
- **Compliance Exposure:** Compliance exposure exists whenever an event in an audit area could cause the agency to fail to comply with regulations mandated by state or federal authorities, irrespective of whether financial exposure exists.
- **Information Exposure:** An information exposure exists whenever there is information of a sensitive or confidential nature, which could be altered, destroyed, or misused. This includes cyber security and data security.
- **Efficiency Exposure:** An efficiency exposure exists whenever agency resources are not being utilized in an effective or efficient manner.
- **Human Resource Exposure:** A human resource exposure exists whenever an area is managing human resources in a way, which is contrary to agency policy.
- **Environmental Exposure:** An environmental exposure exists whenever internal or external factors pose a threat to the stability and efficiency of an audit area. Examples of factors that affect environmental exposure are:
 - Recent changes in key personnel
 - Changing economic conditions
 - Time elapsed since last audit
 - Pressures on management to meet objectives
 - Past audit findings and quality of internal control
- **Public Service Exposure:** A public service exposure exists whenever an event in an audit area could jeopardize existing public services or new public services.
- **Reputational Exposure:** A reputational exposures exists whenever an event in the audit area could jeopardize the reputation of the agency and stakeholder trust.

MJ discussed the risk exposures with the THC leadership team.

4.0 FISCAL YEAR 2024 ANNUAL INTERNAL AUDIT PLAN

MJ will conduct one audit, follow-up on prior audit findings, update the risk assessment, prepare the FY 2025 Annual Internal Audit Plan, and prepare the FY 2024 Annual Internal Audit Report in accordance with the Texas Internal Auditing Act. These activities are estimated to require **276 hours** for a total annual budget not to exceed \$36,179. The planned audits, timing and estimated hours are summarized in the table below.

FY 2024 Annual Internal Audit Plan Activities

Audit Activity #	Description	Risk Rating	Estimated Timing	Estimated Hours
1	Finance Operations Advisory ✓ Staff Services Division Roles, Responsibilities, and Processes (Accounting and Procurement) ✓ Auxiliary Fund ✓ Appropriation Flow Throughs ✓ Trust Fund Management and Reporting	High	November – December 2023	224
2	Follow-Up on Prior Audit Findings	Compliance	March 2024	31
3	Update Risk Assessment and Annual Audit Plan	Compliance	July 2024	11
4	Annual Audit Report	Compliance	August 2024	5
5	Audit Communications, Committee Meetings, Project Management	N/A	All Year	5
Total				276
Estimated Fees				\$36,179

5.0 SIGNIFICANT INTERIM CHANGES

Interim changes to the annual internal audit plan may occur from time to time due to changes in management direction, objectives, business risks, timing of initiatives, and staff availability. In accordance with IIA Performance Standard 2020, MJ will communicate any significant changes of the audit plan to THC executive management and present these changes to the THC’s Commissioners for review and approval. Notification of significant changes to the Internal Audit Plan approved by the THC Commissioners will be submitted to the State Auditor’s Office.

This annual audit plan was approved by the THC Commissioners.

TEXAS HISTORICAL COMMISSION

Item 7.3
Texas Historical Commission
Quarterly Meeting
October 26-27, 2023

Consider approval of THC Committee Charter

Background:

The purpose of a committee charter is to provide a statement of the committee's mission, composition, primary goals, procedures, authority and responsibilities. The following charter clarifies these matters of the THC's standing committee.

Suggested Motion

Move to send forward to the commission to approve THC committee charter for Finance and Government Relations.

TEXAS HISTORICAL COMMISSION

COMMITTEE CHARTER

FINANCE AND GOVERNMENT RELATIONS COMMITTEE

(As adopted October 27, 2023)

1. ESTABLISHMENT AND AUTHORITY

The Texas Historical Commission is an agency of the State of Texas pursuant to Government Code Chapter 442, with authority over a broad variety of matters related to historic preservation enumerated therein and in other provisions of state and federal law. The agency's mission is to protect and preserve the state's historic and prehistoric resources for the use, education, enjoyment, and economic benefit of present and future generations.

The Finance and Accounting Division at the Texas Historical Commission is responsible for:

- Receipt and deposit of all revenue
- Accounting for all revenue and expenditures
- Grant management and oversight
- Maintaining property records and inventories
- Preparing the payroll
- Preparing financial and budget reports
- Processing vouchers for vendor payments

The Administration Division, in addition to other services, oversees:

- Internal and external audits
- Human Resources
- Maintaining the agency vehicles
- Information Technology
- Risk management
- Procurement and Contract Services
- Business continuity planning
- Management of the agency's Historically Underutilized Business (HUB) program
- Government relations

The Finance and Government Relations Committee is a standing committee of the Texas Historical Commission whose purpose is to assist the governing body of the Commission in fulfilling its oversight responsibility with respect to the activities listed above.

2. MEMBERSHIP AND GOVERNANCE

- A. **COMPOSITION:** The Finance and Government Relations Committee shall consist of the Commission Chair, Vice-Chair, Secretary, and immediate past Chair, as well as other members of the Commission appointed by the Chair. The Chair and Vice-Chair of the Commission shall serve in those same positions on the Committee unless otherwise determined by the Chair of the Commission.
- B. **MEETINGS:** The Finance and Government Relations Committee shall meet as frequently as necessary to carry out its duties and responsibilities under this charter, but no fewer than four times in each calendar year, with at least one meeting to be held in each calendar quarter in accordance with a schedule to be adopted by the Commission. The Committee Chair or the Committee Vice Chair may call a meeting of the Committee at any time. Meetings are subject to the Texas Open Meetings Act and shall be posted and held in accordance with that Act. A majority of members of the Committee shall constitute a quorum to transact business. The affirmative vote of a majority of the members of the Committee present at the time of such vote shall be required to approve any action of the Committee.
- C. **STAFF:** The Executive Director, the Deputy Executive Director for Administration, the Finance and Accounting Division Director, and the Government Relations Specialist shall provide staff support to the committee.

3. DUTIES AND RESPONSIBILITIES

The Finance and Government Relations Committee of the Texas Historical Commission shall have responsibility for making recommendations to the Commission for:

- Approval of the agency budget
- Acceptance of gifts or grants
- Establishing fees for agency services
- Approving amendments to contracts entered into by the agency after June 14, 2013, when the amendment extends/postpones the completion of the original contract length for 6 months or more or increases the original contract amount by 10 percent or more
- Hiring an external auditor and approving any external or internal audit reports

In addition, the Committee may advise the Commission on any matter relating to the agency activities listed above.

This charter for the Finance and Government Relations Committee of the Texas Historical Commission was adopted by the Commission on October 27, 2023.

John L. Nau III
Chairman

TEXAS HISTORICAL COMMISSION

Item 15.2A
Texas Historical Commission
Quarterly Meeting
October 26-27, 2023

Consider approval of the recommended THGAAC Strategic Plan for FY 2024 and 2025

Background:

The Texas Holocaust, Genocide, and Antisemitism Advisory Commission has created a Strategic Plan for fiscal years 2024 and 2025 to align the goals and statutory responsibilities of the advisory commission. The Strategic Plan identifies a vision and direction for the agency and serves as the framework for internal operations, which include objectives, strategies, performance measures, and goals that align with the commission's budget. The THC approved a one-year Strategic Plan for FY 2023 at the October Quarterly Meeting in 2023.

Recommendations:

The recommendation is for the THC to consider approval of the THGAAC Strategic Plan for FY 2024 and 2025.

Committee Motion:

Move that the committee send forward to the Commission and recommend approving the THGAAC Strategic Plan for FY 2024 and 2025.

Commission Motion:

Move to approve the THGAAC Strategic Plan for FY 2024 and 2025



THGAAC Strategic Plan FY 2024-2025

INTRODUCTION

Recent years have seen a rise in antisemitism and extremist rhetoric against Jewish Texans, their communities, and places of worship. Countless modern-day incidents of hate and violence continue to terrorize Jewish families while concurrently denying past genocides and the Holocaust. Such beliefs and behaviors have no place in Texas. Combating ignorance and prejudice is critical for the welfare of all Texans, and providing government resources to support such efforts is one step toward averting the current trajectory.

CHARTER AND MISSION

In September of 2021, the 87th Texas Legislature reconstituted the Texas Holocaust and Genocide Commission (THGC) through House Bill 3257 by creating the Texas Holocaust, Genocide, and Antisemitism Advisory Commission (THGAAC), a nine-member advisory commission to the Texas Historical Commission, to provide greater accountability and oversight as well as to better serve its mission.

The mission of the Texas Holocaust, Genocide, and Antisemitism Advisory Commission (THGAAC) is to combat and confront hatred, prejudice, and indifference by educating all Texans about the Holocaust and other genocides in an effort to dismantle antisemitism and prevent such future atrocities.

Commissioners and staff of the THGAAC connect with thousands of Texans across the state each year by promoting Holocaust education, raising awareness about genocide, and educating Texans about antisemitism.

The THGAAC:

- Partners with community organizations and museums on programs, events, and outreach.
- Supports schools with resources for Holocaust Remembrance Week and curriculum needs.
- Provides opportunities for Texans to volunteer, host or speak at events, or become a Friend of the THGAAC.
- Supports public officials to call out hate, fights for policies that combat antisemitism, and attends or speaks at community events.
- Provides grants to Texas nonprofits that offer services or programs related to or in support of THGAAC's mission.

To steward resources over the next two years and focus activities for the greatest impact, the THGAAC goals, strategies, and measures are established within this strategic plan.

GOALS AND STRATEGIES

Goal A: Conduct a study on antisemitism in this state and submit a report on the results of the study to the governor, the lieutenant governor, the speaker of the House of Representatives, and each member of the legislature not later than November 1, 2024

Strategy 1: Initiate antisemitism study

Output Measure: Completion of study on time

Strategy 2: Connect communities with the most current data on antisemitism to advance strategies that dismantle hate

Output Measure: # receiving distributed information

Goal B: Maximize public understanding of the consequences and lasting ramifications of antisemitism, the Holocaust, and other genocides across all communities

Strategy 1: Annually coordinate events in this state memorializing the Holocaust and other genocides on January 27, International Holocaust Remembrance Day, on the Days of Remembrance established by the United States Congress, or on any other day designated by the advisory commission for that purpose

Output measure: # of services provided for Holocaust Remembrance Week

Strategy 2: Provide advice and assistance to public and private primary and secondary schools and institutions of higher education in this state regarding methods of combating antisemitism and implementation of Holocaust and genocide courses of study and awareness programs

Outcome Measure: % satisfied with educational training and presentations each year (survey of public/private schools due December 1, 2024)

Output Measure: # of people provided advising/training to assist with Holocaust, genocide, and antisemitism education

Strategy 3: Meet with appropriate representatives of public and private organizations, including service organizations, to provide information on and to assist in planning, coordinating, or modifying antisemitism awareness programs and Holocaust and genocide courses of study and awareness programs

Output Measure: # of services provided by the commission through events, presentations, training, and communications each year

Goal C: Identify networks of volunteers whose experience and knowledge advance Holocaust genocide awareness

Strategy 1: Compile a list of volunteers, such as Holocaust or other genocide survivors, liberators of concentration camps, scholars, and members of the clergy, who have agreed to share, in classrooms, seminars, exhibits, or workshops, their verifiable knowledge and experiences regarding the Holocaust or other genocide

Strategy 2: Develop a trained speakers bureau of volunteers to participate in commemorative events designed to enhance public awareness of the fight against antisemitism and the continuing significance of the Holocaust and other genocides

Outcome Measure (LBB): % effectiveness of speakers bureau (feedback survey of users)

Output Measure: # of volunteers and # of volunteers for the speaker's bureau

Goal D: Elevate the commemoration of International Holocaust Remembrance Day throughout the state

Strategy 1: Collaborate with appropriate groups to support efforts to recognize International Holocaust Remembrance Day

Output measure: % grant program expansion supporting partner events

Strategy 2: Make recommendations as to whether International Holocaust Remembrance Day shall be a state holiday

Output Measure: Completed report and recommendation

Goal E: Ensure resources to maximize the investment and value of the THGAAC

Strategy 1: Strengthen internal resources by establishing THGAAC Regional Coordinators, educating Commissioners, and cultivating important relationships

Output Measure: # Commissioner training opportunities

Outcome Measure: % partner satisfaction with Regional Coordinators' services

Strategy 2: Launch Friends of the THGAAC 501(c)3 organization to provide private sector funding to support programs and projects

Output Measure: Establish Friends of the THGAAC

Output Measure: % increase funding provided through Friends of the THGAAC

TEXAS HISTORICAL COMMISSION

Item 15.2B

Texas Historical Commission
Quarterly Meeting
October 26-27, 2023

Consider approval of the Friends of the THGAAC funding priority list

Background:

An Agreement between the Friends of the Texas Holocaust, Genocide, and Antisemitism Advisory Commission, the Texas Holocaust, Genocide, and Antisemitism Advisory Commission, and the Texas Historical Commission was approved at the THC's April Quarterly Meeting in 2023. At the THGAAC's September Quarterly Meeting in 2023, the THGAAC commissioners voted to approve the Friends of the THGAAC priority list and bring forth those recommendations to the Texas Historical Commission.

Recommendations:

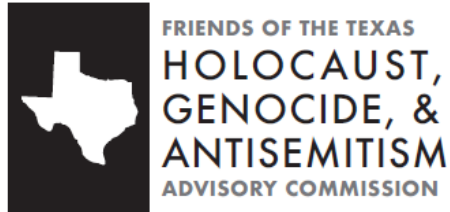
The recommendation is for the THC to consider approval of the Friends of the THGAAC funding priority list.

Committee Motion:

Move that the committee send forward to the Commission and recommend approving the Friends of the THGAAC funding priority list.

Commission Motion:

Move to approve the Friends of the THGAAC funding priority list.



Grants

- Expand the grant program (additional dollars would help supplement the state budget and provide consistent funding for grant cycles)
- Match grants (currently, the non-profit organizations must fund the project and wait to be reimbursed for their portion, which can be taxing for smaller non-profits)
- Honor grant requests of less than \$5,000

Focus on underserved/smaller communities

- Tailor and fund programs, speakers, and panels
- Teacher training
- Provide travel/transportation/lodging for field trips (out of their areas)

Expand Education

- Scholarships for teachers, students, and community partners to travel (in Texas, throughout the US, and overseas)
- Speaker Series to connect with more communities
- Student and teacher training
 - Focus on university training (one of the recommendations from the Antisemitism Study)
- Scholarships for teachers, students, and community partners to travel (in Texas, throughout the US, and overseas)
- Provide resources for Holocaust Remembrance Week (books, films) for use in classrooms
- Student contests
- Teacher appreciation awards
- Commemorations at the Capitol

Administrative and other needs not covered by the state

- Food for programs/quarterly meetings/meetings/trainings
- Publicity for events
- Boosting social media
- Staff travel - overseas (travel to camps, sites of interest, Yad Vashem)
- Scholars in residence program (internships)
- Facilitation of state meetings/coordination meetings between organizations

TEXAS HISTORICAL COMMISSION

Item 15.2C
Texas Historical Commission
Quarterly Meeting
October 26-27, 2023

Consider approval of the recommended THGAAC Education Grant scoring updates

Background:

In the enabling legislation for the Texas Holocaust, Genocide, and Antisemitism Advisory Commission (THGAAC), HB 3257, the commission may provide matching grants to assist in the implementation of the advisory commission's goals and objectives. The new THGAAC Administrative Rules were adopted at the April THC Quarterly Meeting, and the THGAAC Grant Handbook was approved.

At the September 6 Quarterly Meeting, the THGAAC Commissioners voted to update the grant scoring materials to create more opportunities for underserved, smaller non-profits to receive matching grants and present this recommendation to the THC.

Recommendations:

The recommendation is for the THC to consider approval of the THGAAC Education Grant scoring updates.

Committee Motion:

Move that the committee send forward to the Commission and recommend approving the THGAAC Education Grant scoring updates.

Commission Motion:

Move to approve the THGAAC Education Grant scoring updates.

**Consider approval of recommendations for
2023 Texas Historical Commission Preservation Awards**

Background:

The Texas Historical Commission (THC) offers awards to recognize worthy accomplishments and exemplary leadership in the preservation of Texas' heritage. Most awards are presented at the following year's Real Places Conference at an awards banquet. The Governor's Award is typically presented in a special ceremony involving the Governor's Office. The following recommendations for the 2023 awards are presented for the Commissioners' consideration.

Recommended motion (Committee): Move that the committee send forward to the Commission and recommend approval of THC Awards Committee recommendations as per the awards recommendations handout.

Recommended motion (Commission): Move to approve THC Awards Committee recommendations as per the awards recommendations handout.

Recommended Nominees: Each of the following awards requires different criteria and scoring procedures, as provided in the guidelines available through the THC website. The THC Awards Committee determined final recommendations to be brought before the Commission based on input from THC staff.

Governor’s Award for Historic Preservation

Recommendation Nominee: Texas Society Daughters of the American Revolution

The Texas Society Daughters of the American Revolution emphasizes historic preservation in the state as one of its three pillars, together with education and patriotism. Committed to volunteerism and community service, the Texas society of the DAR is comprised of 198 chapters across the state with approximately 19,000 members. Each chapter features an historic preservation committee which carries out projects and programs including giving scholarships and grants related to history and historic preservation; offering history essay contests for students; maintaining historic properties; maintaining cemeteries and cleaning headstones; commemorating historic events; creating library displays relating to history; collecting genealogical information and offering genealogy workshops; and presenting history programs at schools. TXDAR members volunteer at museums, genealogical centers, historic sites, and many additional places of historic importance. Chapter meetings often feature speakers who focus on history or historic preservation. Because of its size and the many projects they successfully implement, the Texas Society Daughters of the American Revolution is one of the most significant Texas organizations in informing, promoting and engaging citizens about the state’s history and historic preservation. The scale of the work done by the Daughters—the many members and projects, as well as their range across the state and reach—puts their organization ahead of the others submitted for this year’s award and makes them a worthy recipient of it.

Ruth Lester Lifetime Achievement Award

Recommended Nominee: Pam Wheat-Stranahan

Pam Wheat-Stranahan has made significant contributions to the state of Texas in the fields of archeology, historic preservation and education as a key figure in preserving and sharing Texas history for more than 40 years. She has authored many publications, collected multicultural oral histories, served in numerous leadership positions, written grants, and participates in numerous Texas Historical Commission programs. Today, Ms. Wheat-Stranahan continues her outreach and education efforts with her active involvement in the Texas Archaeological Society, the Aransas County Historical Commission (ACHC), the Aransas County Historical Society (ACHS) and the History Center of Aransas County (HCAC), which is also affiliated to Aransas County Pathways. Her focus on history began when she was a teacher and administrator in Houston public and private schools. In her professional career, she directed and developed archeological and educational programs for museums and archeological centers in and out of Texas, including curating a major exhibit at the Houston Children’s Museum grand opening. She served as Educational Coordinator

for the dramatic recovery of the *La Salle*; one of her books, *La Salle in Texas: A Teacher's Guide for Age of Discovery and Exploration*, incorporates the standards for national social studies and the Texas Essential Knowledge and Skills and remains in use today/ Upon retirement, Pam's move to Rockport brought grant-writing skill, management expertise, and enthusiasm to the city's historical organizations. Her impact on Rockport has been significant.

John Ben Sheppard County Historical Commission Leadership Award

Recommended Nominee: Bob Ward, Travis County Historical Commission

Bob Ward has led the Travis County Historical Commission (CHC) since 2013. During Bob's tenure as chair, the CHC has received ten consecutive Distinguished Service Awards in recognition of their exceptional preservation projects and accomplishments. Under his leadership, the CHC has applied for and received six Certified Local Government grants. Four of those grants were used toward the completion of historic resources surveys in rural southeast, southwest, west, and northwest Travis County. One grant was used to complete a survey of African American and Mexican American settlements in the County. The final grant, awarded in 2021, was used to document oral histories and develop educational resources for Hayden Springs, an African American community. In 2019, the CHC received a grant from the University of North Texas, Portal to Texas History, to digitize *Travis County and the City of Austin: From the Earliest Times to the Close of 1875* and *Transcription of Bonnell's Observations: 1838-1839*. The CHC has worked with the Travis County Community College District to coordinate annual history essay contests and the University of Texas/TxDOT to develop educational resources and a website for the Ransom and Sarah Williams Farmstead. During his time as chair, Bob has developed strong working relationships with local preservation organizations and nontraditional partners including Texas State University, Save Austin Cemeteries, Travis County Archeological Society, and Travis County Parks. He is on the board of the El Camino Real de los Tejas National Trail Association, Austin History Center Association, Jourdan-Bachman Pioneer Farms, and Preservation Austin. Bob has been an exceptional partner to the Texas Historical Commission (THC) as a member of the Antiquities Advisory Board and a History and Archeology Steward. Bob Ward is deserving of the John Ben Sheppard CHC Leadership Award for his leadership of the Travis CHC, collaboration with community members, and relationship with the THC and preservation partners.

George Christian Outstanding Volunteer of the Year Award

Recommended Nominee: Harold A. Odom, Jr.

Harold Alvin Odom, Jr. has been the leader in rehabilitation of the A. T. and Addie L. Odom Homestead, a National Register property, to its 1945 appearance. His work, which started in 2015, has involved not only organizing the work itself and procuring the materials, but also organizing productive and work weekends with the project's labor force, the majority of whom are volunteers. By consulting with architect Donna Carter, FAIA, and working with the support of paid tradespeople, Harold's efforts have resulted in the restoration of an important local historic resource for Newton County and the freedom colony of Shankleville, and an educational stop on the walking tour during the annual Texas Purple Hull Pea Festival.

John L. Nau, III Award of Excellence in Museums

Recommended Nominee: Bastrop County Museum and Visitor Center

The Bastrop County Museum and Visitor Center, guided by the motto "Bastrop History is Texas History," showcases the area's heritage with a rich past. Established in 1952 within the Corneilson-Fehr building and managed by the Bastrop County Historical Society, it has grown into an integral part of the community. Supported by community efforts, the museum relocated to a renovated City Hall building in 2012, becoming both a cultural repository and a visitor center. The museum houses numerous permanent exhibits covering diverse topics such as El Camino Real de los Tejas, The Colorado River, Bastrop Complex Fire of 2011, Civilian Conservation Corps, and more. Its flexible space hosts temporary exhibits that highlight underrepresented communities and serves as a venue for various programs. With an extensive collection of 18,000 artifacts and oral histories, the museum actively engages with the community, continuously researching and uncovering new aspects of county history. A pivotal collaboration with The Freedom Colonies project in 2019 birthed the African American Freedom Colonies exhibit, subsequently giving rise to the African American Cultural Center and Freedom Colonies Museum. With about 14,000 annual visitors, the museum thrives as a community hub, hosting events that bring people together. Embracing the highest standards in the museum field through its participation in the American Association for State and Local History (AASLH) STEPS program, the Bastrop County Museum and Visitor Center epitomizes an institution ceaselessly dedicated to preserving, educating, and evolving what it means to be a small museum.

Curtis D. Tunnell Lifetime Achievement Award in Archeology

Recommended Nominee: Margaret Howard

Margaret Howard has made a lasting contribution to the history and archeology of the state of Texas through her tireless efforts as a professional archeologist and public servant. Coming to Texas to complete an Anthropology master's degree at the University of Texas at Austin in 1980, Howard spent 14 years working in the cultural resource management, including at the Texas Historical Commission, before taking a position as an archeologist with Texas Parks and Wildlife Department (TPWD). There she devoted the final 29 years of her career to understanding the people and places of Texas through their archeology, hiking thousands of miles and digging untold numbers of shovel tests and test units. As the leader of the TPWD archeological survey team for 23 years, she and her teams are responsible for recording and reporting on hundreds of archeological sites on state lands, ensuring they are protected and managed for the good of the public. For example, in 2006, THC recognized Howard and her co-authors for their work on the archeology and history of Fort Lipantitlan, now a THC State Historic Site, with the presentation of a THC Award of Merit. Through numerous technical and popular publications, extensive public outreach, and a devotion to assisting communities through service in national and state avocational and professional societies, Howard consistently advocates for preservation and research in archeology, even after retirement. Many of the staff in the Archeology Division have worked with Howard over the years and we can attest that the archeology of Texas will forever be indebted to her passion and dedication, and her legacy will persist in the many sites she recorded and her publications.

Anice B. Read Award of Excellence in Community Heritage Development

Recommended Nominee: Mayor Janet Gott (Denison)

In 2018, after serving five years as councilmember, Janet Gott was sworn in as Denison's first female mayor. Mayor Gott is a lifelong resident of Denison and as a child was present for a visit to the city by General Eisenhower. That personal connection to history has stayed with her throughout her career and she even recounts the childhood story at a new kiosk in the public park. Always a supporter of history and cheerleader for Denison, she has used her leadership positions to focus community and economic development efforts on the historic downtown core of the city. Upon becoming mayor, she instigated "Mayor on Main", one day each month that she spends walking the downtown streets and stopping into the businesses to hear directly from the merchants about their concerns. Meanwhile, she has championed downtown with large capital projects and infrastructure improvements as well as focusing financial incentives and recruitment on the Main Street district. Mayor Gott has also supported a preservation ordinance and design review processes to protect the historic integrity and character of the community. Recognizing the potential of heritage tourism, the mayor has become a consistent advocate and supporter of the THC's capital campaign to improve the visitor experience and interpretation at Eisenhower Birthplace State Historic Site. Not every city leader makes downtown revitalization, heritage tourism, and historic preservation their priority, but Mayor Gott has and therefore is deserving of this award recognition.

Texas Historical Commission Award of Excellence in Preserving History

Recommended Nominee: Texas Tech University Southwest Collection

Since 2013, the Special Collections Library at Texas Tech University has digitized over 290,000 issues from numerous West Texas newspapers. Known as the Southwest Collection, this assemblage of newspapers spans from 1878 through 2019 and includes over 140 newspaper titles from 65 Texas counties. The collection includes a digital repository that is free and publicly accessible for review and download, and files in the collection are available in a PDF format and have been scanned with text recognition software for improved searchability. The collection increases historical research capabilities for the region and helps to preserve these newspapers as a primary source of information for researchers across this state. Access to this type of information is invaluable to the Texas Historical Commission, and Texas Tech should be commended for its efforts.

Texas Historical Commission Award of Excellence in Historic Architecture

Recommended Nominee: Bellville Turnverein Pavilion

The Turnverein is a significant historic property, one that is emblematic of Texas' rich German history as well as its historic dance hall culture. The rehabilitation of the Turnverein is a remarkable achievement of preservation architecture. At every turn, the project team used inventive solutions to challenges posed by this distinctive building. From the careful structural reinforcements that visually blend with the dramatic exposed wood ceiling structure, to the artful solution of installing operable storm windows to enclose a building that never historically had windows, to the design and installation of an innovative custom HVAC system that is nearly invisible, the project team's judicious decisions prioritized the historic character of the building. This project is an impressive

example of high-quality architectural design for a preservation project. The work is technically innovative, solved a variety of unusual challenges, and is extremely respectful of the building.

Texas Historical Commission Award of Excellence in Media Achievement

Recommended Nominee: “Tejano Moments,” TexasTejano.com and KSAT 12

The San Antonio-based TexasTejano.com is a website dedicated to creating awareness and developing educating material about early Tejano pioneers by producing and sharing documentaries, plays, scripts, publications and exhibits that highlight the Native Tejano experience in early American history. The organization has been especially vigilant about producing materials that are accessible to all and are adept at using digital formats to expand reach. “Tejano Moments” was a series of educational video segments, done in conjunction with KSAT 12, a San Antonio media station, that aired between October 2020 and September 2021. Significant in large part because of its impact and accessibility, it has engaged thousands of people. It is estimated the segments reached over 14,000,000 households between 2020 and 2021 on KSAT 12. Today, the videos continue to reach an estimated 300,000 households per month on the KSAT.com website. TexasTejano.com’s work positively affects diverse audiences, particularly in South Texas, who may have never previously heard of the Tejano heroes who were so instrumental in forming the state of Texas. These are truly professional videos that are well-researched, narrated and edited. They absolutely hit the mark as short, interesting bits with a clear focus. While the focus is very clear and the content important, it also covers a very specific subject. By their own count, these video segments have reached millions and millions of viewers.

TEXAS HISTORICAL COMMISSION

Item 15.4

Texas Historical Commission
October Quarterly Meeting
October 26–27, 2023

Consider approval of funding recommendations for the Texas Preservation Trust Fund Grant Program for Fiscal Year 2024

Background:

The Texas Historical Commission (THC) awards grants for preservation projects from the Texas Preservation Trust Fund (TPTF). The fund was created by the Texas Legislature in 1989 and is currently managed by the Texas Treasury Safekeeping Trust Company (Trust Company). The Trust Company's mission is to preserve and grow the State's financial resources by competitively managing and investing them in a prudent, ethical, innovative and cost-effective manner while focusing on client needs. The TPTF investment earnings are distributed as matching grants to qualified applicants for the acquisition, survey, restoration, preservation, planning, and heritage education activities leading to the preservation of historic properties and archeological sites/collections. Competitive grants are awarded on a one-to-one match basis and are paid as reimbursement of eligible expenses are incurred.

As a result of the 88th Legislative Session, the amount of funds available each grant round has increased from \$248,625 to \$330,000, beginning with Fiscal Year 2024. This increase is effective for the biennium. These funds are available for the projects under consideration at this meeting.

Also new for the FY 2024 grant round, the Texas Preservation Trust Fund Grant Program has earmarked funding opportunities available for eligible projects located within the City of Dallas and Panhandle Areas. These earmarked funds are the result of respective mitigation processes which have provided \$1,415,924 in funds for projects in the City of Dallas, and \$500,000 in funds for projects located within counties that comprise TxDOT's Amarillo District. The maximum grant award available for City of Dallas projects is \$250,000; the maximum grant award available for projects in the Panhandle Area is \$100,000.

On February 6, the THC accepted 37 initial applications requesting over \$1,600,000 in grant funds, including \$760,000 in funds requested as part of FY2024's Panhandle Area and City of Dallas earmarked funding opportunities. The initial applications, of a two-step process, were reviewed and scored by interdisciplinary staff teams. A diverse group of endangered resources were represented including historic house museums, a church, a Rosenwald School, and unique educational projects seeking to share untold stories from communities across the state. The THC invited 21 projects to the project proposal stage on April 6. On July 12, the THC received 16 project proposals to consider for grant funding. These included three Heritage Education and nine Architecture projects seeking regular TPTF funds, and four Architecture projects seeking earmarked funds for the City of Dallas. The project proposals were again reviewed by interdisciplinary staff teams in August. The amount of grant funds available is \$330,000 for projects seeking regular TPTF funds, and \$1,415,924 for projects seeking City of Dallas earmarked funds.

The TPTF Advisory Board met on September 19 to review the project proposals with THC staff. A quorum of the board was present. The board approved the THC staff funding recommendations with amendments affecting two projects in the Architecture category, Abilene Courts in Taylor County, and the Concord Rosenwald School in Rusk County. The Advisory Board moved to approve these projects with the

TEXAS HISTORICAL COMMISSION

condition that staff work closely with the respective applicants to refine their project scopes to address the most endangered elements of each project.

The Advisory Board also moved to approve staff's funding recommendation of two projects seeking City of Dallas earmarked funds, which scored below the Texas Preservation Trust Fund Grant Program's minimum score of 73 points out of a possible 110 points. These projects are for the property located at 1208 E. 10th Street, and the Dallas Scottish Rite Cathedral. The Advisory Board enthusiastically agreed with staff that the projects are significant and worthy of these special funds, though they may not have traditionally fit within the TPTF program's scoring criteria based on unique project requirements.

These decisions did not affect the staff's project scores or the applicants' funding requests.

Recommended motion (Committee):

Move that the committee send forward to the Commission and recommend approval of:

1. Grant awards totaling \$317,200 for the Fiscal Year 2024 cycle of the Texas Preservation Trust Fund Grant Program, as per the attached table;
2. Grant awards totaling \$536,000 for City of Dallas earmarked projects, as per the attached table;
3. Redistribution of \$12,800 in funding to the Fiscal Year 2025 Texas Preservation Trust Fund Grant Program cycle, as per the attached table; and
4. Delegation of authority to the Executive Director to redistribute any funds returned or not utilized to Fiscal Year 2025.

Recommended motion (Commission):

Move to approve:

1. Grant awards totaling \$317,200 for the Fiscal Year 2024 cycle of the Texas Preservation Trust Fund Grant Program, as per the attached table;
2. Grant awards totaling \$536,000 for City of Dallas earmarked projects, as per the attached table;
3. Redistribution of \$12,800 in funding to the Fiscal Year 2025 Texas Preservation Trust Fund Grant Program cycle, as per the attached table; and
4. Delegation of authority to the Executive Director to redistribute any funds returned or not utilized to Fiscal Year 2025.

TEXAS HISTORICAL COMMISSION

FY 2024 Funding Recommendations

(A minimum score of 73 points or higher out of 110 total points is required to be considered for funding)

Total TPTF FY 24 Regular Grant Funds Available: \$330,000.00							
Rank	County	Grant Type	Project Name	Score	Funding Requested	Funding Recommended	Cumulative Total
HERITAGE EDUCATION							
1	Bexar	Heritage Education	African American Heritage Preservation Initiative Video and Graphic Novel	102.0	\$25,000.00	\$25,000.00	
2	Statewide	Heritage Education	Aya Symposium	101.0	\$8,000.00	\$8,000.00	
3	Concho	Heritage Education	Paint Rock	95.0	\$14,200.00	\$14,200.00	
Subtotal:					\$47,200.00	\$47,200.00	\$47,200.00
ARCHITECTURE							
1	Taylor	Planning	Abilene Courts	88.3	\$30,000.00	\$30,000.00	
2	Guadalupe	Development	Sebastopol House Museum	87.7	\$30,000.00	\$30,000.00	
3	El Paso	Planning	Abara House at the Historic Hacienda	79.7	\$30,000.00	\$30,000.00	
4	Travis	Planning	Flower Hill Foundation	79.0	\$30,000.00	\$30,000.00	
5	Webb	Development	Laredo College - Ft. McIntosh - Arechiga Hall	78.7	\$30,000.00	\$30,000.00	
6	Hill	Development	Hillsboro City Library	77.0	\$30,000.00	\$30,000.00	
7	Rusk	Development	Concord Rosenwald School Restoration Project	74.7	\$30,000.00	\$30,000.00	
8	Tarrant	Development	Pioneers Rest Cemetery	74.0	\$69,203.00	\$30,000.00	
9	Harris	Development	The Orange Show	73.3	\$30,000.00	\$30,000.00	
Subtotal:					\$309,203.00	\$270,000.00	\$317,200.00
Total TPTF FY 24 Regular Grant Funds Recommended:							\$317,200.00
Remaining TPTF FY 24 Regular Funds: \$12,800.00							
Total City of Dallas Earmarked Funds Available: \$1,415,924.00							
ARCHITECTURE - CITY OF DALLAS EARMARKED PROJECTS							
1	Dallas	Planning	The Phillis Wheatley School	82.0	\$250,000.00	\$250,000.00	
2	Dallas	Development	Fair Park First	78.0	\$250,000.00	\$250,000.00	
3	Dallas	Development	1208 E. 10th Street/ buildingcommunityWORKSHOP	72.7	\$25,000.00	\$25,000.00	
4	Dallas	Planning	Dallas Scottish Rite Cathedral	67.0	\$11,000.00	\$11,000.00	
Subtotal:					\$536,000.00	\$536,000.00	\$536,000.00
Remaining City of Dallas Earmarked Grant Funds: \$879,924.00							
Total Funds Requested FY 24: \$892,403.00							

*****Note: Beginning with the Fiscal Year 2024 grant cycle, \$1,415,924.00 in earmarked funds for eligible projects within the City of Dallas is available as a result of negotiations pertaining to the release of covenants on five of seven total properties located at the Naval Weapons Industrial Reserve Plant.**



OCTOBER 2023 UPDATE: FY2023-27 STRATEGIC PLAN

ADMINISTRATION

GOAL 6: Internal services are provided and technology is used in innovative ways to support the agency's goals.

Outcome 8: A plan for external audit is maintained and revised annually.

Strategy 1: Ensure audits identify risks and opportunities to remediate those risks.

Action 1: Contract with a qualified and experienced provider of auditing services.

Action 2: Ensure that the audit plan developed in partnership with the auditing services contractor will adequately identify and propose adequate solutions to agency risks.

Action 3: Ensure that the contractor complies with the State of Texas Internal Audit Act, including the development and commission approval of the agency's Annual Audit Plan.

Update: The Administration division has contracted with an audit firm that conducts audits, reports findings to the Commissioner, and establishes audit plans and reports. The next audit will commence in the Finance and Accounting area to detect strengths and areas of improvement.

ARCHEOLOGY DIVISION

GOAL 1: Historic resources representing the varied and diverse history of Texas are identified, designated, and preserved.

Outcome 8: Significant archeological and architectural sites are managed through an effective easement/covenant program.

Strategy 4: Finalize GIS mapping for easement/covenant protected properties and integrate such mapping into the ATLAS and easement monitoring database.

Action 1: Verify existing GIS data and incorporate it into an easement/covenant property layer.

Action 2: Integrate GIS data into the easement database via links to associated sites in GIS Enterprise system and/or the ATLAS.

Update: The Division received funding through the Friends of THC to support ATLAS internships for SAL mapping goals.

Outcome 12: An effective system is maintained for certifying facilities to hold state collections.

Strategy 2: Build CFCP facility interface in eTRAC to accept curation forms and Held-in-Trust collection, and annual reports.

Action 2: Conduct virtual workshop with CFCP facilities to design eTRAC curation portal that meets facility/agency requirements.

Action 3: AD and IT staff develop an online portal and CFCP curation roles in eTRAC to submit curation and hit-in-trust forms.

Update: Actions 2 and 3 have been accomplished and implemented for the large facilities. Currently, the Division is onboarding smaller facilities on an as-needed basis. Note that an online meeting was not used; staff met with various facilities individually and with staff to develop an online submission system that satisfies all parties' requirements.

GOAL 2: Existing partnerships are strengthened and new alliances are formed in support of historic preservation.

Outcome 1: A statewide network of Archeological Stewards is maintained and expanded.

Strategy 1: Increase membership in the Texas Archeological Stewards Network (TASN).

Action 1: Identify regions with low TASN participation.

Action 2: Develop programming and partnerships (for example, with Master Naturalist groups and regional archeological societies) for areas with low steward membership to bring exposure to the program while engaging a potential membership base.

Action 3: Continue developing a tribal stewardship program among tribal community members living in Texas.

Update: The division has identified areas of limited stewardship coverage (south Texas, far west Texas). The Division is developing training programming for next year's upcoming Steward meeting and will continue working with tribes on stewardship programs for their members. However, there is a struggle to connect with diaspora populations in Texas as most tribal groups reside outside the state. The Division has not been able to promote steward projects because there are few currently in progress.

Outcome 4: Meaningful relationships are established and maintained with Native American tribes currently resident in, or with historical ties to, Texas.

Strategy 1: Strengthen relationships with Native American tribal communities.

Action 1: Continue monthly calls with federally-recognized tribal partners.

Action 2: Increase visibility of Native American history in Texas across various media platforms through content sharing and collaborative partnerships.

Update: The Division continues with monthly tribal meetings and an organized forum with four tribal representatives and THC staff at the Texas Archeological Society Annual Meeting in October 2023.

GOAL 3: The people of Texas are provided with engaging opportunities to learn about their state's history.

Outcome 1: Public participation in Texas Archeology Month (TAM) continues to increase.

Strategy 1: Increase reach of TAM programs.

Action 3: Extend TAM participation to schools and community centers near state historic sites.

Action 4: Continue to create both virtual and in-person events.

Action 5: Refine current programs and generate new content through collaboration with tribes and the general public.

Update: TAM has reached its production goals for pinch pot distribution and is working on scheduling the delivery of all kits. The Division has exceeded last year in terms of volunteer engagement and state-wide activity level.

GOAL 6: Internal services are provided and technology is used in innovative ways to support the agency's goals.

Outcome 2: The online Texas ATLAS provides users with an increasing quantity of trustworthy data.

Strategy 1: Ensure that ATLAS data is consistently and regularly updated.

Action 2: Enter new data into the ATLAS in a timely manner as properties are designated, markers are installed, historic resource surveys are completed, etc.

Update: The Division is working with UT Austin faculty to assist Graduate Student Jordan Sparks in carrying out African American Freedmen town research in Austin in 2023-2024. The area also negotiated a two-year full-time contractor position, supported by TxDOT in the interagency contract to improve ATLAS survey data.

DIVISION OF ARCHITECTURE

GOAL 1: Historic resources representing Texas's varied and diverse history are identified, designated, and preserved.

Outcome 5: THC grant programs support survey, designation, and preservation projects.

Strategy 2: Support the preservation of historic county courthouses through the Texas Historic Courthouse Preservation Program (THCPP).

Action 4: Convene the THCPP's advisory committee to consider current policy issues, including ensuring the quality of work performed by county-hired contractors.

Update: The Texas Historic Courthouse Preservation Program held a series of three Courthouse Advisory Committee meetings over the spring, returning to the Commission at the July meeting to adopt updates as this important program nears its 25th anniversary. The committee's recommendations will be implemented with Round XIII of the grant program.

Outcome 6: Federal and state tax credit programs support the preservation of a broad variety of historic resources.

Strategy 1: Provide financial opportunities for the rehabilitation of historic buildings through the use of federal and state tax credits

Action 3: Support the federal and state tax credit programs using an electronic project intake, processing, and review system integrated with the National Park Service's submission requirements.

Update: The THC successfully launched an electronic submission portal supporting the federal and state tax credit programs by the August 15 deadline imposed by the National Park Service. This replaces the complete paper-based submission and processing system these programs have used since their inception.

Outcome 8: Significant archeological and architectural sites are managed through an effective easement/covenant program.

Strategy 3: Implement easement program management best practices established by the agency's 2021 Easement Program Policy and Procedures Manual.

Action 2: Assign a single easement program coordinator to ensure that all staff members involved in easement management are adequately trained on program procedures.

Update: Through realigning the responsibilities of existing positions, the Director designated a single easement program coordinator to oversee the implementation of important program improvements. This freed up a new FTE approved in the legislative session to focus solely on easement monitoring, a critical function of a successful easement program.

COMMUNICATIONS

GOAL 6: Internal services are provided and technology is used in innovative ways to support the agency's goals.

Outcome 9: Agency brands are used appropriately by all programs.

Strategy 2: Ensure consistent application of branding.

Action 2: Maintain an intuitive approval process for the creation of retail and promotional items that use agency and site branding for state historic site retail operations.

Updates: Historic Sites has a dedicated member of Communications who is significantly involved with promotions of the sites and retail operations. Through this channel, sites receive feedback and approvals for retail and promotional items that use agency and site branding for state historic site retail operations.

Outcome 10: All agency activities are monitored and supported through effective public communications.

Strategy 1: Expand support for agency staff participating in public communications.

Action 1: Provide agency staff feedback and guidance from a messaging/communications strategy perspective regarding any public-facing digital resource the agency is producing, including the THC mobile app.

Action 2: Include support for agency staff in the Communications Plan.

Update: Communications is involved in developing the mobile app and contributed to the successful launch of Phase 1.0 earlier this summer. Also, the division is currently drafting the agency communication plan to set agency standards and direction for Communication.

COMMUNITY HERITAGE DEVELOPMENT

GOAL 1: Historic resources representing Texas's varied and diverse history are identified, designated, and preserved.

Outcome 5: THC grant programs provide support for survey, designation, and preservation projects.

Strategy 3: Encourage the use of CLG grants for projects that survey, designate, and preserve historic and cultural resources.

Action 8: Reach out to CLGs that have not participated in the grant program to broaden participation and support survey, designation, and preservation projects.

Update: The annual application cycle is open for CLG Grants, which continue to emphasize resource surveys as eligible projects. The CLG program has begun identifying and evaluating underrepresented histories, groups, or resources along with barriers that may hamper their use of CLG funding. The division also promotes third-party grant applications and trains local officials to evaluate the significance and integrity of board resources. This may be a subject matter for regional training being conducted this year.

Strategy 5: Support THC grant programs through digital application intake, scoring, and grant management systems.

Action 1: Assess each THC grant program and determine which functions could be accommodated digitally.

Update: This action is being addressed with work conducted (in progress) by the Administration/Information Technology team for CLG-digital systems, modeled after the easement database.

GOAL 2: Existing partnerships are strengthened, and new alliances are formed in support of historic preservation.

Outcome 6: Certified Local Governments across the state are provided training and support.

Strategy 1: Utilize digital tools such as Preservation Boot Camp and Building a Strong Preservation Program to reach relevant and remote audiences.

Action 2: Improve and develop new training content for CLGs within the digital tools available.

Update: Staff are currently identifying improvements to be made to Preservation Boot Camp, the online training module.

Strategy 4: Utilize partner nonprofits such as the National Alliance of Preservation Commissions (NAPC) to supplement training opportunities.

Action 2: Identify topics and opportunities for local, regional, or statewide training provided by NAPC.

Update: Staff are currently evaluating proposals from CLGs to host regional training to be conducted by NAPC, addressing Strategy 4 and the training objectives in other relevant strategies.

Outcome 8: An awards program is administered to recognize Texas businesses in operation for 50 or more years through the Texas Treasure Business Award.

Strategy 3: Utilize the diversity of awarded businesses to reach new audiences.

- Action 1: Engage the public with the identification and research of eligible businesses of a specific category that are underrepresented on the current list of TTBA's and are of broad appeal to Texas audiences.
- Action 2: Develop high-profile promotional campaigns associated with specific business categories that are of broad appeal (e.g. burger joints, movie theaters, hair salons).
- Action 3: Utilize Preservation Scholar projects to assist with identifying and researching a new thematic subset of businesses each year.

Update: TTBA—the visual identity, messaging, and brand—have been updated. Engaging partners to connect with eligible businesses is ongoing and has been discussed with THTP regions, Museum on Main Street participants, and others. Relevant award recipients are being highlighted on TTT.com. The project utilized two preservation scholars in 2023 to work on thematic subsets of eligible businesses.

GOAL 4: Stories illustrating the economic and other benefits of historic preservation are shared.

Outcome 6: The annual Real Places conference provides a quality experience for attendees from throughout Texas.

- Action 1: Survey past attendees about overall quality as well as desired future content and communicate results with the program committee.
- Action 2: Survey different constituencies to gauge satisfaction levels of specific audiences.
- Action 3: Survey potential attendees who have not attended to identify and resolve barriers to participation.
- Action 4: Proactively engage experts on heavily requested topics and encourage them to submit a proposal for the following year.
- Action 5: Implement a hybrid conference model to reach a broad statewide audience.

Update: Several surveys or stakeholder feedback identified in strategies and action items have been conducted before the 2024 event. We are working to implement a hybrid model for delivering the conference like the 2023 conference.

Outcome 9: Training and support are provided to historic communities through the statewide Texas Main Street Program (TMSP).

- Action 3: Evaluate the typical hiring, qualifications, and management practices of local programs.
- Action 4: Evaluate the implications of national standards and requirements on the state and local programs.

Update: Main Street has evaluated the effectiveness of onboarding new communities and is redesigning the process. The typical hiring process has been evaluated, and a new sample job description (s) for local participants is underway. The implications of new national standards are being evaluated, and modifications to the state's program model are being made. The Leadership Council held its first meeting in June and will soon be solicited for feedback on programmatic changes.

FINANCE AND ACCOUNTING

GOAL 6: Internal services are provided and technology is used in innovative ways to support the agency's goals.

Outcome 12: Grants received by the agency are managed professionally and in a way that is satisfactory to granting entities.

Strategy 1: Ensure compliance with state and federal grant management standards.

Action 1: Review policies and procedures to ensure alignment with the Texas Uniform Grant Management Standards and the federal Uniform Guidance in 2 CFR, Part 200.

Update: THC was appropriated funding and authorized for an additional 1.0 Grants Specialist FTE. The agency's current Grants Specialist will provide oversight and training along with assisting in hiring the new FTE. Core standards and information remained unchanged. Any needed minor updates will be reflected in the THC's internal grants management policies and procedures currently in progress and due to be completed by the end of Fall 2023.

Outcome 15: Budgeting and accounting services meet or exceed standards established by Texas state government.

Strategy 1: Ensure the agency's budget is properly managed.

Action 1: Refine and continuously update the budgeting process for divisions to ensure the appropriate use of funds and ensure THC leadership has the necessary information to choose between competing priorities.

Action 2: Conduct regular accounting analyses to ensure the proper method of finance for all expenditures to maintain adequate flexibility in the budget necessary to manage risk, implement compensation plans, and address unanticipated expenses.

Update: The division is updating the monthly budget reports along with providing projections for directors and developing graphic dashboards. Also, Accounting has regularly reviewed the number of days to pay invoices to eliminate interest paid. It included reviewing any interest-paid reports. Reviewed available funding along with providing recommendations to identify additional general revenue for a 2023 compensation plan.

Strategy 2: Ensure that budget and accounting risks are identified and controlled.

Action 1: Conduct risk assessments regularly and implement risk mitigation strategies.

Action 2: Ensure the implementation of audit recommendations, monitor liabilities, and ensure the agency's use of funds is allowable, particularly as it pertains to contracted services.

Update: Audit segregation of duties with the two Chief Accountants. Both individuals can enter in USAS, but nothing can be released without both on the signature card.

HISTORIC SITES

GOAL 1: Historic resources representing the varied and diverse history of Texas are identified, designated, and preserved.

Outcome 3: The THC sets an example as a steward over a broad variety of historic resources through its Historic Sites program.

Strategy 1: Strive to own and operate sites that represent the broad variety of Texas' geography and culture.

Action 3: Acquire and operate state historic sites in each of the 10 Texas Heritage Trails Program regions.

Action 4: Steward sites that represent the state's geographical, historical, and cultural diversity.

Action 5: Steward sites that represent the heritage of the state's indigenous peoples.

Update: Leased and integrated the Presidio La Bahía with Historic Sites Operations by developing a business plan by March 31, 2023, and assisting with coordinating the site's Interpretive Master Plan (IMP) by August 31, 2023.

Acquired and integrated the Bush Family Home with Historic Sites Operations by onboarding the first THC site manager and developing a business plan by July 15, 2023.

Coordinating with the advisory group on the development of interpretive and exhibit content and design at Levi Jordan Plantation State Historic Site with selected contracted firms.

Prepare the Maxey House for the development of a new Interpretive Master Plan by:

- Working with the Community Engagement Coordinator and site staff to schedule outreach meetings and at least one focus group to strengthen and broaden our historic site community stakeholder networks
- Contracting with an academic content expert to create foundational materials on the Reconstruction Era in Texas.

Overseeing the completion and installation of the exhibits and interpretive components at Caddo Mounds State Historic Site.

Added Stephen F. Austin Memorial State Historic Site to the network.

Strategy 3: Apply the Secretary of the Interior's Standards for the Treatment of Historic Properties (SOIS) to all projects at state historic sites and throughout the agency.

Action 3: Maintain a prioritized list of capital construction projects and deferred maintenance needs at the THC's state historic sites and Capitol complex buildings to align with business operational needs and the Commission's capital development priorities.

Update: Developed and piloted a new cyclical maintenance form with weekly, monthly, and quarterly, and annual check-ins for site managers to use with their maintenance staff and for reporting to the headquarters team.

Planning is underway to commence work at San Jacinto, Iwo Jima Museum and Monument, Magoffin Home, Varner-Hogg and Levi Jordan Plantations, Eisenhower Birthplace, and Monument Hill.

Work is complete on the Forts ruin stabilization, Port Isabel Lighthouse lens restoration, and Fulton Mansion interior restoration.

Outcome 4: The THC meets or exceeds federal, state, and museum industry standards as stewards of state-held-in-trust archival, archeological, and historically significant historic object collections.

Strategy 5: Develop partnerships with academic, public, and national preservation institutions to apply professional and disciplinary standards to state collections.

Action 1: Partner with anthropology, public history, history, and library science departments at universities and colleges across the state, including supporting existing relationships with Rice University, Texas A&M, and the University of Texas at Austin.

Update: Contracted with scholars to contribute essays to site guidebooks for the French Legation (Kenneth Hafertepe, Baylor University), San Jacinto (Andrew Torget, University of North Texas), and Caddo Mounds (Eric Singleton, National Cowboy and Western Heritage Museum).

GOAL 3: The people of Texas are provided with engaging opportunities to learn about their state's history.

Outcome 10: Educational information and experiences are provided to Texans to increase their knowledge of and appreciation for Texas history and historic sites.

Strategy 1: Expand the available curriculum resources and asynchronous and synchronous learning opportunities.

Action 1: Leveraged the Learning Resources website redesign and the launch of the THC e-learning platform to revise existing curriculum materials, create new interactive modules for a digital platform, and plan Texas history presentations for K-12 audiences.

Update: Provided access for underserved students to visit historic sites and participate in place-based programming; expand the number of lesson plans that are directly aligned with Texas Essential Knowledge and Skills; bolster a nascent Virtual Learning Portal with educational resources for teachers and students statewide; hired the first Chief Education Specialist.

Strategy 2: Expand collaborative educational outreach initiative partnerships within the agency, with other state agencies, and with community and education-focused organizations.

Update: Further developed the Community Engagement Program to support Historic Sites Division staff, creating and providing networking and collaboration with heritage tourism, philanthropic, peer historic sites, and other relevant community and regional partners to the THC historic sites.

Engaged site managers, staff, and stakeholders to see where Historic Sites can strengthen partnerships to provide a rich, informative, and inclusive visitor experience.

Strategy 3: Align THC-HSD educational programs and activities with State of Texas curriculum standards.

Action 3: Prioritize program evaluation to understand the impact of educative activities.

Update: Developed an educational symposium for all site educators/interpreters.

Establish the first Certified Interpretive Guide (CIG) certification for all site educators/interpreters.

Outcome 12: Interpretation at state historic sites is engaging, entertaining, and meaningful to broad audiences.

Strategy 2: Enrich the narrative at historic sites through new Interpretive Master Plans that focus on all aspects of each site's history during their defined periods of significance, including "undertold" stories, historic inter-site relationships, and presenting historic details making them relevant to today's visitors.

Update: Conducting an ongoing review of existing Interpretive Master Plans, and coordinating the solicitation and management of updated and new Interpretive Master Plans as necessary to refresh interpretive foci and incorporate updated research.

Action 5: Build dynamic interpretive programs and exhibits that focus on the site, region, and state.

Update: Historic Sites is broadening the thematic foci and interpretation of undertold stories specific to each site. Work is underway at Washington-on-the Brazos, San Jacinto, National Museum of the Pacific War, Iwo Jima Museum and Monument, and Caddo Mounds to upgrade and install new exhibits.

Action 6: Use the Interpretive Master Planning (IMP) to engage the public to produce the best visitor experience.

Update: HSD Chief Interpretive Specialist is coordinating and facilitating community stakeholders' meetings during the Interpretive Master Plan process for historic sites.

Strategy 3: Establish a professional standard for training interpreters who are seasonal, temporary, new hires, or volunteers.

Update: Developed a framework for a standardized HSD Volunteer Program that includes onboarding and training guidelines, network opportunities, and volunteer recognition.

Action 1: Consider adoption of an existing standard such as the National Association for Interpretation's Certified Interpretive Guide program.

Action 2: Prepare a cohort of trainers to mentor colleagues and share best practices.

Update: Coordinate the institution or expansion of historic foodways programs with Historic Sites Educators and Interpreters as appropriate to site's interpretive foci.

Strategy 5: Elevate voices and stories that have often gone untold, with the conviction that inclusive history is the most accurate history.

Action 3: Develop unique site-specific items, including new thematic guidebooks, publications featuring each site's most interesting person(s), historic reproductions, coloring books, puzzles, and games for use onsite, in outreach programming, and for sale in our stores.

Update: Historic sites retail team and site staff have selected appropriate publications tied to the sites' missions and interpretive themes. They have also produced historic reproduction items to complement the selection of inventory based on site-specific displays and period-specific collection items.

New guidebooks have been produced for the French Legation, Forts, and San Felipe de Austin. Work is underway on San Jacinto and Caddo Mounds.

A Historic Sites coloring book has been completed and is for sale in the stores.

Action 6: Demonstrate a commitment to inclusive interpretation in the development and implementation of programs, gallery labels, interpretive talks, and facilitated and visitor-directed tours.

Update: Historic Sites staff is working to broaden the thematic foci and interpretation of untold stories specific to each site—enslaved and domestic workers at house museums and untold stories at other sites.

Outcome 13: Visitors to state historic sites are provided with retail opportunities that enhance their visit and produce revenue for site operations.

Strategy 1: Utilize the retail stores to build agency's brand identity and educate the public about the history of the site, region, and state.

Action 4: Utilize the store to enhance the visitor experience and utilize it as an extended learning and promotional environment.

Update: Working intra-departmentally to create hands-on activities, workshops, or events to bolster sales, making retail spaces active places of engagement.

Action 5: Build an inventory that reflects the work of the agency to include La Belle, archeology, courthouse, and historic preservation.

Update: Developed new products that promote the work of the agency, including the 2024 calendar, silk scarf, wooden puzzle, and coloring book. All are available for purchase in stores.

Strategy 3: Use unique, one-of-a-kind products and quality historic reproductions to provide a strong revenue stream for site operations.

Action 1: Produce retail products based on the sites' curated collection and interpretive master plan.

Update: Developed collection-based retail products with six State Historic Sites and headquarters interpretive staff.

Action 2: Customize details that tie the merchandise directly to the historic sites' interpretive themes and program content.

Update: Using the patterns found on curated collection items, retail items were created to memorialize the site and guest visits. The goal was to produce items that can be sold at multiple sites under themed product development, specifically Independence-era sites or Western forts.

HISTORY PROGRAMS

GOAL 1: Historic resources representing the varied and diverse history of Texas are identified, designated, and preserved.

Outcome 9: Historic cemeteries are identified and designated as appropriate through the THC's Cemetery Preservation Program.

Strategy 1: Identify historic cemeteries.

- Action 1: Work with CHCs to complete county-wide cemetery inventories and share results with THC.
- Action 2: Update THC's ATLAS with CHC inventories.
- Action 3: Research legal notices and inquiries to find unknown cemeteries and record them in the THC's ATLAS.
- Action 4: Prioritize the most vulnerable cemeteries.

Update: A framework has been developed to help County Historical Commissions preserve historic cemeteries by identifying and inventorying them, connecting with cemetery organizations, assessing natural and man-made threats, and cultivating beneficial community relationships. During FY 2023, the agency's Cemetery Preservation Program continued developing content for this framework by creating an online toolkit consisting of an introduction, handouts, presentation materials, and four webinars. Virtual meet-and-greets were conducted, and videos and webinars were developed using funds from the ESHPF-HIM.

GOAL 3: The people of Texas are provided with engaging opportunities to learn about their state's history.

Outcome 10: Educational information and experiences are provided to Texans to increase their knowledge of and appreciation for Texas history and historic sites.

Strategy 1: Expand the available curriculum resources and asynchronous and synchronous learning opportunities.

- Action 1: Leverage the Learning Resources website redesign and the launch of the THC e-learning platform to revise existing curriculum materials, create new interactive modules for a digital platform, and plan Texas history presentations for K-12 audiences.
- Action 2: Launch a virtual learning platform aligned with Texas Essential Knowledge and Skills (TEKS) standards to address TEKS requirements in a series of theme-based virtual field trips.
- Action 3: Provide Spanish translations of selected TEKS-correlated THC learning materials and associated additional resources.

Update: Recent educational efforts included writing original K-12 lesson plans to accompany the Archeology Division's pinch pot activity. These extensive lesson plans will be posted on the agency's Learning Resources webpage and distributed at Archeology Division-sponsored community events and the Texas Association of Museums conference. During FY 2023, the agency's first virtual learning platform, created under the auspices of an IMLS Cares grant, was successfully launched. Included in that launch were six TEK-based, themed content programs created by site-based teams.

Additionally, a draft agency-wide strategic plan for education was developed, proposing a branded multi-component program integrating THC Divisions and school and community partners envisioned to provide unique K-12 place-based educational experiences, professional development opportunities, and community engagement and outreach to in-person and virtual learners throughout Texas and beyond.

Strategy 4: Encourage interest in Texas history by providing online access to the agency's collection of oral histories.

Action 1: Inventory the agency's collection of oral histories and determine the nature of the audience for that material.

Action 2: Develop the necessary policies and procedures to accomplish this strategy.

Action 3: Determine the IT resources necessary to accomplish this strategy.

Update: The agency's Oral History Collection is moving toward full digitalization in partnership with TSLAC. A Preservation Scholar assisted in the project this year by inventorying the collection, which will now move toward the digitalization stage.

HUMAN RESOURCES

GOAL 6: Internal services are provided and technology is used in innovative ways to support the agency's goals.

Outcome 5: THC operations at all locations, including state historic sites, are supported by Human Resources services including assistance with job descriptions, job posting, on-boarding and other training, handling complaints, providing general guidance etc.

Strategy 1: Support the development and performance of agency staff.

Action 1: Re-format the Annual Performance Plan and provide targeted training on the use of performance goals and evaluations, with a focus on state historic sites.

Action 2: Update the THC Personnel Manual following the FY23 legislative session and Group 4 retirement benefit changes from the FY21 session, educating directors and managers on these changes and ensuring a regular update cycle after every legislative session.

Human Resources has selected the CAPPS system as the official annual review system and will begin to provide targeted training to users in Spring 2024. The THC Personnel Manual following the FY 23 legislative session is in progress to reflect recently passed changes, clarifications, and agency updates; it is projected to be completed by November 2023.

Strategy 2: Expand efforts in recruitment and retention, building a positive work environment supported by modern, research-based policies.

Action 1: Redesign and update the employment page of the agency website based on data-driven decisions, including the most recent survey (July 2022) of employees hired in the last year, to appropriately target the agency's job advertisements and information.

Update: HR worked with Communications to make some recommendations to better streamline pages on the website. Instead of creating a separate job notice, HR will provide a direct link to CAPPS Recruit. This prevents THC from complying with ADA requirements and puts the responsibility on those maintaining CAPPS Recruit.

Outcome 7: A plan for continuity of operations and risk management is maintained and staff are trained in carrying out the plan as necessary.

Strategy 1: Develop and maintain the agency's continuity of operations plan.

Action 1: Contract with a Business Continuity Coordinator, including developing a list of specific deliverables needed to update the COOP plan.

Action 2: Ensure the COOP is adequately updated by managing the Business Continuity Coordination contractor's deliverables and coordinating with agency staff.

Action 3: Consider the adoption of an agency-wide emergency notification system.

Update: HR contracted with a vendor to complete the THC agency COOP plan following local, state, and federal requirements. Staff have received 2-3 training sessions on the COOP; the final draft is expected to be available in October 2023.

INFORMATION TECHNOLOGY

GOAL 3: The people of Texas are provided with engaging opportunities to learn about their state's history.

Outcome 7: An app to provide users with information on the agency's markers, county courthouses, history museums and other resources of interest is developed and maintained.

Strategy 1: Ensure proper project management protocols are followed for the development of the THC Mobile App.

Action 1: Develop and document a plan to transfer the THC Mobile App to a new contractor, ensuring all considerations are accounted for, including but not limited to: funding, staff augmentation, maintenance and support, schedule, personnel resources, asset transfer, technical requirements & logistics for the transfer, contractor identification, coordination with DIR, procurement staff, IT staff, and Friends of THC.

Action 2: Develop a project plan and a business requirements document for Phase II of the THC Mobile App.

Update: In collaboration with multiple THC Divisions, phase 1.0 of the Texas History Navigator (aka mobile app) was successfully launched in May 2023. Feedback from the Executive Leadership and Commissioners was collected, and these directives were incorporated into the mobile app and published in July 2023. Phase 1.5 of the app is already in progress, and phase 2.0 is scheduled to commence after the start of the new fiscal year.

GOAL 6: Internal services are provided and technology is used in innovative ways to support the agency's goals.

Outcome 1: Federal and state regulatory programs are administered through an effective and efficient online review process.

Strategy 1: Continue to develop and improve the eTRAC online project review interface.

Action 1: Convene regular staff meetings to discuss potential issues and improvements.

Action 2: Add functionality to accommodate user groups not currently served by eTRAC such as historic buildings and structures permit reviewers for State Antiquities Landmarks, RTHL reviewers, and curation facilities.

Action 3: Seek feedback from external eTRAC users to consider for future improvements.

Action 4: Create a schedule of updates to eTRAC and other review-focused online interfaces with explanatory materials to make updates and changes more predictable.

Action 5: Use the internal agreement document database to supplement the active review functionality in eTRAC and provide accountability in tracking deliverables required by a Memorandum of Agreement or Programmatic Agreement for Section 106 compliance.

Update: Improvements to eTRAC include:

- The addition of a full set of tools to manage the entire lifecycle of Archeological Permits
- Full integration of features for submitting Archeological Reports Abstracts
- The addition of a module for the submission of reports from curatorial facilities
- Enhancements to the full-text searching
- Revision of the tools for assigning and managing reviewers
- Creation of linkages to the MOA/PA database

Strategy 3: Develop robust training materials to improve the internal and external user experience.

Action 3: Create user training videos for infrequent users to provide targeted training for limited applications.

Update: Improvements to eTRAC include:

- Creation of user guide videos.

Outcome 2: The online Texas ATLAS provides users with an increasing quantity of trustworthy data.

Update: Administration, IT, in collaboration with multiple other THC Divisions, has contracted with the vendor RE SPEC to overhaul the Texas Historic Sites Atlas and Texas Archeological Sites Atlas, generally referred to as Atlas. This project will update the Atlas portal to be visually similar to the new THC main website being developed, revamp the basic search and advanced search functionality, incorporate additional data sets, and include updated security features for account creation and management. The project is a year-long endeavor being funded by a National Park Service grant of \$400,000 and is scheduled to be completed in March 2024.

Outcome 4: THC operations at all locations, including state historic sites, are supported by Information Technology, including helpdesk services, Point of Sale systems, interactive exhibit technology, information security, and software development and maintenance.

Strategy 2: Ensure the security and modernization of the agency's basic technology infrastructure.

Action 1: Research, identify necessary resources (including construction needs), and implement a plan to improve connectivity at state historic sites.

THC has contracted with Hughes Networks to deliver managed Internet circuits and managed next-generation, wide-area network equipment scheduled for installation in the first quarter of FY 2024. As part of the contract, all Internet connectivity equipment will be replaced and maintained by Hughes Networks. When completed, this will significantly enhance the Internet connections at the THC Historic Sites and provide more consistent Internet bandwidth.

PROCUREMENT AND CONTRACT SERVICES

GOAL 6: Internal services are provided and technology is used in innovative ways to support the agency's goals.

Outcome 13: Procurement and contracting services meet or exceed standards established by Texas state government.

Strategy 1: Ensure procurement and contracting staff are adequately supported, trained, and informed.

- Action 1: Restructure the Staff Services Division (SSD) to create a Manager of Procurement and Contracting Services within the division to oversee the daily operations, training, and development of the procurement and contracting staff.
- Action 2: Review, draft, implement and ensure compliance with policies and procedures that follow all laws, rules, and State of Texas Procurement and Contract Management Guide recommendations in procurement and contract management.
- Action 3: Provide training for staff involved in contract and procurement processes in all agency divisions.

Update: This function has been removed from Finance and Accounting, resulting in a standalone division, Procurement and Contract Services, led by a director. Policies and procedures are being reviewed for compliance and are scheduled to be revised by the end of Fall 2023. The Texas Comptroller of Public Accounts, Procurement, and Contracting division recently updated the Texas Procurement and Contract Management Guide; THC staff received training on all changes in September 2023. This same office also modified CAPPs purchasing modules, in which PCS trained the THC agency to navigate the changes and enter requisitions.

Outcome 16: Vehicles provided for staff use are clean, safe and trustworthy.

Strategy 1: Replace vehicles that have passed their useful life.

- Action 1: Develop a plan for purchasing vehicles in a manner that prioritizes operational need and targets vehicles that have met or surpassed the criteria for replacement of greater than 10 years old or having greater than 110,000 miles.
- Action 2: Update and properly manage and maintain the Statewide Fleet Management System records for THC to ensure adequate reporting on the state of the THC fleet and ensure that capital budget needs are regularly incorporated into the LAR.
- Action 3: Ensure that vehicles are cleaned between uses as needed and that regular safety inspections are performed.

Update: Procurement and Contract Services has developed a purchasing plan for vehicles and will place an order by October 2023 to begin to replace fleet vehicles that meet the criteria. In addition, the fleet team has updated procedures to confirm that vehicles are cleaned between uses and needed and receive regular inspections.



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