

Self-Evaluation Report



**Texas Economic Development
and Tourism Office
Office of the Governor
September 2021**

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**Texas Economic Development and Tourism Office
Office of the Governor
Self-Evaluation Report**

I. Agency Contact Information

A. Please fill in the following chart.

**Trusted Programs, Office of the Governor
Exhibit 1: Agency Contacts**

	Name	Address	Telephone & Fax Numbers	Email Address
Agency Head	Luis Saenz	1100 San Jacinto Blvd., Austin, TX 78701	512-463-1762	luis.saenz@gov.texas.gov
Agency's Sunset Liaison	Suzanne Johnson	1100 San Jacinto Blvd., Austin, TX 78701	512-475-3163	suzanne.johnson@gov.texas.gov

Table 1 Exhibit 1 Agency Contacts

II. Key Functions and Performance

Provide the following information about the overall operations of your agency. More detailed information about individual programs will be requested in Section VII.

A. Provide an overview of your agency's mission, objectives, and key functions.

The Texas Economic Development and Tourism Office (EDT), a trusted program within the Office of the Governor (OOG), is the lead state economic development organization that coordinates economic development and tourism efforts for the State by working with the Legislature, other state agencies, local government, and related organizations. Through a variety of programs and services, EDT works to fulfill the office's statutory obligations to:

- market and promote the state as a premier business location and tourist destination;
- facilitate the location, expansion, and retention of domestic and international business investment to the state;
- promote and administer business and community economic development programs and services in the state, including business incentive programs;
- provide to businesses and communities in the state assistance with exporting products and services to international markets;
- serve as a central source of economic research and information; and

- establish a statewide strategy to address economic growth and quality of life issues, a component of which is based on the identification and development of industry clusters.

EDT also administers the Texas Economic Development Bank (Bank). The Bank provides globally competitive, cost-effective state incentives to expanding businesses operating in this state and companies relocating to Texas and ensures communities and businesses in this state have access to capital for economic development purposes.

As specified in Texas Government Code, Sec. 481.005, EDT operates under the guidance of a Governor-appointed Executive Director who reports to the OOG's Chief of Staff. The Executive Director provides leadership, directs the office's activities, and develops long-range plans for the future goals and needs of the office.

EDT accomplishes its missions, objectives, and key functions through three primary divisions:

- Business and Community Development (BCD),
- Economic Development Finance (Bank), and
- Travel Texas (Tourism).

These divisions work under the guidance of the Executive Director to fulfill the statutory obligations of the office and are composed of various units described later in the Report.

B. Do your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed?

EDT is statutorily mandated to market and promote the state as a premier business location and tourist destination and the key functions of EDT continue to serve a clear and ongoing objective. EDT must continue to administer these functions to ensure the continued growth of Texas businesses, support our local and regional economic development partners, and maintain a robust, diversified and stable economy.

- EDT's Travel Texas division actively markets Texas as the premier place for leisure and business travel to consumers and travel businesses domestically and internationally through advertising, public relations and marketing. Travel Texas is the only state agency program responsible for travel and tourism promotion to non-Texans. Travel and tourism is a critical component of the Texas economy and is the second largest export-oriented industry in the state. The division attracts out-of-state travelers, creates local jobs, and grows state and local economies. It functions as an important economic development tool, helping generate state and local taxes through Tourism advertising that influences out-of-state travelers to Texas. In 2019 the travel and tourism industry generated \$169.8 billion in economic impact to the state, supporting 1.3 million Texas jobs. Travel spending in 2020 was severely impacted by the COVID-19 pandemic. In 2020, the travel and tourism industry generated \$115.5 billion in economic impact to the state supporting one

million Texas jobs. The jobs supported by travel spending in 2019 and 2020 are annual averages.

- EDT's Business and Community Development (BCD) division is the only state agency program focused on promoting the State of Texas as a premier business investment destination and fostering economic development activities on a statewide level across diverse industries. BCD facilitates the economic growth of the state through the location, expansion, and retention of domestic and international business investment in Texas, increased international trade, and small business and entrepreneurial development. Programs within BCD are described below:
 - The Business Development (Projects) team works with businesses, consultants, economic development stakeholders, and other local, regional, state, and federal organizations to facilitate the relocation and expansion of businesses to the state, thereby creating new jobs and investment. These activities have led to the announcement of more than 12,392 jobs and \$10.2 billion in investment to the state in 2020. As a result, Area Development Magazine awarded Texas the 2020 and 2021 Golden Shovel, recognizing the state's efforts to attract high-value investment and large job-creating projects. In addition, Texas won the prestigious Governor's Cup for the ninth year in a row from Site Selection Magazine for the most economic development projects in the country. According to Allied Moving, Texas was ranked the #1 corporate move destination in 2020 for the sixth straight year.
 - The Existing Industry team works with local economic development organizations, along with industry partners and organizations to encourage existing Texas companies to expand within the state. In addition, the existing industry group maintains close contact with diverse industry sectors in the state, to ensure their continued growth and stability. The Existing Industry team also includes the Office of Aerospace and Aviation, which is statutorily established in Section 481.0066 of the Government Code to encourage economic development in the state by fostering the growth and development of aerospace and aviation industries in Texas.
 - The Office of Small Business Assistance works with local economic development organizations to help small businesses and entrepreneurs in rural, suburban, and urban areas. Small Business events directly affect community development in each region of the state and connect entrepreneurs with the resources they need to start, grow, or sustain their businesses in Texas. The Small Business Advocate supports the Office of Small Business Assistance functions by providing direct technical assistance to small and historically underutilized businesses. As a result, three Texas cities were ranked among the 'Best U.S. Cities for Starting a Business' in 2020 by Inc. Magazine. Texas small businesses are the backbone of the state's economy, accounting for 99.8% of all Texas businesses.

- The International Business and Trade program promotes Texas as a location for foreign direct investment and assists Texas businesses in exporting products and services to international markets. EDT, through a contractor it is currently in the process of procuring, also operates the State of Texas Mexico Office to promote Mexican business investment in Texas and increase exports of Texas products and services to Mexico. The International Business and Trade team and the State of Texas Mexico Office attend industry-focused conferences and trade shows domestically and internationally to assist Texas businesses with creating and expanding international sales opportunities, as well as promoting the state for investment. In 2020, Texas ranked as the top exporting state for the 19th year in a row, with exports valued at \$276.37 billion. Texas small businesses continue to flourish in international markets; nearly 93% of all Texas exporters are small businesses. According to 2019 International Trade Administration data, Texas also leads the nation in jobs supported by exports with more than 1.1 million jobs.
- The Community Relations team work in five regional offices across the state providing assistance to community partners in each region in Texas.
- The Research and Economic Analysis (REA) team conducts economic research, analysis, due diligence and, along with the EDT's Marketing and Communications team, contributes to executive briefs and various industry and economic development publications housed on EDT's website gov.texas.gov/business. The website includes reports, fact sheets, publications on various Texas industries, and information on the state's economic strength. REA helps the various programs in EDT understand the state's economic environment, which in turn guides EDT's efforts and strategies. The team serves as an information Clearinghouse, a central source of up-to-date economic data for Texas' economic development stakeholders and small, medium, and large enterprises looking to grow their presence in the state.
- EDT's Economic Development Finance (Bank) division actively administers and promotes business and community economic development programs designed to address a wide range of funding needs by facilitating incentives for companies through loans, grants, and tax refunds. Programs managed by the division, only some of which are subject to Sunset review, include the Texas Enterprise Fund Program, Texas Enterprise Zone Program, Spaceport Trust Fund, Capital Access Program, and the Product Development and Small Business Incubator Fund. These programs support economic development initiatives in the state and directly assist in new job creation and capital investment. These incentives are vital tools for encouraging businesses to relocate or expand in the state and help Texas to compete during a site selection process and to assist our local communities to win these competitive projects.

C. What, if any, functions does your agency perform that are no longer serving a clear and ongoing purpose? Which agency functions could be eliminated?

All current agency functions continue to serve a clear and ongoing purpose. However, some portions of statutes relating to the office have expired or are associated with a federal program that has expired, including:

- Government Code, Sec. 481.0215(b) – Refers to coordinating economic development efforts with the Council on Workforce and Economic Competitiveness and the Office of Rural Affairs, which no longer exist or have been renamed.
- Government Code, Sec. 481.025 - Refers to the Empowerment Zone and Enterprise Community programs, which are U.S. Department of Housing and Urban Development programs that have expired.
- Government Code, Chapter 481, Subchapter AA. – Refers to the Workforce Development Initiative for Youth that has expired.

D. Does your agency's enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions?

In general, EDT's enabling law continues to accurately reflect the agency's mission, objectives, and approach to performing EDT's functions. The mission and objectives of the Tourism program, specifically, have remained virtually unchanged since its inception and are accurately reflected in enabling law. The approaches to performing functions are also accurately reflected and broad enough to allow changes in specific promotions or other program activities when necessitated by changing travel trends, media trends, consumer preferences, or other factors.

However, sections of EDT's enabling law are written for a standalone agency, whereas EDT is a Trusteed Program that functions within the OOG. Sections of the Government Code such as Sec. 481.010, regarding Personnel, and Section 481.012, regarding Public Interest Information and Complaints, fall within the purview of the OOG; EDT does not manage these functions separately. Further, as mentioned previously, some portions of sections of EDT's enabling statutes no longer apply as the corresponding federal programs have expired or the state entities no longer exist or have been renamed.

Lastly, when the Legislature moved the Texas Department of Economic Development programs to the OOG following the 2003 Sunset Evaluation, some programs' original enabling language were not retained, leading to ambiguity in the operation of the programs. Most notably, this occurred with the Texas Leverage Fund (TLF). For this program, this issue potentially resulted in an inability to amend the relevant Master Resolution. The program is currently inactive and now has loans scheduled to continue past the expiration of the current Master Resolution. SB 1465 (87th Regular Session (2021)) did, however, create the Texas small and rural community success fund, which is similar to TLF. More information on this is provided in Section VII of the SER.

E. Have you previously recommended changes to the Legislature to improve your agency's operations? If so, briefly explain the recommended changes, whether or not they were adopted, and if adopted, when.

The Defense Economic Readjustment Zone (DERZ) program is currently inactive and has not approved a designation application in over a decade. EDT made the following recommendations to the Legislature in the DERZ report submitted on December 1, 2018:

- Update the provisions in the Act relating to the creation of the Zones.
- Allow rebates on state sales and use tax for any state sales and use taxes paid for eligible projects.
- Incorporate the program report into the annual Bank report, due on January 1 of every year, instead of requiring a stand-alone DERZ report due annually on December 1.

In the Annual Status Report of Texas, Economic Development Bank submitted to the Legislature for Fiscal Years 2016, 2017, and 2018, EDT recommended statutory changes to strengthen and re-establish the Bank's authority to administer the TLF. During the 85th and 86th Legislatures, legislation was filed to clarify the Bank's authority to administer the TLF. Certain enabling legislation had been previously removed from statute, resulting in a potential inability to amend the program's Master Resolution. The bills did not pass, and the program is not issuing new loans. SB 1465 (87th Regular Session (2021)) did, however, create the Texas small and rural community success fund, which is similar to TLF.

F. Do any of your agency's functions overlap or duplicate those of another local, state, or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?

EDT is the primary state agency responsible for the state's economic development efforts. EDT works in close collaboration with local economic development organizations, local destination marketing entities and travel industry businesses, federal agencies, and state agency partners to ensure economic development efforts are coordinated and are not duplicated. Working collaboratively, EDT ensures that Texas remains the premier location for business and tourism.

The Texas Department of Agriculture (TDA) performs several economic development-related functions, including administering some incentive programs. Although the programs managed by TDA differ from EDT in terms of industry focus, there is an overlap of responsibility in matters related to rural communities and projects. All economic development efforts at TDA focus on rural communities and agriculture-related business, while EDT focuses on economic development efforts in all Texas locations and all industries, regardless of size.

EDT meets regularly with state agency partners that are involved in economic development, regarding projects interested in relocating or expanding in the state, which may be pursuing economic development incentives. This provides a coordinated effort on behalf of state agency partners to complement programs, and minimize overlap and duplication.

While Travel Texas is the only state agency program responsible for tourism promotion to non-Texans, other agencies are involved in travel and tourism promotion within Texas. In 2003, led by EDT, five state agencies (Texas Department of Transportation, Texas Parks and Wildlife, Texas Historical Commission, and the Texas Commission on the Arts) entered into a Memorandum of Understanding (MOU) under Section 481.172 of the Government Code to identify partnerships and reduce areas of duplication. These agencies conduct a variety of tourism-related activities that fall into four distinctly different yet complementary functions, essential for achieving an effective statewide tourism effort: marketing, product development, program development, and customer service. The coordination is part of the Tourism MOU process to avoid duplications. For more information on the MOU and Strategic Tourism Plan, please see sections VII. H and I for Tourism.

G. In general, how do other states carry out similar functions?

Economic development is very competitive, and Texas competes with various states around the country. The majority of U.S. states carry out similar economic development and tourism functions through various models. The three common models are (1) a stand-alone agency, (2) a department within a statewide elected official's office, or (3) a hybrid model that varies regarding delegation, operation, and organizational structure. Below are several examples of these organizations from larger states (based on GDP, population and workforce), as well as states we compete with on a regular basis, and how they relate to Texas' model.

California Governor's Office of Business and Economic Development (GO-Biz) serves as the State of California's primary entity for job growth, economic development and business assistance efforts. The agency offers consultation for incentive identification, site selection, regulatory or permitting compliance assistance, small-business assistance, foreign direct investment and export assistance. Visit California, a nonprofit organization, develops and maintains marketing programs – in partnership with the state's travel industry – to inspire travel to, and within, California. Go-Biz FY 2020 budget was \$87,069,000, including all grant and incentive programs. California's FY 2019 tourism promotion budget was \$126,424,366.

Illinois uses a stand-alone agency approach for facilitating economic development — the Illinois Department of Commerce and Economic Opportunity (DCEO). Illinois' DCEO includes offices for business development, film, tourism, economic incentives, small business and international trade. DCEO's FY 2020 budget was \$4,407,895. Illinois' FY 2019 tourism promotion budget was \$55,296,563.

Florida has implemented a decentralized approach to economic development, opting for decision-making and leadership at the local level rather than at a state agency. The principal economic development organization for Florida is Enterprise Florida, Inc. (EFI), a public-private partnership between business leaders and the state government, which has some similarity to the statutorily-created Texas Economic Development Corporation (TxEDC). EFI promotes Florida as a premier business destination through economic development, international trade, small business development, research and marketing. Tourism functions are handled by Visit Florida, a separate public-private partnership. EFI's FY 2020 budget was \$18,867,783. Florida's FY 2019 tourism promotion budget was \$82,130,775.

Ohio has implemented a hybrid model which combines a state agency with a public-private partnership for facilitating economic development. The Ohio Department of Development is a state agency committed to creating jobs and building strong communities. The programs in the Ohio Department of Development includes economic development, international trade, small business development, incentives, film, and tourism. JobsOhio is a private nonprofit corporation designed to drive job creation and new capital investment through business attraction, retention and expansion efforts. JobsOhio was established in 2011 and works closely with regional and local economic development partners and the Ohio Department of Development. JobsOhio's FY 2020 budget was \$10,356,000. Ohio's FY 2019 tourism promotion budget was \$10,000,000.

North Carolina takes a hybrid approach. The Economic Development group at the North Carolina Department of Commerce serves as the liaison on economic development matters between the Governor's Office, Commerce, the Economic Development Partnership of North Carolina (EDPNC), and local and regional economic development organizations. In turn, the EDPNC, a nonprofit public-private partnership, operates under contract with the North Carolina Department of Commerce while receiving additional financial support from the private sector. Governed by a 17-member board of business and industry leaders representative of the entire state, the EDPNC serves as North Carolina's statewide economic development organization. EDPNC performs the state's business recruitment, small business and export assistance, and tourism promotion functions. The Visit North Carolina tourism program is part of the EDPNC. EDPNC's FY 2020 budget was \$20,932,514. North Carolina FY 2019 tourism promotion budget was \$12,249,261.

Tennessee Department of Economic and Community Development (TDECD) is the central economic development entity of the state of Tennessee. The department is a stand-alone agency, led by a Commissioner, appointed by the state's Governor. The department undertakes the corporate expansion and recruitment functions, small business assistance, and rural development. Through its TNInvestco program, the state allocated \$200 million in tax credits to a cross-section of venture capital funds with broad experience developing new companies in Tennessee. LaunchTN is a public-private partnership that empowers Tennessee's entrepreneurial ecosystem by facilitating capital formation, market building, and resource connection through its network partners. The network partners typically include incubators, accelerators, and other entrepreneurial centers. "Mastered in Tennessee" is an industry-facing recruitment initiative operated by TDECD. Tourism promotion is Tennessee is a responsibility of the Tennessee Department of Tourist Development, a stand-alone state agency. The department's tourism marketing activities promote Tennessee to vacationers in the United States as well as internationally. TDECD's FY 2020 budget was \$122,541,850, including all funding sources and all incentive funds. Tennessee's FY 2019 tourism promotion budget was \$20,192,379.

The majority of states offer economic incentives, programs and services focused on job growth and diversification comparable to the Texas economic incentives, programs, and services. Additionally, a significant number of the top states operate representative offices in key international markets around the globe including Asia, Europe, Latin America, Mexico and Canada.

H. What key obstacles impair your agency's ability to achieve its objectives?

Potential obstacles that may impair EDT's ability to achieve its objectives include a decrease in funds appropriated to the programs, economic downturns, natural disasters, or other events that may affect overall business confidence, consumer spending, and travel. Participation by businesses and entrepreneurs in agency programs may increase or decrease based on prevailing economic indicators. Workforce readiness and availability is also a significant factor in economic development and tourism stability. The ability of Tourism to preserve market share domestically and expand into international markets is impacted by the funds appropriated to the program and budgets allocated to growing tourism in other states and countries in a competitive industry. Similarly, the availability of state economic development incentives may affect the state's ability to compete for projects.

I. Discuss any changes that could impact your agency's key functions in the near future (e.g., changes in federal law or outstanding court cases).

Several federal programs, including the American Rescue Plan Act (ARPA), State Small Business Credit Initiative (SSBCI), and CHIPS for America Act may significantly affect EDT operations, as many communities and Texas small businesses will seek assistance through these programs, in addition to semiconductor companies worldwide who will seek to utilize CHIPS federal funds for future investment. A surge of potential investment projects may strain state and local economic development resources, extend response, review, and approval timelines. Moreover, newly enacted HB 3271 (87th Regular Session (2021)) will add four additional credit access programs to the Economic Development Finance Division through the SSBCI funding.

While the hospitality industry was one of the hardest hit due to the COVID-19 pandemic, the Texas tourism industry continues to show signs of recovery as the country emerges from the lockdown and people begin to travel again. However, continual travel restrictions by governments around the world may have a significant detriment to the industry, the ramifications of which will be felt for years to come.

J. Aside from additional staff or funding, what are your agency's biggest opportunities for improvement in the future? For example, are there other programs or duties the agency could take on to better carry out its mission?

EDT continuously strives for improvement and sets aggressive annual goals for increased new business development prospects, communities assisted, projects located, attendee satisfaction at small business events and export assistance trade shows, travel dollars and tourism revenue, and business assistance provided. EDT continues to find ways to effectively and efficiently widen its reach and expand awareness of Texas as a premier travel and business destination to domestic and international audiences.

K. Overall, how does the agency measure its effectiveness in carrying out its objectives?

The agency measures effectiveness through our performance measures, survey responses, and other metrics. EDT's Key Measures are: New Jobs Announced, Jobs Announced by Companies

Receiving Texas Enterprise Fund Grants, and Businesses Developed as Recruitment Prospects. EDT uses these Key Measures to guide its primary efforts and measure its effectiveness in carrying out objectives. Each function under EDT relates to creating new jobs, promoting capital investment, and assisting Texas businesses and communities.

EDT also has specific Tourism measures. The state measures the amount of state taxes generated from state funding for tourism advertising and the return on investment for each dollar budgeted to influence domestic non-Texan leisure travel to Texas.

In the following chart, provide information regarding your agency's key performance measures, including outcome, input, efficiency, and explanatory measures. See Exhibit 2 Example. Please provide both key and non-key performance measures set by the Legislative Budget Board as well as any other performance measures or indicators tracked by the agency. Also, please provide information regarding the methodology used to collect and report the data.

Trusted Programs, Office of the Governor
Exhibit 2: Key Performance Measures — Fiscal Year 2020

Key Performance Measures	Dataset Reference Number* (if applicable)	Calculation (if applicable)	FY 2020 Target	FY 2020 Actual Performance	FY 2020 % of Annual Target
Number of New Job Announced by Businesses Receiving Assistance	N/A	(a)	6,000	12,392	206.53%
Number of Unduplicated Jobs Announced by Companies Receiving Grants from the Texas Enterprise Fund	N/A	(b)	4,000	6,237	155.93%
Number of Businesses Developed as Recruitment Prospects	N/A	(c)	140	196	140%

Table 2 Exhibit 2 Key Performance Measures

(a) Number of unduplicated new jobs announced by companies resulting from technical assistance, incentives, and recruitment by EDT in participation with local and state economic development partners.

(b) Number of unduplicated jobs announced by companies receiving grants from the Texas Enterprise Fund. It is calculated by the sum the number of jobs identified in the signed project agreements for each project receiving a Texas Enterprise Fund grant.

(c) Number of out-of-state business recruitment prospects seeking to locate to Texas and the number of Texas business recruitment prospects seeking to expand through the exchange of site location information with EDT in participation with local and state economic development partners. A recruitment lead is considered a recruitment prospect developed if a business or its site location consultant expresses verbal or written intent to receive information on a Texas community or specific site in order to evaluate Texas as a business location. Businesses developed as recruitment prospects continue to receive information on Texas business climate

and local incentives in order to encourage investment and job creation in the state. Division programs contributing to the measure include the EDT Business Development program, International Business & Trade, Aerospace & Aviation, and Bank programs. It is calculated by manual count of the business recruitment prospects identified as recruitment prospects developed in the databases of the EDT's programs.

L. Please list all key datasets your agency maintains and briefly explain why the agency collects them and what the data is used for. Is the agency required by any other state or federal law to collect or maintain these datasets? Please note any "high-value data" the agency collects as defined by Texas Government Code, Section 2054.1265. In addition, please note whether your agency posts those high-value datasets on publicly available websites as required by statute, and in what format.

**Trusted Programs, Office of the Governor
Exhibit 3: Key Datasets**

Dataset Reference Number	Dataset Name	Description of Data	Data Maintained By	Hyperlink (if publicly available)	Legal Prohibition to Disclosure Y/N
N/A	Enterprise Zone Designations	Listing of Enterprise Zone Designations since FY 2005 (As of March 1, 2021).	EDT – Bank	https://gov.texas.gov/uploads/files/business/Enterprise_Zone_Approved_Projects_Data.xlsx	N
N/A	All Texas Enterprise Fund Awarded Projects to Date	Listing of Texas Enterprise Fund Awarded Projects from 2014 to date (As of July 31, 2019).	EDT - Bank	https://gov.texas.gov/uploads/files/business/TEF_Award_Listing_Data.pdf	N

Table 3 Exhibit 3 Key Datasets

Enterprise Zone Designations Dataset: The agency collects this dataset to be available for the public and posted online at gov.texas.gov/business. This is considered a "high-value data set" as defined by Government Code, Section 2054.1265.

All Texas Enterprise Fund Awarded Projects to Date Dataset: The agency collects this dataset to be available for the public and posted online at gov.texas.gov/business.

III. History and Major Events

Below is a timeline of EDT's history and key events.

1959 - State economic development functions, including business recruitment and trade promotion, was first authorized as part of the Texas Industrial Commission.

1963 - The Texas Tourist Development Agency was created and funded to market Texas as a travel destination to people outside the state.

1971 – The State of Texas Mexico Office was established, as a branch office of the Texas Industrial Commission.

1987 - The Texas Department of Commerce (TDOC) was created to centralize Texas economic development efforts through the merger of economic development, trade, tourism, and job training functions from the Texas Economic Development Commission, Texas World Trade Development Authority, Texas World Trade Council, Enterprise Zone Board, Technology Training Board, Texas Film Commission, Texas Tourist Development Agency, and Texas Music Commission.

A standalone non-profit corporation (the Texas Economic Development Corporation) was created by the Legislature to solicit private donations to support TDOC's international and business development programs.

1989 - TDOC's international trade role was expanded. In addition to Mexico City, foreign offices were established in Taiwan, Japan, Germany, and Korea.

1991 - TDOC's links to the Governor's Office strengthened. The position of Executive Director was made a direct gubernatorial appointee. TDOC's Governing Board was converted to a policy board.

1993 - The Smart Jobs Program was established at TDOC to provide grants to Texas businesses for customized training to promote high-skilled, high wage jobs.

1995 - Administration of the Job Training Partnership Act was transferred from TDOC to the newly-created Texas Workforce Commission, significantly reducing TDOC's budget and staffing.

State funding for all foreign offices except the Mexico City office was eliminated.

1997 - TDOC was abolished and its functions transferred to the newly created Texas Department of Economic Development. All foreign offices, except for the State of Texas Mexico Office were closed.

Direct link to Governor's Office changed with the establishment of a governing board to oversee the agency and an Executive Director hired by the Board, not appointed by the Governor.

2001 - The Texas Department of Economic Development underwent Sunset review; agency operations were continued until 2003.

2003 - The Texas Department of Economic Development agency underwent Sunset review and was abolished. The successor entity, the Texas Economic Development and Tourism Office (EDT), became a Trusteed Program within the Office of the Governor (OOG).

The Texas Economic Development Bank was established with the following programs: Texas Small Business Industrial Development Corporation, Capital Access program, Texas Leverage Fund, Enterprise Zone program, Industrial Revenue Bond, Empowerment Zone and Enterprise Community grant, Renewal Community program and Product Development and Small Business Incubator fund.

The Texas Enterprise Fund was established in the 78th Legislature, to be used for economic, infrastructure, or community development and job training programs, and business incentives.

The Texas Aerospace Commission was abolished. The Aerospace and Aviation Office and the Spaceport Trust Fund were established within EDT.

The Small Business Advocate position was established to serve as the focal point for assisting small and historically underutilized businesses.

EDT was required to work with industry associations and organizations to identify regional and statewide industry clusters.

2005 - The award and reporting requirements for the Texas Enterprise Fund were amended to include an annual report, an assurance that each applicant is in good standing with laws of the State, and the requirements that grantees meet performance targets and that EDT conduct an economic impact of projects on the state before approval of an award.

The terms of appointed members of the Product Development and Small Business Incubator Board were changed from the two-year staggered terms to six-year staggered terms.

2007 - The Texas Economic Development Bank Fund was authorized to provide grants or financing to the Texas Department of Transportation to implement the department's duties relating to rural rail development.

2009 - The Legislature amended statute to allow the Texas Enterprise Fund to make grants to small businesses.

2011 - The Texas Economic Development and Tourism Office Sunset review date was changed from 2015 to 2021.

2013 - The Small Business Assistance Advisory Task Force was created to advise and assist the Office of Small Business Assistance, the Governor, Lieutenant Governor, and the Speaker of the House of Representatives.

The Texas Economic Development Bank was authorized to allocate and transfer money from the Capital Access Fund to the Texas Product Development Fund or the Texas Small Business Incubator Fund.

2015 - The Aerospace and Aviation Office duties were expanded, providing the authority to develop policy initiatives and to recommend reforms.

Two Texas Economic Development Bank programs, the Texas Small Business Industrial Development Corporation and the Linked Deposit Program, were abolished.

2019 - SB 649 (86th Legislative Session) required the Texas Commission on Environmental Quality and EDT to produce a plan to stimulate the use of recyclable materials as feedstock in processing and manufacturing by September 1, 2020.

IV. Boards and Committees

A. Complete the following chart providing information on board or committee body members.

**Trusted Programs, Office of the Governor
Exhibit 4A: Office of Small Business Assistance Advisory Task Force
Texas Government Code, Sec. 481.00681**

Member Name	Term / Appointment Dates / Appointed by (e.g., Governor, Lt. Governor, Speaker)	Qualification (e.g., public member, industry representative)	City
Michael Guyton	2 years/July 2015/Governor	Member of the Small Business Community	Mansfield
Lisa Fullerton	2 years/March 2020/Governor	Member of the Small Business Community	Austin
Eduardo Contreras	2 years/March 2020/Governor	Member of the Small Business Community	Austin
Mike Jain	2 years/July 2015/Lt. Governor	Member of the Small Business Community	Sugar Land
Suzan Deison	2 years/July 2015/Speaker	Member of the Small Business Community	Houston
Mike Bovier	2 years/July 2015/Speaker	Member of the Small Business Community	Galveston

Table 4 Exhibit 4A Advisory Boards, Task Forces and Committees

Trusted Programs, Office of the Governor
Exhibit 4B: Product Development and Small Business Incubator (PDSBI) Board
Texas Government Code, Sec. 489.202

Member Name	<i>Term/Appointment Dates/ Appointed by (e.g., Governor, Lt. Governor, Speaker)</i>	Qualification (e.g., public member, industry representative)	City
David R. Margrave	6 years/January 2005/Governor	Business leadership experience	San Antonio
Kimberly Gramm	6 years/February 2019/ Governor	Institution of higher education	Lubbock
Hayden Padgett	6 years/February 2019/ Governor	Business leadership experience	Plano
Jack J. Goehring	6 years/February 2018/ Governor	Knowledgeable in structuring financing for technological products	Austin
Manuel Salazar	6 years/February 2018/ Governor	Reside in a county with above state average unemployment	Kingsville
Jimmie R. Limon	6 years/February 2018/ Governor	Institution of higher education	Harlingen
Melinda A. Moore	6 years/February 2018/ Governor	Knowledgeable in structuring financing for technological products	Lufkin
Collette Walls	6 years/February 2018/ Governor	Reside in a county with below state average per capita income	Sinton

Table 5 Exhibit 4B Advisory Boards, Task Forces and Committees

Trusted Programs, Office of the Governor
Exhibit 4C: Aerospace and Aviation Advisory Committee
Texas Government Code, Sec. 481.0066

Member Name	<i>Term / Appointment Dates / Appointed by (e.g., Governor, Lt. Governor, Speaker)</i>	<i>Qualification (e.g., public member, industry representative)</i>	City
George Moussa	4 years/April 2020/Governor	Private Aviation	Dallas
Dan Winston	4 years/April 2020/Governor	Industry Representative	McKinney
Jennifer Williamson	4 years/June 2019/Governor	Industry Representative	Southlake
Aimee Burnett	4 years/July 2018/Governor	Industry Representative	Southlake
Lauren Dreyer	4 years/July 2018/Governor	Industry Representative	Eddy
J. Ross Lacy	4 years/July 2018/Governor	Spaceport Development Corporation Representative	Midland
Robert (Bob) Mitchell	4 years/July 2018/Governor	Industry Representative	Pearland

Table 6 Exhibit 4C Advisory Boards, Task Forces and Committees

B. Describe the primary role and responsibilities of the boards and committees.

The **Small Business Assistance Advisory Task Force** was created by the 78th Legislature in 2003 to advise and assist the Governor, Lieutenant Governor, and Speaker of the House on issues relating to small business. The statute calls for the Task Force to assist and advise the Office of Small Business Assistance in its service as the principal focal point in the state for small and historically underutilized businesses.

The **Product Development and Small Business Incubator (PDSBI) Board** was established by the 78th Legislature in 2003 to oversee the Product Development Fund and the Small Business Incubator Fund. These funds offer long-term asset backed loans to companies developing new products and small business incubators/accelerators located in Texas. The loans finance the development and production of new or improved products or the stimulation of new or existing small businesses in Texas. The Board provides policy direction to the Bank staff, approves certain loans, and offers advice on program's marketing and utilization. The statute calls for the PDSBI Board to develop and implement policies that clearly separate the policy-making responsibilities of the board and the management responsibilities of EDT, the Bank, and the Executive Director of EDT.

The **Aerospace and Aviation Advisory Committee** was established by the 78th Legislature in 2003 to advise the Governor on the recruitment and retention of aerospace and aviation industry jobs and investment. The Committee assists the Office of Aerospace and Aviation in meeting the state's economic development efforts to recruit and retain industry jobs and investment and advises EDT and the Governor on an appropriate funding level for the Spaceport Trust Fund and recruitment, retention, and expansion of industrial activities. The Committee is also responsible for collecting and disseminating information on federal, state, local, and private community economic development programs that assist or provide loans, grants, or other funding the industry activities.

C. How is the chair selected?

- Office of Small Business Assistance Advisory Task Force - A vote of board members selects the chair.
- Product Development and Small Business Incubator Board - The Governor appoints the chair.
- Aerospace and Aviation Advisory Committee - The Governor appoints the chair.

D. List any special circumstances or unique features about boards and committees or its responsibilities.

The Governor appoints three members of the Office of Small Business Assistance Task Force. The Speaker of the House of Representatives and the Lieutenant Governor appoint two members each.

The Product Development and Small Business Incubator Board consists of nine members: three members must have significant business leadership experience in technology, particularly in transferring research results into commercial applications. Two members must be employed by higher education institutions and have experience in technological research and its commercial applications. Two members must have experience and knowledge in structuring and providing financing for technology products or businesses. Two members must reside in a county of this state with above state average unemployment and below state average per capita income and have experience and knowledge in technology-related business growth. The Governor appoints all members.

The Aerospace and Aviation Advisory Committee consists of seven qualified members and one member representing the interests of each active spaceport development corporation. The Governor appoints all members.

E. In general, how often do your boards and committees meet? How many times did it meet in FY 2019? In FY 2020? Explain if the boards and committees met in-person or virtually during this time.

The Office of Small Business Assistance Advisory Task Force meets as often as is necessary, but at least annually. The Task Force met virtually twice in FY 2020.

The Product Development and Small Business Incubator Board holds regular meetings, as called by the chair. The Program Committee and Finance Committees meet only as necessary. The PDSBI Board met two times in FY 2019 and one time in FY 2020 via videoconference but with the chair physically present in Austin, and entirely virtually two times in FY 2020.

The Aerospace and Aviation Advisory Committee meets at the call of the presiding officer. The Committee met in person three times in FY 2019 and virtually one time in FY 2020.

F. Please list or discuss all the training the members of the agency's boards and committees receive. How often do members receive this training?

All Board, Committee, and Task Force members receive Ethics, Public Information Act, and Open Meetings Act training upon appointment.

Before an appointed member of the PDSBI Board may assume the member's duties, the member must complete at least one course of the training program established under the Texas Government Code, Section 489.205. The training program established under this section shall provide information to the member regarding

- (1) the enabling legislation that created the board;
- (2) the programs operated by the board;
- (3) the role and functions of the board;

- (4) the rules of the board, with an emphasis on the rules that relate to disciplinary and investigatory authority;
- (5) the current budget for the board;
- (6) the results of the most recent formal audit of the board;
- (7) the requirements of the open meetings law, open records law, and administrative procedure law;
- (8) the requirements of the conflict of interest laws and other laws relating to public officials; and
- (9) any applicable ethics policies adopted by the board or the Texas Ethics Commission.

Those members appointed by the Governor also go through a comprehensive board member training organized by the Governor's Appointments Office.

G. What information is regularly presented to your boards and committees to keep them informed about the agency's operations and performance?

The Small Business Advocate provides an update to the Office of Small Business Assistance Advisory Task Force on Small Business Assistance activities. The updates include business and permit assists, trade assists, updates on the Governor's small business events, and other outreach and entrepreneur assistance activities.

Economic Development Finance staff provides an overview of the Product Development and Small Business Incubator Board program activities, such as financial statements review, outstanding loan updates, credit policy updates, and current and potential loan applications to the PDSBI Board.

Existing Industry staff updates the Aerospace and Aviation Advisory Committee on the Aerospace and Aviation Office's efforts, such as industry engagement, recruitment, and retention activities, such as located projects, industry trends, sector workforce growth, and industry event participation. The Advisory Committee also provides input and comments on the Aerospace and Aviation industry report which outlines EDT's activities.

In addition, during FY 2020, the EDT Executive Director attended at least one meeting for each board, committee and task force to provide an update on the office's activities and performance during the year.

H. How do your boards and committees obtain input from the public regarding issues under the agency's jurisdiction? How is this input incorporated into the operations of your agency?

The Small Business Advocate gathers data through various public input channels, including outreach, internal and external data collection, staff engagement, and formal surveys and studies

commissioned by the Office of Small Business Assistance. The Advocate shares the information with the Task Force in the course of their meetings.

The Product Development and Small Business Incubator Board is subject to Chapter 551 of the Texas Government Code and any promulgated rules are subject to Chapter 2001 of the Texas Government Code.. The board meeting notice is posted at least eight days before the meetings. Members of the public have an opportunity to appear before the board and speak on any issue under the board's jurisdiction.

The Aerospace and Aviation Committee members are active industry practitioners and representatives. They gather the information from the public through their ordinary course of business and incorporate the information by providing recommendations and advice on recruitment, retention, and ways to increase investment in the industry.

I. If your boards and committees use subcommittees or advisory committees to carry out its duties, fill in the following chart. See Exhibit 5 Example. For advisory committees, please note the date of creation for the committee, as well as the abolishment date as required by Texas Government Code, Section 2110.008.

**Trusted Programs, Office of the Governor
Exhibit 5: Product Development and Small Business Incubator Board
Subcommittees and Advisory Committees**

Name of Subcommittee or Advisory Committee	Size / Composition / How are members appointed?	Purpose / Duties	Legal Basis for Committee (statute or rule citation)	Creation and Abolishment Dates
Program Committee	4, board selection	Program marketing and promotion	10 T.A.C. § 177.3 (b) N/A	N/A
Finance Committee	4, board selection	Program operations	10 T.A.C. § 177.3 (b) N/A	N/A

Table 7 Exhibit 5 Subcommittees and Advisory Committees

V. Funding

A. Provide a brief description of your agency's funding, including information about the most recent five percent budget reduction and any funding related to disaster relief or COVID-19, if applicable.

General Revenue

- General Revenue
- GR – Hotel Occupancy Tax Deposits Account No. 5003

General Revenue Dedicated

- Economic Development Bank Account No. 5106
- Texas Enterprise Fund Account No. 5107

Federal Funds

- Grant from Texas Workforce Commission, CFDA 17.278 WIOA Dislocated Worker
- Grant from TDA, CFDA 59.061 US Small Business Administration, State Trade and Export Promotion (STEP Grant)

Other Funds

- Small Business Incubator Fund No. 0588
- Texas Product Development Fund No. 0589
- Appropriated Receipts
- Interagency Contracts
- License Plate Trust Fund Account No.0802

EDT contributed \$11,621,184.00 to the agency's five percent budget reduction. In an effort to achieve this reduction, EDT reviewed all contracts for areas of reduction or possible cancelation, reviewed vacancies for the possibility of delayed hiring or amendments to the position, reviewed all travel for areas of reduction or cancelation, utilized virtual meeting options, and participated in virtual conferencing instead of attending in person.

B. List all riders that significantly impact your agency's budget.

- Rider 4: Unexpended Balances Within the Biennium
- Rider 7: Administration: Foreign Offices
- Rider 8: Cash Flow Contingency
- Rider 9: Limitation on Expenditures: General Revenue Hotel Occupancy Tax for Economic Development Account No. 5003
- Rider 11: Appropriation of Unexpended Balances, Revenues, and Interest Earnings
- Rider 15: Texas Economic Development Bank
- Rider 28: Create Jobs and Promote Texas
- Rider 31: Grants to Promote Border Economic Development

- Rider 37: Transfer to Texas A&M Engineering Experiment Station (TEES) for Army Futures Command

C. Show your agency's expenditures by strategy.

**Trusted Programs, Office of the Governor
Exhibit 6: Expenditures by Strategy — Fiscal Year 2020 (Actual)**

Goal / Strategy	Amount Spent	Percent of Total	Contract Expenditures Included in Total Amount
Economic Development and Tourism/Create Jobs and Promote Texas	\$58,715,085	31.60%	\$18,556,350
GRAND TOTAL:	\$58,715,085	31.60%	\$18,556,350

Table 8 Exhibit 6 Expenditures by Strategy

D. Show your agency's sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines. See Exhibit 7 Example.

**Trusted Programs, Office of the Governor
Exhibit 7: Sources of Revenue — Fiscal Year 2020 (Actual)**

Source	Amount
Texas Enterprise Fund Application Fee	\$15,000
Enterprise Zone Application Fee	\$71,750
Industrial Revenue Bonds Fee	\$75,000
Enterprise Zone Tax Refund	\$1,614,375.57
Enterprise Zone Project Name Change Fee	\$2,500
Tourism Advertising Co-op Receipts	\$44,228.45
Tourism Public Relations Co-op Receipts	\$86,730.54
License Plate Revenue Daughter of the Republic	\$4,800.00
License Plate Revenue Tourism	\$7,105.87
Grant From Texas Workforce Commission, CFDA 17.278 WIOA Dislocated Worker	\$670,732.03
Grant from TDA, CFDA 59.061 US Small Business Administration, State Trade and Export Promotion (STEP Grant)	\$15,510.86
Interagency Contract	\$157,212.23
License Plate Revenue Aerospace	\$5,179.09
License Plate Revenue Columbia	\$4,735.44
Texas Enterprise Fund Revenue	\$1,713,904.19
TOTAL	\$4,488,764.27

Table 9 Exhibit 7 Sources of Revenue

E. If you receive funds from multiple federal programs, show the types of federal funding sources. See Exhibit 8 Example.

**Trusted Programs, Office of the Governor
Exhibit 8: Federal Funds — Fiscal Year 2020 (Actual)**

Type of Fund	State / Federal Match Ratio	State Share	Federal Share	Total Funding
Grant From Texas Workforce Commission, CFDA 17.278 WIOA Dislocated Worker	N/A	N/A	N/A	\$670,732.03
Grant from TDA, CFDA 59.061 US Small Business Administration, State Trade and Export Promotion (STEP Grant)	N/A	N/A	\$15,510.86	\$15,510.86
TOTAL			\$15,510.86	\$686,243

Table 10 Exhibit 8 Federal Funds

F. If applicable, provide detailed information on fees collected by your agency. Please explain how much fee revenue is deposited/returned to the General Revenue Fund and why, if applicable. See Exhibit 9 Example.

**Trusted Programs, Office of the Governor
Exhibit 9: Fee Revenue — Fiscal Year 2020**

Fee Description/ Program/ Statutory Citation	Current Fee	Fees Set by Statute or Rule?	Statutory Maximum or Minimum	Number of Persons or Entities Paying Fee	Fee Revenue	Where Fee Revenue is Deposited (e.g., General Revenue Fund)
Texas Enterprise Fund Application/Economic Development Bank/See Below*	\$1,000	Tex. Gov't Code § 489.103	N/A	15	\$15,000	GR Dedicated Texas Economic Development Bank
Enterprise Zone Application Fee/ Economic Development Bank/See Below*	\$500 - \$1,000	Both; Tex. Gov't Code § 489.103; 10 T.A.C § 176.1	N/A	84	\$72,500	GR Dedicated Texas Economic Development Bank
Enterprise Zone Project Name Change Fee/ Economic Development Bank/See Below*	\$500	Both; Tex. Gov't Code § 489.103; 10 T.A.C § 177.6	N/A	5	\$2,500	GR Dedicated Texas Economic Development Bank

Table 11 Exhibit 9 Fee Revenue

*Texas Government Code Sec. 489.103. Fees. The Bank shall charge fees to the beneficiaries of its services as the Bank determines necessary. Amounts collected under this section may be used to support the administration of the Bank's programs and implementation of the Bank's strategies.

VI. Organization

A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division. Detail should include, if possible, department heads with subordinates, and actual FTEs with budgeted FTEs in parenthesis.

Office of the Governor – Economic Development and Tourism

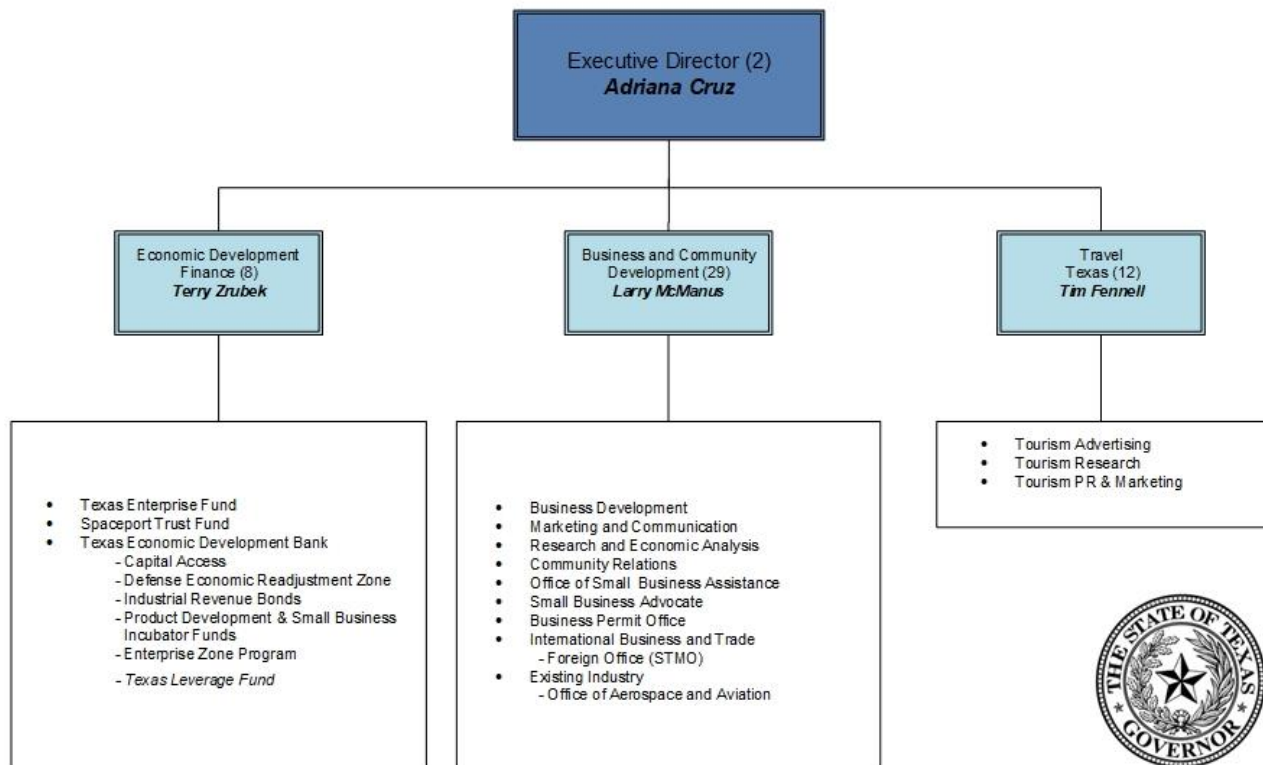


Chart 1 Exhibit 9 Economic Development and Tourism Organizational Chart

B.

**Trusted Programs, Office of the Governor
Exhibit 10: FTEs by Location — Fiscal Year 2021**

Headquarters, Region, or Field Office	Location	Number of Budgeted FTEs FY 2021	Number of Actual FTEs (as of SER submission)
Headquarters, Office of the Governor, Trusted Programs	Austin	65	65
Central Texas	Austin	1	1
North Texas	Arlington	1	1
South Texas	McAllen	1	1
East Texas	Conroe	1	1
West Texas	Roscoe	1	1
		TOTAL: 70	TOTAL: 70

Table 12 Exhibit 10 FTEs by Location

C. What are your agency's FTE caps for fiscal years 2019–22?

Office of the Governor, Trusted Programs

- 2019: 193.3
- 2020: 191.3
- 2021: 191.3
- 2022: 191.3

D. How many temporary or contract employees did your agency have in fiscal year 2020? Please provide a short summary of the purpose of each position, the amount of expenditures per contract employee, and the procurement method of each position.

No temporary or contract employees were hired in FY 2020.

E. List each of your agency's key programs or functions, along with expenditures and FTEs by program.

Trusteed Programs, Office of the Governor
Exhibit 11: List of Program FTEs and Expenditures — Fiscal Year 2020

Program	Actual FTEs FY 2020	Budgeted FTEs FY 2021	Actual Expenditures FY 2020	Budgeted Expenditures FY 2021
Texas Enterprise Fund	0.00	0.00	\$19,746,884	\$100,000,000
Business and Community Development	38.7	41.63	\$3,425,821	\$4,490,173
Texas Economic Development Bank	10.15	10.74	\$1,685,312	\$4,790,684
Spaceport Trust Fund	0.00	0.00	\$15,366,644	\$0
Texas Tourism	16.43	17.46	\$18,485,689	\$21,027,100
TOTAL	65.27	69.83	\$58,715,085	\$130,307,957

Table 13 Exhibit 11 List of Program FTEs and Expenditures

VII. Guide to Agency Programs

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste questions A through P as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Business and Community Development includes the following programs: Business Development; Marketing & Communications; Research & Economic Analysis; Community Relations; Office of Small Business Assistance; Small Business Advocate; Permit Office; International Business and Trade (which includes the State of Texas Mexico Office); Existing Industry which includes the Office of Aerospace and Aviation.

Location/Division: Austin and Regional Offices / Business and Community Development, Texas Economic Development and Tourism Office

Contact Name: Larry McManus

Statutory Citation for Program: Texas Government Code Sec. 481.022 (Business Development, Marketing & Communications, Research, Community Relations); Texas Government Code Sec. 481.167 (Marketing); Texas Government Code, Sec. 481.0068 (Small Business Assistance); Texas Government Code, Sec. 481.0067 (Small Business Advocate); Texas Government Code, Sec. 481.00681 (Small Business Advisory Task Force); Texas Government Code, Chapter 481, Subchapter H (Permit Office); Texas Government Code, Sec. 481.022 (4) and Sec. 481.043 (International Business and Trade); Texas Government Code, Sec. 481.027 (Foreign Offices); Texas Government Code, Sec. 481.0295 (Existing

Industry); Texas Government Code, Sec. 481.0066 (Aerospace and Aviation office and Aerospace and Aviation Advisory Committee¹).

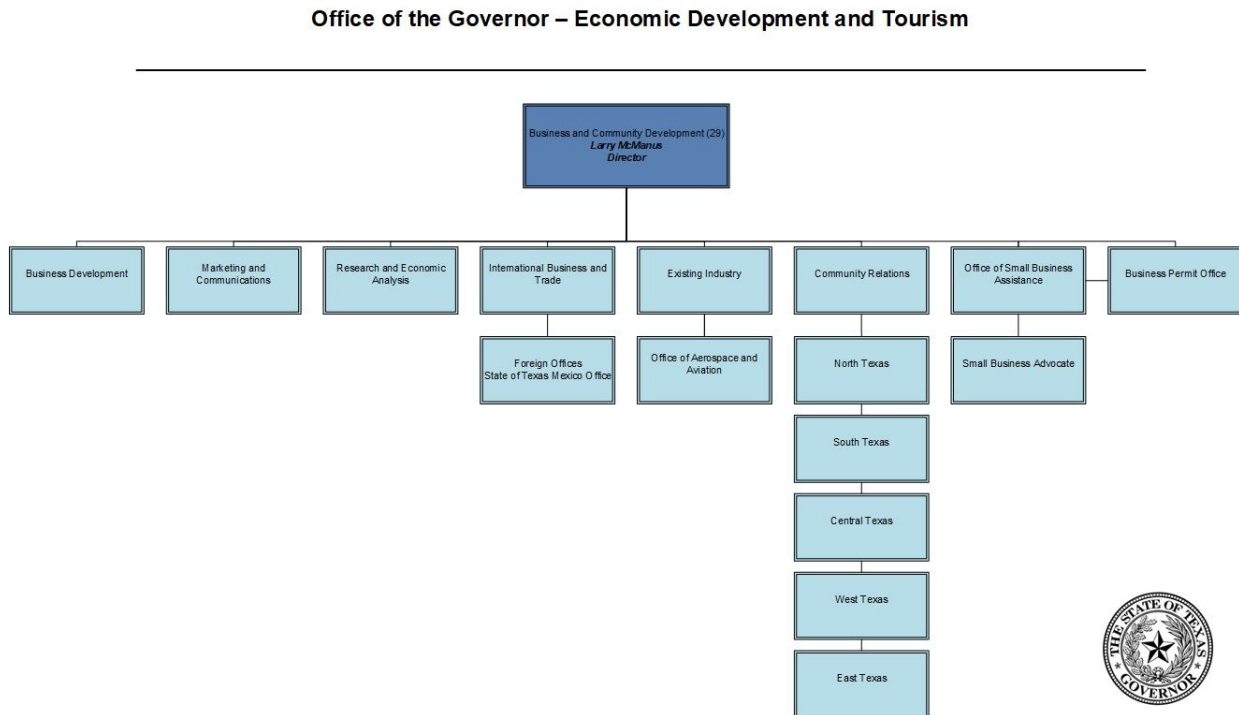


Chart 2 Exhibit 12A Business and Community Development Organization Chart

B. What is the objective of this program or function? Describe the major activities performed under this program.

Business and Community Development provides services to Texas communities, Texas businesses, industry groups, local and regional economic development organizations, small businesses, and companies from the U.S. and abroad looking to establish operations in Texas, in order to attract new jobs and investment to the state.

Business Development assists companies in identifying potential locations in Texas, as well as connecting companies with resources who are considering relocating or expanding their presence in Texas. The program works directly with either the company or a consultant working on behalf of the company, interested in relocating or expanding operations in Texas, or expanding their current Texas operations. Although the company or consultant often reaches out to Business Development directly, these prospect leads may also come through the Texas Economic Development Corporation (TxEDC), or a local or regional economic development partner. The program collaborates with the economic

¹ Texas Government Code, Chapter 490H also establishes the Governor's Broadband Development Council, which the OOG has located in the Business and Community Development program, but is not subject to this sunset review.

development organizations around the state, working with the company and consultants throughout the site selection process, to address any hurdles that may arise, including coordination with other state agencies when necessary. The Marketing and Research Team are key contributors to the overall success of the Business Development program, providing accurate and timely information on Texas throughout the competitive site selection process.

The **Marketing & Communications** program promotes Texas as the premier location for business through a strategic marketing plan. In addition, the program promotes resources and services available through EDT's Business and Community Development (BCD) division. Major activities include communication and outreach through the agency website, online channels, industry websites, e-mail, print collateral, publications and reports, and various social media platforms. Marketing engages with, and disseminates information to, target audiences, which include local economic development organizations, chambers of commerce, convention and visitors' bureaus, site selection consultants, real estate brokers, large corporations, small- and medium-sized businesses, entrepreneurs/startups, venture capitalists, government agencies, regional allies, industry publications and foreign consulates/trade commissioners. In addition, the Marketing & Communications program works closely with the Texas Economic Development Corporation (TxEDC), the public-private partnership which assists the EDT to effectively market Texas as a premier business location to ensure a coordinated and consistent marketing effort. The Marketing & Communications program assists BCD in strengthening relationships with Texas economic development organizations, regional allies, and local community partners by offering relevant marketing collateral and supporting information that these organizations can use to promote their communities. In addition, Marketing & Communications provides BCD staff with the marketing materials and consistent messaging they need to present information across the state.

The website for EDT, www.gov.texas.gov/business, serves as a business and community development Clearinghouse for Texas business-related information and resources. The website provides businesses and communities with information and assistance on the state's business development programs, including financial assistance and business incentive programs; business development services, including technical assistance, workshops, business incubators, and training; rural and urban community economic development programs, including loans, grants, and other funding sources; rural and urban community economic development services, including technical assistance, workshops, and training; small business programs and services; defense economic adjustment programs and services; and international trade programs, and services. The Marketing program ensures the division's online tools can easily be found and are accessible to the public, verifies information throughout the website, and ensures the public can interact with the office and access services that can be delivered effectively through the Internet.

The **Research and Economic Analysis** team (REA) provides research, data analysis, and mapping services for EDT. Internal staff, economic development stakeholders and the

public utilize REA data and services, which include: data collection about new, expansion and major relocation projects, such as project type, project development stage, project capital investment level, number of new jobs created attributed to the project, and the project size measured in square footage. Other activities include:

- Data collection about a project's ultimate parent company's headquarter location, which is then categorized by country or state in which the headquarters resides, thus providing project information regarding foreign and domestic investment;
- Daily dissemination of international, national, and state EDT news related to Texas industries, trade, and investment;
- Due diligence for Texas Enterprise Fund applications;
- State business climate comparisons for prospective companies evaluating Texas;
- Persons and Business vetting for domestic and foreign trade shows and small business forums and workshops;
- Data and research for EDT publications and reports, such as the industry snapshots and The Texas Guide;
- Conduct ad hoc research projects as needed, such as country, state, county, city, or industry-specific briefs; and
- Generating maps of state assets.

The **Office of Small Business Assistance** was established to examine the role of small and historically underutilized businesses in the state's economy and the contribution of small and historically underutilized businesses in generating economic activity, expanding employment opportunities, promoting exports, stimulating innovation and entrepreneurship, and bringing new and untested products and services to the marketplace. The Office of Small Business Assistance serves as the principal focal point in the state for small and historically underutilized businesses by:

- Providing information and assistance relating to establishing, operating, or expanding small and historically underutilized businesses. This is accomplished primarily through small business training events organized in collaboration with community partners across the state;
- Using available resources within the state, such as small business development centers, educational institutions, and nonprofit associations, to coordinate the provision of management and technical assistance to small and historically underutilized businesses in a systematic manner;
- Enlisting the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the

programs and services provided by the state that benefit small businesses and how small businesses can participate in or make use of those programs and services;

- Developing a "one-stop" approach for all small business needs, including competitive activity with state agencies and political subdivisions; and
- Supporting the Small Business Assistance Advisory Task Force, which advises and assists the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives with issues that relate to small businesses and proposing legislation to assist small businesses.

The Small Business Advocate supports the Office of Small Business Assistance functions by serving as the principal focal point for assisting small and historically underutilized businesses. The Advocate accomplishes this by working closely with the Office of Small Business assistance.

- Identifying sources of financial assistance and financial barriers for those businesses;
- Working with relevant organizations to identify financing programs that aid small businesses in overcoming financial barriers and matching those businesses with sources of financial assistance and credit enhancement; and
- Performing research, studies, and analyses of matters affecting the interests of small businesses.

The **Business Permits Office** works in close collaboration with the Office of Small Business Assistance to assist businesses in navigating Texas' permitting, licensing, and regulatory environment and aids in resolving permitting issues that arise. The Business Permits Office:

- Helps businesses to navigate Texas' permitting, licensing and regulatory environment;
- Assists businesses in the resolution of outstanding issues or delays experienced in permit applications or reviews; and
- Maintains a comprehensive Business Licenses and Permits Guide.

The **International Business and Trade** program helps Texas small- and medium-sized businesses develop new international markets and export their products and services around the globe. The program coordinates delegations of Texas small- and medium-sized businesses to a number of export-oriented trade shows and missions throughout the year to connect these Texas businesses with export opportunities and staff support. The team coordinates the business-to-business meetings and site visits, answers trade inquiries with the U.S. Commercial Service, and develops export leads. The team serves as a liaison

between the Texas delegation and organizers and provides various support services. In addition, the International Business & Trade team promotes Texas globally as a premier location for foreign direct investment, answering questions and providing information to foreign companies considering locations to enter the U.S. market.

Since 1989, the Legislature has authorized EDT to maintain and operate offices in foreign countries to promote investment that generates jobs in Texas, export of Texas products, tourism, and international relations for Texas (Texas Government Code, Sec. 481.027 (a)). The **State of Texas Mexico Office (STMO)**, established in 1971 is the only foreign office under this program working to achieve the requirements outlined in the statute. **The OOG is currently in the process of procuring a contractor to operate the STMO.** The STMO generally promotes Texas as a premier location for investment, provides Texas businesses with technical assistance, information, and referrals related to the export of products and services, including export finance and international business practices, and coordinates the representation of Texas exporters at international trade shows, missions, marts, seminars, and other appropriate promotional venues. The SMTO also generally assists Texas communities in promoting their communities to Mexican companies looking to locate or expand in Texas and generates investment leads.

The **Existing Industry** program works with Texas industry associations, organizations, Texas companies, and key state agencies. The program works with existing Texas businesses to identify and address opportunities, trends, hurdles, needs, and issues of common concern. The goal is to understand industry insight and trends and determine how the state can assist Texas companies to continue their growth, expand the economy, and grow their industry.

The **Office of Aerospace and Aviation** became a part of EDT in 2003, and is under the Existing Industry program. The purpose of the Office of Aerospace and Aviation is to encourage economic development in Texas by fostering the growth and development of aerospace and aviation industries. The office markets Texas as the world's premier business destination for aerospace and aviation and pursues business expansion and relocation prospects to develop job creation opportunities. The Aerospace and Aviation Office develops strategies and recommendations to promote retention, development, expansion, and investment in the aerospace and aviation industries in the state. The Office also oversees the development of spaceports in the State of Texas and supports the Aerospace and Aviation Advisory Committee.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? In Exhibit 12, provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please refer to, but do not repeat measures listed in Exhibit 2.

Trusteed Programs, Office of the Governor
Exhibit 12B: Program Statistics and Performance Measures — Fiscal Year 2020

Program Statistics or Performance Measures	Dataset Reference Number* (if applicable)	Calculation (if applicable)	FY 2020 Target	FY 2020 Actual Performance	FY 2020 % of Annual Target
Number of Businesses Developed as Recruitment Prospects	N/A	(a)	140	196	140%
Number of New Jobs Announced by Businesses Receiving Assistance	N/A	(b)	6,000	12,392	206.53%
Capital Investment by Projects Receiving Assistance (in Billions \$)	N/A	(c)	\$5	\$10.20	204.0%
Small Business Events ¹	N/A	N/A	15	16	106%
Trade Assistances ²	N/A	N/A	97	36	37%
Industry Engagements ²	N/A	N/A	69	33	47%
Community Engagements ²	N/A	N/A	603	646	107%
Permit Assists ²	N/A	N/A	655	650	99%

Table 14 Exhibit 12B Program Statistics and Performance Measures

(a) A manual count of the business recruitment prospects identified as “recruitment prospects developed” in the databases of the division’s programs.

(b) Sum of the number of jobs publicly announced by the company and/or community for each project locating to specific Texas sites.

(c) Total private capital committed as indicated in the applications submitted to OOG/EDT for program assistance; data is tabulated manually and cumulatively.

¹Five (5) In person events were held in FY20 (CY 2019 prior to the outbreak of the COVID-19 pandemic. However, due to the COVID-19 pandemic, all of the in-person Governor’s Small Business Events were canceled in calendar year 2020. However, the Small Business Assistance team moved events to a virtual setting. The virtual events’ attendance exceeded that of in-person events, with 13,062 small businesses and service providers in attendance, and 13,615 in total attendees for the online events in FY20.

²Since some performance measures do not have a statutory or LBB target, the number shown is a comparison with a previous fiscal year.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

1989 - The 71st Legislature established the Business Permit Office as part of the Texas Department of Commerce.

1993 - The 73rd Legislature amended the Business Permits Office program to initiate a business permit reengineering review process and adding the Environmental Permits section.

2003 - The 78th Legislature created the position of the Small Business Advocate to serve as the principal focal point for assisting small and historically underutilized businesses in Texas.

2013 - The 83rd Legislature created the Small Business Assistance Advisory Task Force.

2015 - The 84th Legislature established the Aerospace and Aviation Office reporting requirement. It also amended the Aerospace and Aviation Advisory Committee program by adding Spaceport Development Corporation representatives and defining the member terms of services.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

Business and Community Development (BCD) serves a wide variety of constituents including the public, Texas entrepreneurs, higher education organizations, economic development organizations, state agencies, local governments, Texas companies, out-of-state U.S. companies and foreign companies. A vast majority of the division's services do not require any qualification or have any special eligibility requirements.

The State of Texas Mexico Office also assists Mexico-based companies looking to invest in Texas, government agencies, higher education institutions, economic development organizations, and local governments in Mexico. All U.S.-registered and U.S.-operating independent, established, for-profit companies are eligible for the Texas Export Assistance programs if they meet the eligibility requirements. The U.S. Commercial Service determines the selection criteria for exports, and the U.S. Small Business Administration defines business size guidelines. The selection criteria are:

- must have at least one year of revenue with a Federal Identification Number tied to a Texas address;
- must have an exportable product/service that fits the trade show industry focus, manufactured, produced, processed, or value-added in Texas;
- must meet SBA "Small Business Concern" size guidelines;
- must demonstrate Export Readiness (understand the costs associated with exporting);
- must have a strategic plan for exporting; and
- must remain in good standing with the Texas Comptroller of Public Accounts (CPA) and have not been debarred from receiving state or federal funding.

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Business Development

The Business Development team receives information about a potential project, typically from a company, business consultant, or community. After careful vetting, the Project Coordinator creates a Project file. If a Project requires assistance with site selection, the Project Coordinator sends a Request for Information (RFI) requesting proposals to the Designated Community Economic Developer (DCED) list, either statewide or within a specific geographic area as requested by the company or consultant. This process enables rural and suburban areas to be more competitive in the site selection process by distributing RFIs to all eligible regions. The company or consultant reviews the responses and determines a "shortlist" or a single Texas community and location for the Project. The chosen community assists with local incentive program discussions. If eligible, the community can support applications for state-level incentives on behalf of the Project. The Business Development team helps the company or consultant to understand the different requirements of state incentive programs and coordinates the flow of information between various economic development stakeholders involved in the Project including other state agency partners. The Project Coordinators record, track, update and report all Project-related data.

Community Relations

Five regional Community Relations representatives serve Texas communities in the North, East, South, West, and Central Texas regions. Regional representatives provide a direct link between EDT and the Texas communities across the state, educating and updating local economic development and business leaders on the state programs available through EDT and other state partners. They attend and present at local meetings, conferences, and other events on behalf of the Governor's Office. In addition, they attend Project site visits on behalf of the Project Coordinators to help attract new jobs to the area.

Small Business Assistance

The **Small Business Advocate** leads the Office of Small Business Assistance efforts and fields various small business assistance inquiries. The Advocate also coordinates the annual meeting of the Small Business Assistance Task Force and the biennial report to the Legislature.

The Office of Small Business Assistance provides technical assistance to Texas small business owners and entrepreneurs. The office receives inquiries through calls, emails, and in-person meetings. The office researches inquiries, including online research and talking to agency contacts, to obtain the information needed for the small business, based on their business level. The office then promptly connects the constituents with the proper resources and information available. Additionally, staff working within the Office of Small Business Assistance coordinate with regional partners to organize numerous small business events across the state.

Business Permit Office

The Business Permit Office offers assistance to Texas businesses of all sizes. The office receives inquiries through calls, emails, and in-person meetings. The Business Permit Specialist connects

the constituents with the proper resources and information available. The Business Permits Office also publishes the Texas Business Licenses & Permits Guide. The online document highlights the applicable state-level permits, licenses, and regulations required by the most popular business types. The guide is developed by consulting with liaisons from various state agencies and is updated annually. In addition, the Business Permits Office works closely with local government business offices to aid in resolving permitting issues that arise.

International Business and Trade

The International Business and Trade program assists foreign companies considering Texas as a business location. The team receives information about a potential Project, typically from a company, business consultant, Consul General or community. If the Project requires a site search, the team works closely with the Project Coordinators to coordinate an RFI to the Designated Community Economic Developer (DCED) list. The program also assists Texas companies interested in the Trade/Export Assistance program which coordinates participation in a variety of export-related events. Interested and eligible Texas companies can apply to join a delegation at one of these events through online registration, and candidates are evaluated and vetted on a rolling basis. Participants are selected approximately three months before an event, and all selected participants must sign a contract with the office that explains responsibilities and obligations. The export assistance process flowchart is below.

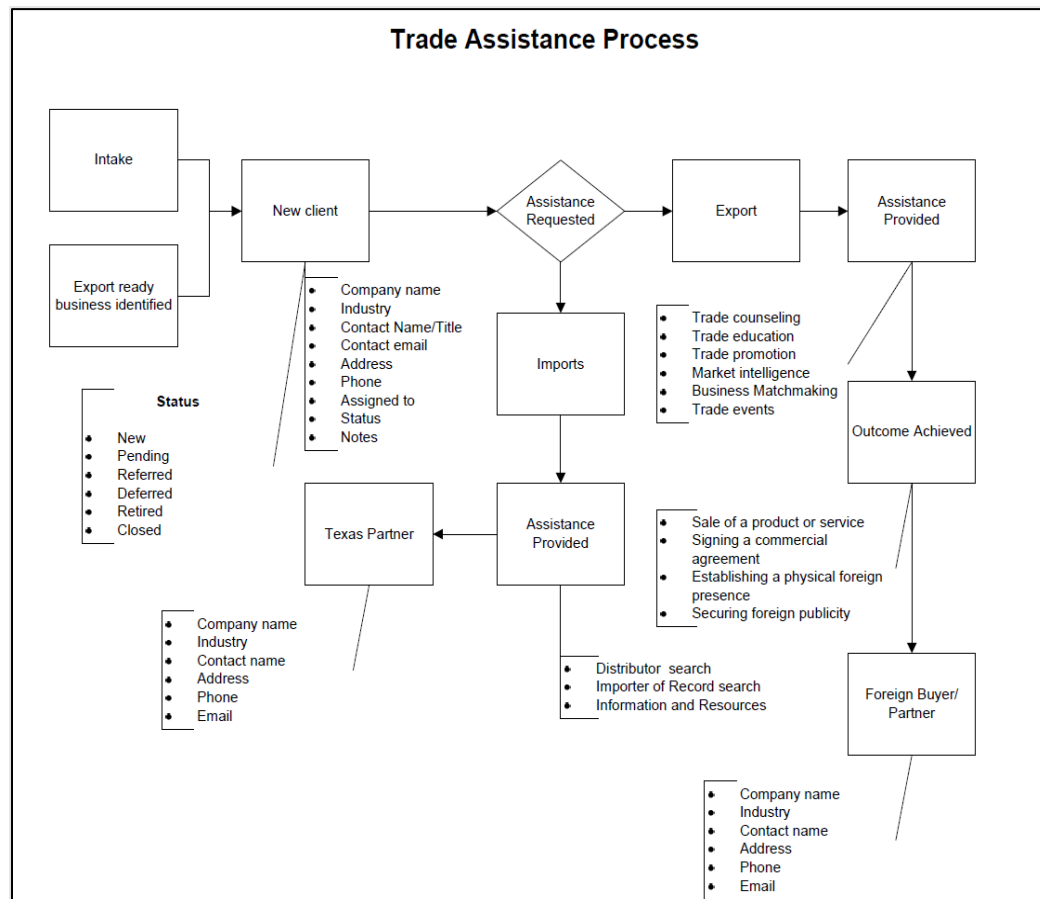


Chart 3 Exhibit 12C Business and Community Development Organization Chart

State of Texas Mexico Office

The OOG is in the process of procuring a contractor to operate the State of Texas Mexico Office (STMO) on behalf of EDT, executing the program deliverables, including marketing the State of Texas as a premier business destination, promoting investment to the state, and trade assistance. The STMO's services include:

- Business partner identification/business-to-business matchmaking
- Customized in-country appointments/key industry contact reports
- Market assessment, research, and accelerator advisory services
- Business, contracts, compliance, regulatory, sales strategy, and cultural consultancy.

STMO also organizes the participation of Texas companies in several major in-country trade shows under the Texas Pavilion umbrella, covering a wide variety of industry sectors.

Existing Industry

The Existing Industry team researches and engages with entities representing various industries, including professional associations, industry support organizations, and Texas companies in key industry sectors. The Industry Specialists contact key staff to schedule introductory and follow-up meetings. The team attends trade shows, conferences, expositions, summits, and forums. Through direct communication and relationships, the Industry Specialists invite discussions on how the State can proactively assist the industry to grow, discussing opportunities, trends, issues, barriers, and hurdles. The Specialists also work to build relationships and become a key point of contact for industry sectors and Texas companies within the office.

The Office of Aerospace and Aviation is a part of the Existing Industry team and works specifically with the aerospace and aviation industry as well as spaceport development. The Office provides administrative support to the Governor's Aerospace and Aviation Advisory Committee.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Method of Finance	Business and Community Development
General Revenue	
General Revenue	\$ 2,174,429
Federal Fund	
Grant from TX Workforce Commission, CFDA 17.278	\$ 670,732
Grant from TDA, CFDA 59.061 US Small Business Administration, State Trade and Export Promotion (STEP Grant)	\$ 27,663
Other Funds	
Columbia License Plates	\$ 4,735
Total Method of Finance	\$ 2,877,599

Table 15 Exhibit 12D BCD Program Funding Sources

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

There is no other state entity that provides identical services to the target population. There are some organizations in Texas that may provide similar services, with some differences.

There are more than 700 local and regional economic development organizations in Texas that perform similar economic development functions, but focused on a local and regional level. The Business & Community Development division offers a broader, statewide suite of services, serving as a convener of all state and local resources for economic development.

The Texas Economic Development Corporation (TxEDC) is established in statute as an independently funded and operated 501(c)(3) nonprofit organization responsible for marketing and promoting Texas as a premier business destination. Through national and international recruitment missions, industry events, media relations, advertising, public relations and other initiatives, TxEDC works with EDT to disseminate information regarding Texas' business advantages among a target audience of corporate decision-makers and site selection consultants. EDT and TxEDC work in close collaboration to develop a strategic marketing plan, as well as organize and lead Texas community delegations on recruitment missions both domestically and internationally. TxEDC's marketing efforts closely complement and support the BCD business recruitment and marketing activities. The Texas Economic Development Corporation is listed in Texas Government Code Chapter 481, but is not part of the Office of the Governor or the Trusteed Programs.

The U.S. Small Business Administration and the Small Business Development Centers across the state offer small business assistance to Texas entrepreneurs and small business owners. However, in addition to assisting small businesses individually, the Office of Small Business Assistance serves as a convener of state, federal and local resources for small businesses across the State of Texas.

The U.S. Commercial Service, part of the U.S. Department of Commerce, offers export assistance services to Texas businesses, focusing on individual business counseling and export education. The International Business and Trade team focuses on market access by coordinating Texas businesses' participation at export-oriented trade shows and missions.

Individual state agencies provide licensing, permitting, and credentialing assistance that is specific to their respective agency. The key difference between the regulatory assistance provided by those agencies and that of the Business Permits Office is the comprehensive nature of the cross-agency insight, assistance, and resolutions that the Business Permits Office's target population receives.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Business and Community Development team provides economic development assistance at the state level and serves as the state's lead economic development agency. The team works closely with designated liaisons from every state agency with an economic development function through regularly scheduled meetings and project-specific interactions. The continued collaboration ensures close coordination and cooperation, with no duplication of efforts.

BCD and TxEDC's marketing teams share marketing plans and meet regularly to eliminate redundancies. EDT and TxEDC work jointly to plan and execute domestic and international business recruitment missions.

To avoid duplication and conflict with licensing offices of the various state agencies, the Business Permit Office facilitates contacts between applicants and state agencies responsible for processing and reviewing permit applications. The Business Permits Office works closely with the agencies to identify the scope of their activities and determine the best points of referral. The Business Permit Office collaborates with various state agencies when creating the comprehensive *Texas Business Licenses & Permits Guide*. In most instances, the state agencies having jurisdiction over a permit designate an officer or employee to permit liaison officers to coordinate with the Business Permit Office.

EDT maintains a Memorandum of Understanding with the U.S. Commercial Service to promote Texas exports. The MOU enables the parties to pool resources to facilitate the identification of export-ready companies in Texas and provide them enhanced benefits such as client counseling and overseas market assistance.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The Business and Community Development division works closely with local and regional economic development organizations and municipalities to promote business investment and new job creation in Texas.

The Business Development team works closely with local government entities to coordinate site selection efforts during a competitive project.

The International Business and Trade team works with local, regional, and federal economic development organizations to promote trade shows and conduct due diligence regarding participating Texas companies. For international trade missions, EDT works with the U.S. Commercial Service for trip planning, high-level business meeting arrangements, and company matchmaking services.

The Office of Small Business Assistance works with small business service providers, including local municipalities, councils of governments, chambers of commerce, economic development organizations, and small business development centers, to offer services to small business owners and aspiring entrepreneurs.

The State of Texas Mexico Office collaborates closely with the U.S. Department of Commerce in Mexico and the in-country representatives of Texas Tourism and many Texas municipalities.

The Business Permit Office works with the licensing and permitting offices within local, regional, and federal agencies. Additionally, the Business Permits Office coordinates efforts with chambers of commerce to assist business owners with their regulatory inquiries.

K. If contracted expenditures are made through this program please provide

• **a short summary of the general purpose of those contracts overall;**

- The Office of Small Business Assistance and International Business and Trade generally utilize an event management contract that helps the programs by organizing and coordinating the logistics of the Governor's Small Business Series events as well as international trade shows.
- The Office of Small Business Assistance had a contract for the development of an online Small Business Portal. The services provided under this contract included the collection of the data necessary to build the small business resources portal.
- EDT generally enters into a number of contracts associated with operation of the State of Texas Mexico Office (STMO), including with the contractor representing the State of Texas in Mexico. That contract typically includes representation services, lead generation and export assistance. In addition, EDT also generally has a contract for accounting services for the Mexico office.

• **the amount of those expenditures in fiscal year 2020;**

Total amount of 2020 expenditures for these contracts is \$746,277

• **the number of contracts accounting for those expenditures;**

32 Contracts.

- **the method used to procure contracts;**

DIR contracting, State Term Contracts, TXSmartBuy, delegated procurement, and general procurement in a manner appropriate to the program. To note, Section 481.027(e) of the Texas Government Code exempts contracts relating to the STMO from Subtitle D, Title 10 of the Government Code with the exception of Chapter 2175.

- **top five contracts by dollar amount, including contractor and purpose;**

Name	2020 Expenditure	Purpose of Contract
Infosurance S. de RL de CV	\$319, 630	Mexico City Representation
Innovation Event Management	\$228,671	Event Management
		Rental of Space/Rental of
Tradis Displays	\$75,748	Furnishings
The Freeman Company (UK) LTD	\$50,000	Booth Build out
Thomas P. Miller and Associates, LLC	\$17,626.86	Small Business Portal

Table 16 Exhibit 12E BCD Program Contracts

- **the methods used to ensure accountability for funding and performance; and**

- Office of Small Business Assistance - Event Management: Weekly calls, onsite presence, and invoice reviewing; Research Study: Weekly calls and reviewing completion.
- International Business and Trade - OOG staff participates in the trade shows and assures the contracted goods and services are delivered as specified.
- STMO - Representation Contract: Monthly and annual reports, regular verbal and electronic communication; Accounting: tax filing receipts.

- **a short description of any current contracting problems.**

N/A

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

The statute requires the office to establish the Texas Business and Community Economic Development Clearinghouse to provide information and assistance to businesses and communities in the state through statewide toll-free telephone service (Texas Government Code, Sec. 481.167 (a)). This requirement is ineffective and outdated. EDT calls are primarily received through the main EDT phone line and the OOG switchboard. Further, interested parties now increasingly prefer to gain information primarily through EDT's website or email.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity.

N/A

P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution.

N/A

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Economic Development Finance (which includes the Texas Economic Development Bank) also includes the following programs: Capital Access Program; Defense Economic Readjustment Zone; Enterprise Zone Program; Industrial Revenue Bonds; Product Development and Small Business Incubator Fund; and the Texas Leverage Fund .²

Location/Division: Austin/ Texas Economic Development and Tourism Office

Contact Name: Terry Zrubek

Statutory Citation for Program: Texas Government Code, Sec. 481.401, Texas Administrative Code Title 10, Part 5, Chapter 187 (Capital Access); Texas Government Code 489.108(6), Texas Government Code 2310, Texas Administrative Code Title 10, Part 5, Chapter 175 (Defense Economic Readjustment Zone Program); Texas Government Code Chapter 2303, Texas Administrative Code Title 10, Part 5, Chapter 176 (Enterprise Zone Program); Texas Government Code 489.108(4), Texas Administrative Code, Title 10, Part 5, Chapter 180 (Industrial Revenue Bond); Article 16, Section 71, Texas Constitution, Texas Government Code, Chapter 489, Subchapter D, Texas Administrative Code Title 10, Part 5, Chapter 177 (Product Development and Small Business Incubator Fund); Texas Government Code, Sec. 489.108(2), Texas Administrative Code Title 10, Part 5, Chapter 181 (Texas Leverage Fund).

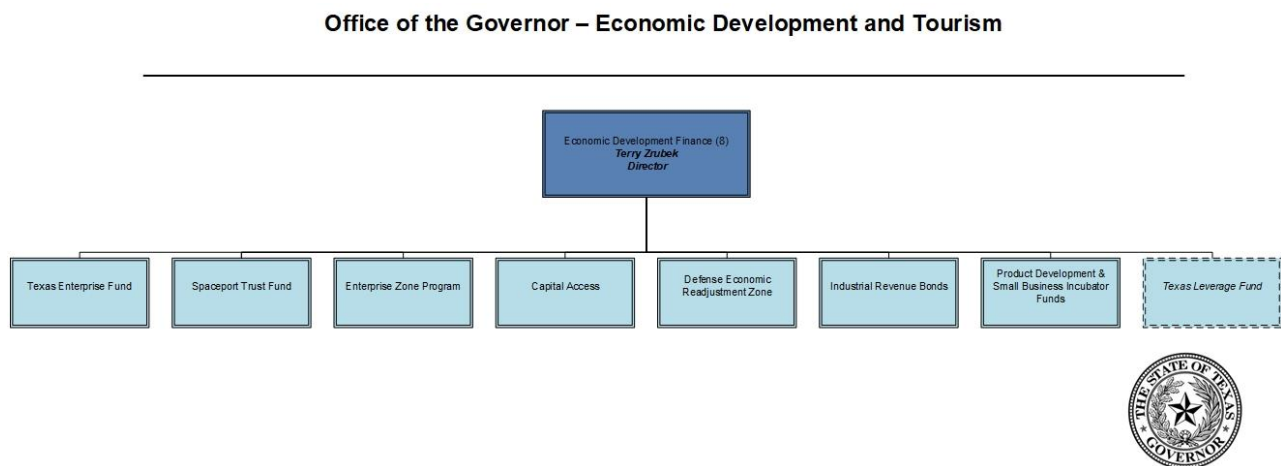


Chart 4 Exhibit 12F EDF Organization Chart

B. What is the objective of this program or function? Describe the major activities performed under this program.

The **Economic Development Finance** division (Bank) provides competitive, cost-effective financial tools to support Texas communities, expanding Texas businesses operating in the state and out of state firms relocating or expanding into Texas. Financial programs administered by the division include grants, loans, financing, and tax refund programs, which all promote economic development, job creation, and capital investment. The division offers programs targeted at all

² The Spaceport Trust Fund and the Texas Enterprise Fund are described below in their own sections.

businesses and communities in the state. These programs all support EDT's key function to administer business and community economic development incentive programs in order to directly assist in new job creation and capital investment. These incentives are vital tools for encouraging businesses to relocate or expand in the state and help Texas to compete during a site selection process and to assist our local communities to win these competitive projects. Specific programs include:

- The **Capital Access Program (CAP)** partners with non-profit lenders to increase access to financing for small- and medium-sized businesses that face barriers to accessing capital. CAP facilitates loans, which are underwritten by the participating non-profit lenders and supported by the State's contributions to a loan loss reserve account.
- The **Defense Economic Readjustment Zone Program (DERZ)** is a partnership between local governmental entities and the state to encourage capital investment, increase employment opportunities, and reuse vacated property in communities that have been adversely impacted by decreased defense expenditures and decreased defense worker employment.
- The **Texas Enterprise Zone Program (EZIP)** is an economic development tool for local communities to partner with the state to encourage job creation and capital investment in economically distressed areas of the state. An enterprise project is eligible for a refund for state sales and use taxes paid and used at the qualified business site. The amount of refund is predicated on the investment amount and number of jobs created/retained.
- **Industrial Revenue Bonds (IRB)** provide tax-exempt or taxable long-term financing for projects. Under Local Government Code Sec. 501.006, a local unit of government may use a corporation to issue bonds on the unit's behalf to finance the cost of certain projects, , and to promote and develop new and expanded business enterprises for the promotion and encouragement of employment and the public welfare. EDT's role in the process is to review bond applications for specific IRBs before issuance.
- The **Product Development and Small Business Incubator Funds (PDSBI)** offer long-term, asset-backed loans to product development companies and small businesses located in Texas. The loans finance the development and production of new or improved products or stimulate new or existing small businesses in Texas. PDSBI targets those businesses that may not obtain full financing or financing on workable terms in traditional capital markets. The program consists of two separate funds: The Product Development Fund and the Small Business Incubator Fund.
 - The Product Development Fund aims to aid in the development and production, including the commercialization, of new or improved products in the State of Texas.
 - The Small Business Incubator Fund's purpose is to foster and stimulate new or existing small businesses in the State of Texas.

- The **Texas Leverage Fund (TLF)** allows Economic Development Corporations (EDCs) established pursuant to Section 4A or 4B of the Development Corporation Act to leverage their economic development sales and use taxes to support local economic development projects. The TLF program provides loans to EDCs on favorable terms designed to give communities access to capital needed to finance local projects. Examples of eligible projects include land acquisitions, buildings, infrastructure projects, machinery and equipment for manufacturing and industrial operations, sports, athletic, entertainment venues, public parks, and events. The State was authorized to issue up to \$25 million in commercial paper notes, secured through a pledge of future EDC sales tax revenues, and then repaid by the State from the collection of loan repayments by local EDCs. The program is currently inactive. SB 1465 (87th Regular Session (2021)) did, however, create the Texas small and rural community success fund, which is similar to TLF.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? In Exhibit 12, provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed in Exhibit 2 unless necessary to understand the program or function.

**Trusted Programs, Office of the Governor
Economic Development Finance
Exhibit 12G: Program Statistics and Performance Measures — Fiscal Year 2020**

Program Statistics or Performance Measures	Dataset Reference Number* (if applicable)	Calculation (if applicable)	FY 2020 Target	FY 2020 Actual Performance	FY 2020 % of Annual Target
Texas Enterprise Zone – New Jobs	N/A	N/A	N/A	3,726	N/A
Texas Enterprise Zone – Retained Jobs	N/A	N/A	N/A	21,237	N/A
Texas Enterprise Zone – Capital Investment	N/A	N/A	N/A	\$13.8 Billion	N/A

Table 17 Exhibit 12G Program Statistics and Performance Measures

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

1981 - The process for administering the IRB program is not prescribed in statute. The program rules were first adopted on October 31, 1981.

1992 - The 71st Legislature established the TLF and the Master Resolution of the former Texas Department of Commerce on September 9, 1992. The Master Resolution created a \$300 million

commercial paper program, later limited to \$25 million issuance in a commercial paper by the First Supplemental Resolution.

1997 - The 75th Legislature established the CAP and was appropriated \$7 million for the biennium beginning September 1, 1997.

1997 - The 75th Legislature established DERZ.

Upon abolishing the Texas Department of Commerce and transferring the TLF program to the former Texas Department of Economic Development, 75th Legislature repealed the original sections of the Government Code under which the program was initially created. The program continued to operate with limited authority under the following statutes:

- Texas Government Code Sec. 481.073(c) - Duties of the Economic Development and Tourism Office relating to financing.
- Texas Government Code Sec. 489.106 - Authorizing the Texas Economic Development Bank all necessary powers to administer the Economic Development Bank Fund.
- Texas Government Code Sec. 489.108 - Establishing the TLF as one of the programs under the direction of the Economic Development Bank.

2003 - The 78th Legislature amends the statute to move the management of CAP under the Economic Development Bank.

The PDSBI program began in 2003. There have been no statutory changes to the program since its creation.

2006 - CAP no longer had funding to remain active.

2015 - HB 2667, 84th Legislature, was filed relating to abolishing certain programs administered by the Texas Economic Development Bank. The legislation initially filed abolished CAP as well as other programs. HB 2667 was enacted; however, the enrolled legislation did not repeal CAP.

Members of the House Committee on Economic & Small Business Development requested the program be reactivated. Reserve funds from the Economic Development Bank general revenue-dedicated fund were used to reactive the program. As of September 1, 2015, the reactivated program has two participating lenders.

2016 - EDT requested to contract with a new Letter of Credit holder for TLF, which required an amendment to the Master Resolution. However, in the process of doing so, EDT discovered that the current statute outlining the Bank's process to amend the TLF is unclear, and TLF became inactive.

2017 - During the 85th Legislative Session, HB 3772 was filed to reestablish the original authorizing TLF statute. The bill did not pass.

2019 - During the 86th Legislative Session, HB 31 and SB 132 were filed to re-establish certain statutes relating to TLF, but neither bill passed. EDT has paid off all outstanding commercial paper, and its current Letter of Credit and Reimbursement Agreement expired on August 31, 2019. EDT is not issuing any new TLF loans but is actively managing the repayment of outstanding loans. SB 1465 (87th Regular Session (2021)) did, however, create the Texas small and rural community success fund, which is similar to TLF.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

Capital Access Program (CAP): Under statute associated with CAP, to participate in the program as a lender, the lender must be a financial institution defined as being a bank, trust company, banking association, savings and loan association, mortgage company, investment bank, credit union, or nontraditional financial institution. Borrowers must be a small- (fewer than 100 employees) or medium-sized business (100-499 employees), domiciled in Texas, or have at least 51% of its employees located in Texas, and formed to make a profit. Currently, 99% of the borrowers are small businesses with fewer than 100 employees.

Defense Economic Readjustment Zone (DERZ): To be designated as a DERZ, as defined by Texas Government Code, Sec. 2310.101, an area must:

- have a continuous boundary;
- be at least one square mile, but not larger than 20 square miles, excluding lakes, waterways, and transportation arteries, of the municipality, county, or combination of municipalities or counties nominating the area as a readjustment zone;
- be located in an adversely affected defense-dependent community;
- have at least 50% of its area located in an existing or former United States Department of Defense facility; and
- be nominated as a readjustment zone by an ordinance or order adopted by the nominating body.

An area is not prohibited from being included in a DERZ because the area is also included in an enterprise zone designated under Texas Government Code, Chapter 2303, Subchapter F. A municipality or county is an adversely affected defense-dependent community if the Bank determines that the municipality or county requires assistance due to the following items outlined under Texas Government Code, Sec. 2310.102 (1):

- the proposed or actual establishment, realignment, or closure of a defense facility;
- the cancellation or termination of a United States Department of Defense contract, or the failure of the Department of Defense to proceed with an approved major weapon system program;

- a publicly announced planned major reduction in Department of Defense spending that would directly and adversely affect the municipality or county; or
- the closure, or a significant reduction of the operations or defense facility, resulted from a merger, acquisition, or consolidation of a defense contractor operating the facility.

Moreover, as defined by Texas Government Code, Sec. 2310.102 (2), the municipality or county must be expected to experience, during the period between the beginning of the federal FY (during which an event described by Subdivision 1) is finally approved and the date that the event is to be substantially completed, a direct loss of:

- 2,500 or more defense worker jobs in any area of the municipality or county that is located in an urbanized area of a metropolitan statistical area;
- 1,000 or more defense worker jobs in any area of the municipality or county that is not located in an urbanized area of a metropolitan statistical area; and/or
- one percent of the civilian jobs in the municipality or county.

As defined by Texas Government Code, Sec. 2310, Subchapter C, readjustment zones are designated for a period of seven years with no limitation on the number of zones. A readjustment zone may have no more than two defense readjustment projects. Defense Readjustment projects may be designated for up to five years, in addition to a 90-day window before the designation date. Employment and community commitments must be met within this timeframe. At least 25% of the qualified business' new employees in the readjustment zone must be residents of the governing jurisdiction, economically disadvantaged, or dislocated defense workers (Texas Government Code, Sec. 2310.302 (2)).

Enterprise Zone Program (EZP): As defined by Texas Government Code, Sec. 2303.404, a qualified business may request that the governing body of a municipality or county in which the eligible business is located apply to the Bank for designation of a project or activity of the business as an enterprise zone project. The enterprise project designation must be for an expansion or relocation from out-of-state, an expansion, renovation, new construction, or other property to be undertaken by a qualified business, and a predetermined designation period approved by the Bank, with beginning and ending dates for each proposed project or activity. The designation period for an enterprise zone project may not be for less than one year or more than five years from the date on which the designation is made.

Product Development and Small Business Incubator Fund (PDSBI): This Product Development Fund is for a new or improved product being developed, produced, and/or commercialized in the state of Texas, to include an invention, device, technique, or process, without regard to whether a patent has been or could be granted, that has advanced beyond the theoretical stage and has, or is readily capable of having a commercial application. Pure research is ineligible. The Small Business Fund is to foster and stimulate the development of small businesses in the state. As outlined by Texas Government Code, Sec. 489.213 (h), preference is given to businesses substantially likely to develop and expand the opportunities for small businesses in the state in

the following preferred industries: semiconductors, nanotechnology, biotechnology, and biomedicine.

Texas Leverage Fund (TLF): When the program was active, Type A and Type B Economic Development Corporations (EDCs) would be eligible to apply for financing from TLF. Chapters 501, 504, and 505 of the Local Government Code outline EDCs' ability to authorize cities to adopt sales tax to fund the corporations and define the projects EDCs are allowed to undertake. Currently, there are 211 active Type A Corporations and 513 active Type B Corporations in Texas. SB 1465 (87th Regular Session (2021)) created the Texas small and rural community success fund, which is similar to TLF.

Industrial Revenue Bonds (IRB): The bonds are issued through an Industrial Development Corporation (IDC) for eligible projects included in its jurisdiction. No data is available on the current number of IDCs.

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Capital Access Program (CAP): As defined by Texas Government Code 481, Subchapter BB, CAP is administered through a contract between EDT and participating lenders. When a lender makes a loan, the lender submits an enrollment form for the borrower to the Bank. The lender is responsible for conducting due diligence on the borrower and determining the terms of the loan. After enrollment, the borrower and lender contribute 2-3% each to the loan loss reserve account. Their contributions combined must equal 4-6% of the loan amount. The State matches the contribution by submitting 6-8% of the loan amount to the loan loss reserve account.

If a borrower defaults on the loan, the lender may make a claim to the Bank. If the lender has made a sufficient effort to recover the loan, the borrower may withdraw from the loan loss reserve account. Withdrawals from the loan loss reserve account must be evidenced by submitting and approving a claim form. Only non-recoverable losses (not to exceed 50% of the enrolled amount), plus reasonable and customary expenses, may be removed from the reserve account. The lender must maintain records substantiating the non-recoverable losses, plus reasonable and necessary expenses, for three years following withdrawal from the program. If after payment of a claim the lender recovers from a borrower, from the liquidation of collateral, or any other source, any amount for which payment of the claim was made, the lender must promptly pay to the loss reserve account the amount recovered, less any out-of-pocket expenses incurred. The Bank receives both monthly and quarterly reports from the lenders participating in the program.

Defense Economic Readjustment Zone (DERZ): Pursuant to Texas Government Code, Sec. 2310.105, for an area to be designated as a DERZ, the nominating body, after nominating the area as a readjustment zone, must send the Bank a written application for designation of the area as a readjustment zone. The application must include:

- a certified copy of the ordinance or order, as appropriate, nominating the area as a readjustment zone;
- a map of the area showing existing streets and highways;
- an analysis and appropriate supporting documents and statistics demonstrating that the area qualifies for designation as a readjustment zone;
- a statement that specifies each tax incentive, grant, other financial incentive or benefit, or program to be provided by the nominating body to business enterprises in the area that is not to be provided throughout the governmental entity or entities nominating the area as a readjustment zone;
- a statement of the economic development and planning objectives for the area;
- an estimate of the economic impact of the designation of the area as a readjustment zone on the revenues of the governmental entity or entities nominating the area as a readjustment zone, considering all the financial incentives and benefits and the programs contemplated;
- a transcript or a tape recording of all public hearings on the proposed readjustment zone; and
- if the application is joint, a description and copy of the agreement between the applicants; and the procedures for negotiating with residents, community groups, and other entities affected by the area's designation as a readjustment zone and qualified businesses the area.

As outlined in Texas Government Code, Sec. 2310.404, designated readjustment projects are eligible to apply for franchise tax credit and state sales and use tax refund on qualified expenditures administered by the Texas Comptroller of Public Accounts (Comptroller). A hard-copy application must be submitted containing all information and documentation required by statute. Each application for designation as a readjustment zone, readjustment zone boundary amendments, or a readjustment project must be provided in the form prescribed by the program. Per Texas Government Code, 2310.110, a \$500 application fee is required for a readjustment project designation. Readjustment zone applications may be filed with the Bank on any day. Requests for refunds for readjustment projects should be filed directly with the Comptroller by the company following the applicable Comptroller rules. A qualified business may be designated as a readjustment project for a maximum of five years. The designation of the eligible business as a readjustment project shall remain in effect during the period beginning on the date of designation and ending on the earliest of five years after the date the designation is made or the last day that completes the original project designation period of a qualified business that has assumed the designation of the readjustment project through a lease or purchase.

Enterprise Zone Program (EZP): The Bank staff review EZP applications in accordance with Chapter 2303 of the Texas Government Code. On the first business day of December, March,

June, and September, until 5:00 p.m., the Bank accepts applications for the EZP. There are four application fees: \$500 for a half enterprise project, \$750 for a single enterprise project, \$1,150 for a double jumbo enterprise project, and \$2,250 for a triple jumbo enterprise project. The Bank reviews all applications to ensure all requirements are fulfilled. Any missing requirement is marked as a deficiency. If the application has four or more deficiencies, the application is deemed incomplete and will automatically be denied a designation. The remaining applications are then graded. The 12 highest scoring applications are approved. In accordance with the Texas Administrative Code, Title 10, Rule § 176.3, the Bank may allocate 109 designations per biennium, with 12 designations available per round. The remaining nine designations may be allocated for applications that do not score in the top 12 of a round but possess characteristics that warrant a designation, if available. The Bank notifies the applicant via email with an official letter if the application has been approved or denied. The Comptroller is notified by courtesy copy on the notification emails to applicants.

The Comptroller administers the sales tax refund process for the Enterprise Zone Program. This refund will last a maximum of five years from the application deadline of said round. The designation period includes a window of 90 days before the quarterly application deadline date. During the 90-day window, the enterprise zone project may begin making capital investments and creating jobs for purposes related to the designation. The designation also includes an 18-month job certification deadline after the designation's expiration date for the applicant to make a claim to the Comptroller for a refund.

Industrial Revenue Bond (IRB): A local unit of government may use a corporation to issue IRBs on the unit's behalf to finance the cost of a project. An Industrial Development Corporation (IDC) issues tax-exempt and taxable bonds for eligible projects in its jurisdiction and acts as a conduit through which bond proceeds are channeled. The primary purpose of an IDC is to issue these bonds. The Bank staff review certain IRB applications for completeness pursuant to Chapter 501 of the Local Government Code.

Product Development and Small Business Incubator Fund (PDSBI): The PDSBI program is governed in Chapter 489 of the Texas Government Code. When applying to the PDSBI program, an applicant will reach out to the Bank, and an initial phone call is held with the applicant to determine if the applicant meets program qualifications. An applicant will then submit a program application. If all of the required documents are submitted, the Bank will request a \$500 application fee. The Bank gauges risk and the interest rate for the loan. If certain criteria are met, the application is reviewed by the Bank. If certain criteria are not met, the PDSBI Board will review the application. The Bank will contact the applicant to present the loan decision. If the application is approved, upon agreement of terms, a loan agreement is prepared and executed.

Texas Leverage Fund (TLF): The TLF program is no longer accepting applications based upon the need to update the program's Master Resolution, which may not be possible absent statutory changes. The Bank is currently monitoring nine outstanding TLF loans to eight communities. Borrowers are required to make monthly payments to a trustee who transfers funds to the Bank bi-monthly. SB 1465 (87th Regular Session (2021)) created the Texas small and rural community success fund, which is similar to TLF.

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

Funding source and program amounts by expenditure/encumbrance (AY2020):

Method of Finance		Texas Economic Development Bank
General Revenue		
General Revenue		\$ 239,106
General Revenue Dedicated		
GR Dedicated - Economic Development Bank Acct		\$ 472,138
Other Funds		
Small Business Incubator Fund Account		\$ 324,714
Texas Product Development Fund Account		\$ 403,643
Total Method of Finance		\$ 1,439,601

Table 18 Exhibit 12H EDF Program Funding Sources

CAP is funded through appropriations made for the operation of the Economic Development Bank.

The DERZ project designation application requires a non-refundable fee of \$500. This fee is credited to the general Economic Development Bank Fund to be used to administer the program. (Texas Government Code Sec. 489.103).

There is a nonrefundable application fee for consideration of an EZP project designation. EZP projects will be assessed a 3% fee, to be paid to the Bank, on the amount of any refund benefit received by a company with an enterprise zone designation. (Texas Government Code Sec. 489.103; Texas Administrative Code, Title 10, Rule § 176.1).

Administration of the IRB program is funded by a nonrefundable application filing fee equal to one-tenth of 1.0% of the face amount of the bond issue or \$25,000, whichever is less, but in no event less than \$500. Application fees are deposited into the Bank's general revenue fund. (Texas Government Code Sec. 501.256; Texas Administrative Code, Title 10 Rule § 180.2).

The PDSBI program was initially funded in 2005 through original bond issuances of \$25 million for product development and \$20 million for small businesses. The program is comprised of a revolving fund, whereby principal and interest payments from previous borrowers re-enter the funds and may be lent to new borrowers. (Texas Government Code Sec. 489.103; Texas Administrative Code, Title 10, Rule § 177.6).

The Master Resolution allows the TLF to hold up to \$25 million in Commercial Paper. TLF must obtain a Letter of Credit to support the Commercial Paper. The current Commercial Paper balance is \$0. Before paying off the Commercial Paper balance, it was traded approximately every 30-90 days.

TLF loans also pay interest. The interest rate is consistent for all TLF loans agreements, which is the Federal Funds Rate +3%. Rates are adjusted when the Federal Funds Rate is adjusted.

Texas Government Code Section 489.103 states “[t]he Bank shall charge fees to the beneficiaries of its services as the Bank determines necessary. Amounts collected under this section may be used to support the administration of the Bank’s programs and implementation of the Bank’s strategies.”

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The Texas Capital Fund, administered by the Texas Department of Agriculture (TDA), provides grants to support rural business development, retention, and expansion by providing funds for infrastructure, real estate development, or the elimination of deteriorated conditions. The Downtown Revitalization and Main Street Programs award grants from \$50,000 to \$350,000. The Infrastructure and Real Estate Programs award grants from \$100,000 to \$1,000,000. Funds from the Infrastructure and Real Estate Programs can be utilized for public infrastructure or real estate development, respectively, to assist a business that commits to create and retain permanent jobs, primarily for low- and moderate-income persons. Only non-entitlement city or county governments are eligible to receive a Texas Capital Fund grant, and therefore this is not a program available to all Texas communities.

Through the U.S. Small Business Administration (SBA), the federal government provides lending assistance to small businesses, a program similar to the purpose of CAP. The SBA works with lenders to offer loans to small businesses. The agency does not lend money directly to small business owners. Instead, it sets guidelines for loans made by its partnering lenders, community development organizations, and micro-lending institutions. The SBA reduces the risk for lenders and makes it easier for them to access capital, making it easier for small businesses to get loans. The SBA program differs from CAP because the SBA can set guidelines.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

EDT regularly communicates with TDA regarding projects. Some projects may be eligible for both a Bank program and the Texas Capital Fund. Funding from the Texas Capital Fund is likely to serve a different purpose for the project than the funding from the Bank program. A project may not be eligible for a Bank program, but EDT can sometimes refer the project to TDA, if applicable. EDT and TDA do not have an MOU or interagency agreement.

EDT does not coordinate activities with the SBA. Lenders participating in the SBA lending program may also participate in CAP. Since SBA is a nationwide program, CAP can provide Texas-focused assistance to small businesses not participating in the SBA program.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The Bank works closely with local governments and regional economic development organizations across the state. A community must nominate and receive designation as a DERZ and provide specific information as required by statute. For a company to participate in EZP, the local municipality or county must nominate the company and submit an application on the company's behalf for designation as an Enterprise Project.

The TLF borrowers participating in the program are local EDCs. The local EDCs would apply to the program and make their monthly loan payments as described in the loan agreement.

For the IRB program, the local IDCs are the applicants. During the application process, the Bank will contact the applicant (or their bond counsel) for clarification and other inquiries relating to the information submitted in the application.

Lenders participating in CAP are usually non-profit organizations that work closely with the communities where they are located. Communities may refer local small businesses to a lender participating in CAP.

K. If contracted expenditures are made through this program please provide

- **a short summary of the general purpose of those contracts overall;**

These contracts are used for bond services, financial and legal advice, and financial data.

- **the amount of those expenditures in fiscal year 2020;**

Total amount of contracts \$791,682

- **the number of contracts accounting for those expenditures;**

9 contracts

- **the method used to procure contracts;**

DIR contracting, competitive bidding, competitive sealed proposals, delegated procurements, and general procurement in a manner appropriate to the program.

- **top five contracts by dollar amount, including contractor and purpose;**

Name	2020 Expenditure	Purpose of Contract
JP Morgan Chase Bank	\$18,000	Remarketing Agent – PDSBI Bonds
Bloomerg Finance LP	\$27,266	Financial data
Norton Rose Fulbright LLP	\$62,653	PDSBI
US Bank	\$109,943	PDSBI SBPA Expense
Wells Fargo Bank	\$573,087	PDSBI Bonds Tender/Paying Agent Expense

Table 19 Exhibit 12I EDF Contracts

- the methods used to ensure accountability for funding and performance; and

All contracts are assigned a contract manager who ensure contract deliverables compliance through consistent performance monitoring and invoice review.

- a short description of any current contracting problems.

N/A

L. Provide information on any grants awarded by the program.

There is one grant awarded by the Bank. The Economic Development and Tourism Office, pursuant to House Bill 1, 86th Texas Legislature, Regular Session, through Rider 31 for the Trusted Programs within the 2020-2021 General Appropriations Act, awarded a grant on July 24, 2020 of \$190,000 to the Borderplex Bi-National Economic Alliance. The award is for a matching grant to promote border economic development, which includes out-of-state business recruitment, the promotion of economic development, and strategic regional planning. The grant terminated August 31, 2021.

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

Capital Access Program (CAP): Texas Government Code, Sec. 481.407 states that "the Bank may not determine the recipient, amount, or interest rate of a capital access loan or the fees or other requirements related to the loan." This section does not allow the Bank to conduct any due diligence on borrowers or reject a borrower; therefore, there is a higher risk to the state funds that EDT contributes to the loan loss reserve account. Additionally, not being able to provide input regarding the loan term keeps the Bank from ensuring the lenders do not participate in unreasonable lending practices. If this program continues, more input regarding borrowers' lending practices and creditworthiness would better protect state funds and minimize risk.

Defense Economic Readjustment Zone (DERZ): Challenges include the current criteria in qualifying for a readjustment zone as prescribed by Texas Government Code Sec. 2310.101. To simplify the process, the Legislature could consider updating the definition and requirements or allow the Bank to establish the criteria by rule instead of the statute. Additionally, Texas Government Code Sec. 2310.405 prescribes what items are eligible for sales and use tax refund. Allowing more flexibility through rules would benefit the program. Further, to eliminate redundancies, the DERZ statute could be amended, so the program report is incorporated within the annual Bank Report due on January 1 of every year, instead of a stand-alone DERZ report due on December 1 of every year. DERZ is already required to be incorporated into the Bank report.

Texas Leverage Fund (TLF): TLF has been unavailable for new loans to Economic Development Corporations (EDCs) since FY16. Statutory changes could be required to continue lending from TLF. In FY 2016, there were concerns with the program when the Bank was negotiating a routine shift in the program's Letter of Credit provider. It was suggested the statute outlining the Bank's process to amend the TLF Master Resolution to extend and update the operation of the program,

including replacing the program's current letter of credit provider, was unclear. Additionally, the program's original authorizing statute and the Master Resolution from 1992 required the fund to be held in trust by the Comptroller outside the State Treasury. However, the fund has been operated as a general revenue dedicated subaccount of the Texas Economic Development Bank Fund inside the State Treasury since at least 2003 with the passage of SB 275, 78th Legislature; moving the account outside of the Treasury would be consistent with the program's original structure. The original sections of the Government Code under which the program was initially created were repealed by SB 932, 75th Legislature when the TLF program was transferred to the former Texas Department of Economic Development. The program can is not making any new loans. As of the 87th(R) Legislative Session, SB 1465 created the Texas small and rural community success fund program, which is similar to the Texas Leverage Fund.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity.

N/A

P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. Please adjust the chart headings as needed to better reflect your agency's particular programs. If necessary to understand the data, please include a brief description of the methodology supporting each measure.

N/A

A. Provide the following information at the beginning of each program description.**Name of Program or Function:** Spaceport Trust Fund**Location/Division:** Austin/ Economic Development Finance**Contact Name:** Terry Zrubek**Statutory Citation for Program:** Texas Government Code, Sec. 481.0069**B. What is the objective of this program or function? Describe the major activities performed under this program.**

The Spaceport Trust Fund (STF) is a financial tool to support the development of infrastructure necessary or useful for establishing a spaceport in the state of Texas. The fund's objective is to support any spaceport development corporation, as defined in Local Government Code, Chapter 507, which intends to locate its facilities at a planned spaceport in the state. The purpose is to promote spaceport activity, industry development, and job creation in Texas.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? In Exhibit 12, provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed in Exhibit 2 unless necessary to understand the program or function.

The STF has awarded a total of \$20 million in grants for three projects. According to the information submitted in the applications, the grants are matched by approximately \$102 million in additional funds, with an estimated \$122 million in total funds to be spent in Texas. STF grants account for about 16% of all funds invested in spaceport projects. Matching funds may be provided by the local community, the spaceport development corporation, and other corporate partners.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

2003 - The 78th Legislature established the Spaceport Trust Fund as part of the Texas Economic Development and Tourism Office (EDT).

2009 - The 80th Legislature removed language defining "Spaceport" referenced in Article 5190.6 of Vernon's Texas Civil from Sec. 481.069 (a)(2). It replaced it with the reference of Sec. 507.001, Local Government Code, regarding the creation of a development corporation for spaceport facilities.

2013 - 83rd Legislature amended Section 481.0069 as follows:

- Reduced the percentage from 90% to 75% of the funding that a spaceport development corporation must demonstrate it has the financial ability to fund the project.
- Modified the requirement stating, “the spaceport or launch operator must have obtained the appropriate Federal Aviation Administration license” to read “the spaceport or launch operator if required by federal law, has obtained or applied for the appropriate Federal Aviation Administration license or other appropriate authorization.”

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

Funds in the Spaceport Trust Fund may not be spent unless the Bank certifies to the Texas Comptroller of Public Accounts that a viable business entity has been established; has a business plan that demonstrates the financial, managerial, and technical expertise; has the capability to launch and land a launch vehicle or spacecraft, and has committed to locating in Texas. The Bank must also certify that a spaceport development corporation has established a plan for the spaceport project and demonstrated the financial ability to fund the project. If required by federal law, the spaceport or launch operator must have obtained or applied for the appropriate Federal Aviation Administration license or other appropriate authorization.

Funds in the Spaceport Trust Fund may be used only to pay expenditures to develop the infrastructure necessary or useful for establishing a spaceport. The Bank may contract with a development corporation for infrastructure development of spaceport facilities.

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Following the effective date of legislative appropriation to the fund, the Bank seeks a request for a proposal to use the funds. The Bank staff review the proposals, sometimes consulting with other offices within the OOG, to determine if the entity meets the statutory requirements to receive the funds. Upon receipt of said funds, OOG staff verify the entity meets the contractual and statutory requirements for using the funds. Requests for disbursement are reviewed by the program and the OOG’s Office of Compliance and Monitoring. Entities with approved proposals must enter into a Spaceport Trust Fund grant agreement to provide reasonable contractual controls to ensure that the public purposes of the grant are achieved.

The EDT disburses the grant under the following basic structure, provided that all conditions precedent and other requirements of the grant agreement have been satisfied:

- Disbursement Request: The EDT will reimburse the grantee only for actual costs that are allowable, reasonable, and directly allocable to the project. Disbursement requests must be submitted in the form and manner approved by the EDT and specify the detailed and total expenses for the disbursement.

- **Deadline for Disbursement Requests:** Grant agreements have a deadline for submitting all disbursement requests before the grant agreement's expiration date. The EDT and the grantee must execute an amendment to extend this deadline.
- **Required Documentation:** Among other contractual requirements, each disbursement request must include a description of the services/costs/expenses and the dollar amount attributable to each; the name of the entity or person providing the service and the cost(s) charged by such entity or person; and an itemization of charges with sufficient detail to permit the EDT to determine if the costs are allowable.

The EDT may request that the grantee submit any additional documentation or an explanation needed for the EDT to review the disbursement request sufficiently. Disbursement requests are reviewed by the program and the OOG's Office of Compliance and Monitoring.

Additionally, grantees are required to submit periodic project status reports. Status reports include total expenditures per quarter, percentage of the project completed, a summary of expenditures to state, and the project status.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Funding source and program amounts by expenditure/encumbrance (AY2020):

Method of Finance		Spaceport Trust Fund
Other Funds		
	Spaceport Trust Fund	\$ 15,366,644
Total Method of Finance		\$ 15,366,644

Table 20 Exhibit 12J Spaceport Trust Fund Program Funding Sources

The 83rd Legislature appropriated \$15 million in general revenue to the Spaceport Trust Fund held outside the State Treasury, per Government Code 481.0069.

The 85th Legislature appropriated \$5 million in general revenue to the Spaceport Trust Fund held outside the State Treasury, per Government Code 481.0069.

The 87th Legislature appropriated \$10 million in general revenue to the Spaceport Trust Fund held outside the State Treasury, per Government Code 481.0069.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

There is no other entity or program that supports the development of spaceports in Texas.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

The Bank staff work closely with other programs in EDT in the development of spaceports in Texas including the Office of Aerospace and Aviation and the Aerospace and Aviation Advisory Committee.

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

The Bank staff work closely with local municipalities and Spaceport Development Corporations. A Spaceport Development Corporation, created under Local Government Code Chapter 507, is eligible to receive Spaceport Trust Fund monies. The program works with the Spaceport Development Corporation to verify the organization meets the statutory requirements and is spending grant funds on appropriate infrastructure items.

- K. If contracted expenditures are made through this program please provide**

N/A

- L. Provide information on any grants awarded by the program.**

There were no grants awarded in FY2020. The Spaceport Trust Fund awarded three grants in 2014 and 2018 after the Bank conducted the request for proposal process. Applications were reviewed and approved based on available funding. The listed awards are in various stages of disbursement:

- The Cameron County Spaceport Development Corporation received a \$13 million grant award from the program in 2014
- The Midland Spaceport Development Corporation received a \$2 million grant award from the program in 2014
- The McLennan County Spaceport Development Corporation received a \$5 million grant award from the program in 2018

- M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

N/A

- N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

N/A

- O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity.**

N/A

- P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. Please adjust the chart headings as needed to better reflect your agency's particular programs. If necessary to understand the data, please include a brief description of the methodology supporting each measure.**

N/A

A. Provide the following information at the beginning of each program description.**Name of Program or Function:** Texas Enterprise Fund**Location/Division:** Austin/ Economic Development Finance**Contact Name:** Terry Zrubek**Statutory Citation for Program:** Texas Government Code, Sec. 481.078**B. What is the objective of this program or function? Describe the major activities performed under this program.**

The Texas Enterprise Fund (TEF) is a critical financial incentive utilized in fulfilling EDT's function to facilitate the relocation, expansion, and retention of domestic and international companies to the state, thereby creating new jobs and investment. TEF is a performance-based cash grant used as a financial incentive tool for projects that offer significant projected job creation, and capital investment where a single Texas community is competing with another viable out-of-state option. Award amounts are determined using an analytical model applied uniformly to each TEF applicant. This model ensures the state will see a full return on its investment within the period of a project contract through a resulting increase in estimated sales tax revenues. Variations in award amounts are influenced by the number of jobs created, the expected timeframe for hiring, and the average wages to be paid.

Eligible companies, together with the Texas community, must submit a complete application packet to be considered for a TEF grant, which includes a potential local incentive. TEF applicants undergo a thorough screening and due diligence process. Areas of focus include: project competitiveness, corporate activity, financial standing, tax status, legal issues, credit ratings, estimated economic impact to the state, and the business climates of competing locations. The Governor, Lieutenant Governor, and Speaker of the House review program applications, and awards are made only when there is unanimous agreement among the three leadership offices to approve a TEF grant.

All TEF grant recipients must sign an Economic Development Grant Contract, which contractually obligates the grantee to fulfill certain terms and conditions. The grantee is obligated, among other responsibilities, to create new jobs, meet or exceed the county average wage for these new jobs for the term of the contract, open a new facility or expand an existing facility, and use its best efforts to maintain the local incentives. Grantees may receive annual grant disbursements for achieving created job requirements laid out within the contract. Once a grantee receives a grant payment for a specific number of created jobs, the grantee must maintain that number of created jobs for the contract term. For every created job for which the grantee receives a grant payment but fails to maintain, the grantee is required to pay liquidated damages back to the state.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? In Exhibit 12, provide a list of statistics and performance measures

that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed in Exhibit 2 unless necessary to understand the program or function.

**Trusteed Programs, Office of the Governor
Texas Enterprise Fund
Exhibit 12K: Program Statistics and Performance Measures — Fiscal Year 2020**

Program Statistics or Performance Measures	Dataset Reference Number* (if applicable)	Calculation (if applicable)	FY 2020 Target	FY 2020 Actual Performance	FY 2020 % of Annual Target
TEF Jobs Announced	N/A	(a)	4,000	6,237	155.9%

Table 21 Exhibit 12K Program Statistics and Performance Measures

(a) The sum of the number of jobs identified in the signed project agreements for each project receiving a TEF grant.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

2003 – The Texas Enterprise Fund is established in the Texas Economic Development & Tourism Office.

2014– The State Auditor’s Office conducted an audit of the TEF program in 2014. EDT has since strengthened its controls and transparency. Today, TEF funds are only disbursed after jobs are created as prescribed by the grant contract. Increased active contract management has also improved the transparency and efficiency of the program, and the grant contract has been strengthened in many ways, including the incorporation of relevant provisions from the State’s Contract Management Guide. The Bank staff proactively work with companies with the potential for a non-performing agreements to address performance issues.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

Eligibility requirements for the TEF program are as follows:

- A single Texas community being considered for the project must be in active competition with at least one out-of-state site, and the company must not have made a location decision. Actions signifying the company has already made a location decision include, but are not limited to: signing a lease, purchasing land, hiring employees, and making a location announcement.
- Projected new job creation must exceed 75 full-time jobs in urban areas or 25 full-time jobs in rural areas.

- The total average wage for new jobs must meet or exceed the average county wage for the county in which the project would be located during the entire term of the grant contract.
- The company must demonstrate significant levels of planned capital investment, as determined by the Bank.
- The project must be supported by the city, county, and/or economic development corporation in the area where the project would be located, specifically in the form of local economic incentive offers.
- The company must be well-established and financially sound, and the company must operate in an advanced industry that affords it other feasible location options nationally and internationally.
- The Governor, Lieutenant Governor, and the Speaker of the House review applications, and awards are made only when there is unanimous agreement to support the use of TEF.

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The TEF application and award process, which is generally described above in Subsection B, are as follows:

Texas Enterprise Fund Application and Award Process

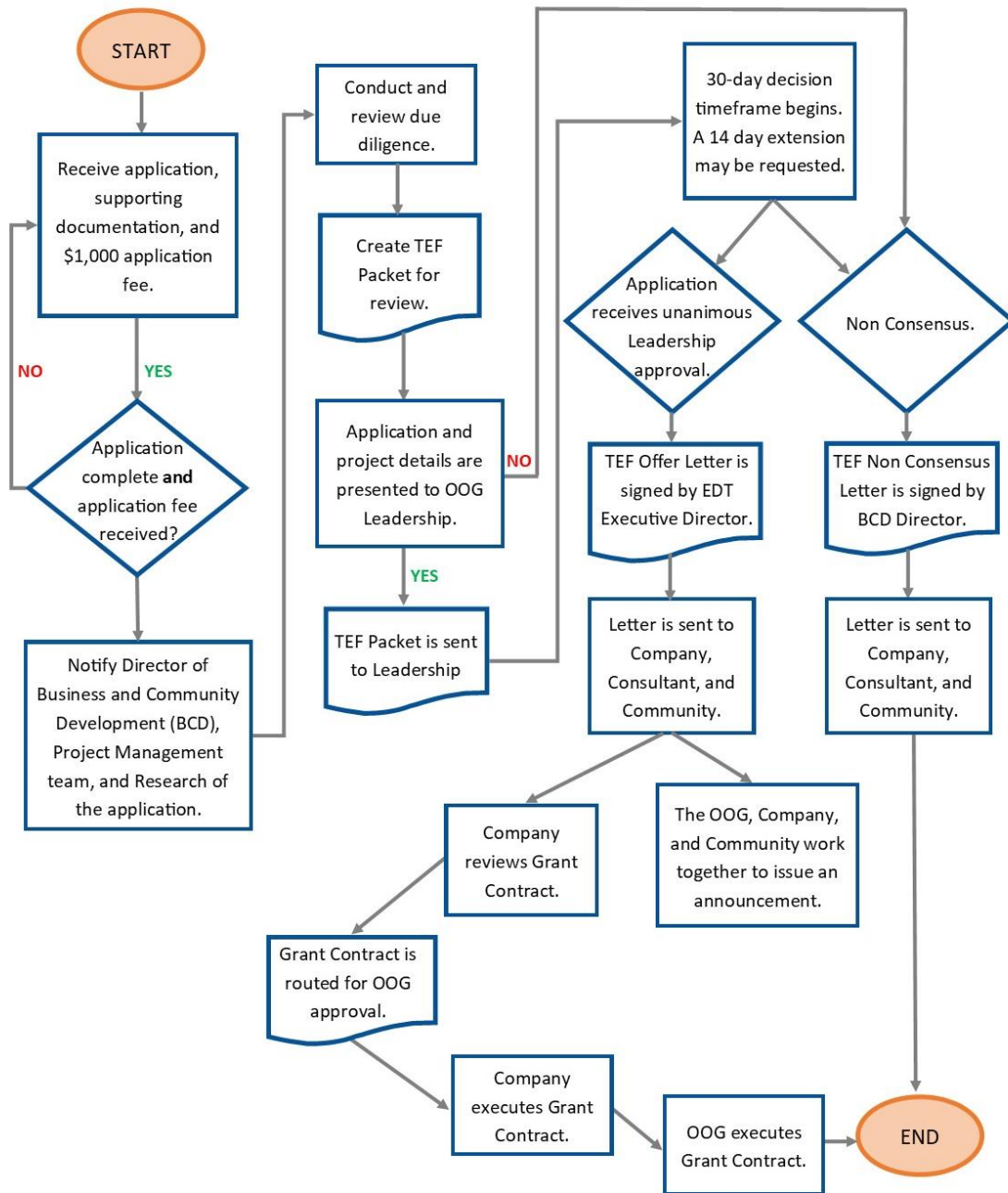


Chart 5 Exhibit 12L TEF Application and Award Process

One aspect of the TEF process is the Cost-Benefit Analysis, a scoring tool utilized by the Bank to calculate the return on investment to Texas. The cost-benefit analysis is an exhibit of the TEF application. Please see the attachment titled "Section F Attachment Cost Benefit Analysis.pdf."

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Funding source and program amounts by expenditure/encumbrance (AY2020):

Method of Finance	Texas Enterprise Fund
General Revenue Dedicated	
GR Dedicated - Texas Enterprise Fund	\$19,746,884
Total Method of Finance	\$19,746,884

Table 22 Exhibit 12M TEF Program Funding Source

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The TEF, which is known as the “deal closing fund”, is the only program of its kind in Texas.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

N/A

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The Bank staff work closely with local governments and regional economic development organizations in processing TEF applications, as well as contract monitoring. For a TEF application to be considered for a grant award, the applying entity must also have a local incentive offer from either the city, county and/or economic development corporation.

K. If contracted expenditures are made through this program please provide

N/A.

L. Provide information on any grants awarded by the program.

In FY 2020, TEF awarded 9 grants totaling \$46,395,800 for the creation of 6,237 jobs and more than \$2.6 billion in capital investment.

Since its inception in 2003 through August 31, 2020, TEF has awarded 180 grants, totaling \$676,862,548 for the creation of 104,256 jobs and more than \$40 billion in capital investment.

A complete list of awards as of March 2021 can be found at:

<https://gov.texas.gov/business/page/texas-enterprise-fund>

- M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

N/A

- N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

The TEF is a valuable asset to Texas. It has proven to be an effective financial incentive tool to attract companies to Texas, boosting the state and local economies through new job creation and capital investment.

- O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity.**

N/A

- P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. Please adjust the chart headings as needed to better reflect your agency's particular programs. If necessary to understand the data, please include a brief description of the methodology supporting each measure.**

N/A

A. Provide the following information at the beginning of each program description.**Name of Program or Function:** Travel Texas (Texas Tourism)**Location/Division:** Austin/Tourism Division**Contact Name:** Tim Fennell**Statutory Citation for Program:** Texas Government Code, Chapter 481, Subchapter L; Texas Administrative Code, Title 10, Part 5, Chapter 198.**B. What is the objective of this program or function? Describe the major activities performed under this program.**

Travel Texas (Tourism) is the only State entity responsible for tourism promotion to non-Texans. The program's mission is to enhance and extend local economic development efforts by marketing Texas as a premier travel destination in out-of-state domestic and international markets, thereby generating non-Texan travel to the state and ultimately creating revenues and jobs. Major activities performed under the program include a domestic advertising campaign targeting out-of-state travelers, advertising in primary international source markets, and public relations and marketing promotions targeting consumers, media, and travel trade in domestic and primary international source markets. Travel research is conducted to provide a foundation for informing and directing the program's tourism activities and encouraging tourism development.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? In Exhibit 12, provide a list of statistics and performance measures that best convey the effectiveness and efficiency of this program or function. Also, please provide the calculation or methodology behind each statistic or performance measure. Please do not repeat measures listed in Exhibit 2 unless necessary to understand the program or function.

**Trusteed Programs, Office of the Governor
Travel Texas/Texas Tourism
Exhibit 12N: Program Statistics and Performance Measures — Fiscal Year 2020**

Program Statistics or Performance Measures	Dataset Reference Number* (if applicable)	Calculation (if applicable)	FY 2020 Target	FY 2020 Actual Performance	FY 2020 % of Annual Target
State Taxes Generated from State Funding for Tourism Advertising (million)	N/A	See description below.	\$278M	\$98M	35.3%
Return on Investment for each dollar of State Funding for Tourism Advertising	N/A	See description below.	\$7.45M	\$6.97M	89.9%

Table 23 Exhibit 12N Travel Texas/Texas Tourism Program Statistics and Performance Measures

Outcome Measure: State Taxes Generated from State Funding for Tourism Advertising (millions)

The outcome measure reports the amount of state taxes generated by non-Texan leisure travelers to Texas influenced by Travel Texas tourism advertising using an industry standard approach by an independent, experienced travel research contractor who collects the information for this measure through a monthly survey that is representative of traveling United States households. In FY20, the program's outcome measure was impacted by the COVID-19 pandemic with the majority of influenced travel occurring in the first six months of the fiscal year.

Efficiency Measure: Return on Investment from State Funding for Tourism Advertising

The efficiency measure uses the same methodology to estimate state taxes generated as the outcome measure and reports a return on investment for each dollar budgeted. The COVID-19 pandemic affected this measure as well.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent. If the response to Section III of this report is sufficient, please leave this section blank.

The intent of the state's tourism program has remained virtually unchanged since its inception in 1963 as the Texas Tourist Development Agency. Travel Texas continues to promote the state as a tourism destination to non-Texans generating travel from outside the state as part of the state's economic development strategy. The Travel Texas program also promotes and encourages travel in Texas by Texans through various means. Texans use the www.TravelTexas.com website for Texas travel planning and inspiration, Texans follow the Travel Texas social media channels for travel inspiration, Texans sign up to receive Travel Texas consumer e-newsletters that promote travel to and within Texas, and Travel Texas works with other state agencies and the Texas travel industry to promote travel by Texans in Texas. The program continues to produce research-driven advertising and marketing campaigns targeting out-of-state travelers, encourages travel by Texans in Texas, and assist communities with tourism development.

Additional duties added in 2003 include entering into a Memorandum of Understanding with the Texas Commission on the Arts, Texas Historical Commission, Texas Parks and Wildlife, and the Texas Department of Transportation to coordinate tourism functions and reduce duplication. The need for a Memorandum of Understanding and an annual Strategic Tourism Plan are addressed in more detail in sections H and I.

Although the program's intent, services, and functions remain unchanged, activities conducted to complete program objectives often change in response to travel trends, media trends, economic conditions, consumer preferences, and other factors. The example below is a summary of a recent rebranding efforts that began in 2017 and resulted in a new logo that is now used in domestic advertising and marketing:

Consumer research, marketing trends, and insights gleaned from Travel Texas and its partners led to a rebranding objective for Travel Texas and a new advertising campaign, a new website, a new media approach, and a new logo mark for the brand. All marketing elements fit under the moniker of “Let’s Texas.”

The Travel Texas program will continue to evolve to ensure a successful return on the state’s investment in tourism promotion and maintain the intent of the program.

E. List any qualifications or eligibility requirements for persons or entities affected by this program, such as licensees, consumers, landowners, for example. Provide a statistical breakdown of persons or entities affected.

There are no qualifications or eligibility requirements for those affected by the program. The Travel Texas program benefits Texans and the Texas travel and tourism industry, a critical component of the Texas economy. The direct and indirect impacts of travel spending in 2019 were estimated to support 1.3 million jobs in communities across the state or roughly one out of every ten Texas jobs. Travel spending generates significant revenue for the state and local governments, estimated at \$760 per household pre-pandemic. The travel industry was among the hardest hit by COVID-19. Preliminary estimates show a decline in travel spending in 2020 of –32.0% compared to the prior year which resulted in a loss of -\$54.3 billion in economic activity. Increasing travel through tourism promotion will benefit the travel and tourism industry and all Texans by contributing to the economic recovery of the state.

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Tourism program uses **travel research** data to inform and direct advertising and marketing activities. The Tourism program directs a comprehensive research effort to provide primary data and analysis regarding domestic and international travel trends, economic impacts, hotel performance, advertising effectiveness, and accountability measures. Primary research is sourced through contracted research vendors.

The most significant component of the Tourism program is the **advertising** of Texas as a premier travel destination through domestic and international advertising via television, digital, out-of-home, and other media, which expand perceptions of Texas as a leisure travel destination and drive consumers to the www.TravelTexas.com website for Texas travel planning information. Travel Texas advertising and media buying are accomplished through the services of a contracted advertising agency.

The **public relations and marketing** areas of Travel Texas proactively target media, travel trade, and consumers to promote the Texas travel product through public relations and marketing activities. These activities may include but are not limited to travel trade shows, sales missions, educational seminars, proactive outreach to media, strategic social media promotion, and

consumer promotions. The Travel Texas program works with contracted public relations firms to help accomplish these activities.

Office of the Governor – Economic Development and Tourism

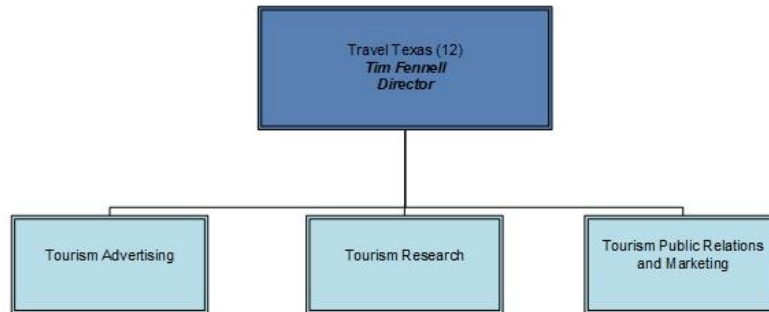


Chart 6 Exhibit 120 Travel Texas/Texas Tourism Organization Chart

An organizational chart is included to illustrate how the program is administered:

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

Funding source and program amounts by expenditure/encumbrance (AY2020):

	Method of Finance	Texas Tourism
General Revenue		
	General Revenue	\$399,293
	GR - Hotel Occupancy Tax Deposits	\$17,962,463
Other Funds		
	Daughter of the Republic License Plates	\$44,385
	Tourism Advertising Co-op Fees	\$2,195
	Tourism Public Relations Receipts	\$77,353
Total Method of Finance		\$ 18,485,689

Table 24 Exhibit 12P Travel Texas/Texas Tourism Funding Source

The Travel Texas program receives State funding from dedicated general revenue based on a formula, one-half of one percent of state Hotel Occupancy Taxes or one-twelfth of collections as outlined in Tax Code, Chapter 156. Hotel Occupancy Tax, Sec. 156.251. Final budgets are dependent on appropriations from the Legislature.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

There are no other programs responsible for promoting Texas as a premier tourism destination to non-Texans. Other state agencies do have programs that encourage tourism, impacting Texans and the travel and tourism industry, but these efforts are directed in-state to encourage travel by Texans within Texas. Five state agencies were explicitly identified to work under a Memorandum of Understanding for tourism as specified in Sec. 481.172, Texas Government Code, which will be discussed in the following section. Participating entities include the Office of the Governor, Economic Development & Tourism (EDT) as the lead agency authorized to direct or redirect tourism marketing activities conducted by the Texas Commission on the Arts (TCA); Texas Historical Commission (THC); Texas Parks and Wildlife Department (TPWD); and Texas Department of Transportation (TxDOT). These agencies conduct various tourism-related activities that fall into four distinctly different yet complementary functions essential for achieving an effective statewide tourism effort: marketing, product development, program development, and customer service.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Travel Texas program leads the development of a Strategic Tourism Plan each fiscal year as required by a legislatively mandated Memorandum of Understanding (MOU) with the agencies identified in the previous section. The Strategic Tourism Plan defines the roles, budgets, goals, measures, research, and the agencies' combined and individual tourism activities. This is an ongoing process. As shifts in travel trends occur and new opportunities become available, the strategy will be updated each year to reflect industry changes. Coordination between the MOU partners has provided a unified approach to the State of Texas tourism marketing strategies. Communication and regular meetings take place with the MOU partners to identify partnerships and reduce duplication of efforts. Each year the Strategic Tourism Plan evolves to serve travelers better and ensure that State funding for tourism promotion is used effectively and efficiently.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Travel Texas works with many local and regional government entities that each represent different destinations around the state. The entities are commonly convention and visitor bureaus (CVBs) or destination marketing organizations (DMOs). Co-operative opportunities are offered, allowing CVBs, DMOs, and private industry to partner with the state on advertising,

marketing, or research activities. These entities also benefit indirectly from increased travel to the state that can be attributed to the Travel Texas program and may also assist the state informally on some activities. Research conducted by Travel Texas is often used to assist with local tourism development. Additionally, Travel Texas offers more targeted tourism development assistance to rural communities through Community Tourism Assessments. Travel Texas also works with some federal government programs, although in a more limited capacity. Some examples include purchasing research produced by the National Travel and Tourism Office in the U.S. Department of Commerce or taking advantage of promotional opportunities provided by Brand USA, which operates with federal funds.

K. If contracted expenditures are made through this program please provide

- **a short summary of the general purpose of those contracts overall;**

Overall purpose of contracts are for the out-of-state tourism marketing and promotion efforts. They include research to inform advertising and marketing activities, track and measure performance, and track Texas travel industry indicators. They also include advertising, marketing and public relations within the United States and in foreign countries.

- **the amount of those expenditures in fiscal year 2020;**

Total amount of 2020 contracts is \$17,018,391

- **the number of contracts accounting for those expenditures;**

31 contracts

- **the method used to procure contracts;**

Request for Proposals (RFP) process, DIR Contracts, Term Contracts, Delegated Procurement.

- **top five contracts by dollar amount, including contractor and purpose;**

Name	2020 Expenditure	Purpose of Contract
Strategic Marketing & Research Insights LLC	\$192,390	Research Services: Advertising Effectiveness & Accountability
Travel & Tourism Marketing Ltd.	\$246,533	Public Relations: United Kingdom & Ireland Markets
Lieb Management & Beteiligungs, GMBH	\$248,739	Public Relations: Continental Europe Markets
MMGY Global LLC	\$750,224	Public Relations: The U.S. Market
Proof Advertising, LLC	\$14,485,409	Advertising
Total Method of Finance		\$ 18,485,689

Table 25 Exhibit 12P Travel Texas/Texas Tourism Funding Source

- **the methods used to ensure accountability for funding and performance; and**

Contract performance is monitored through ongoing project tracking reporting, weekly status reporting, monthly and quarterly reports, and progress summaries towards meeting OOG's goals and objectives. Additionally, a quarterly accounting of HUB activity and a comprehensive annual report of all activities is used to monitor contracts.

Prior to incurring any expenditures or costs on behalf of OOG, contractors must submit written cost estimates for approval. All subsequent billings are monitored and audited against approved estimates before any payments/reimbursement are approved.

- **a short description of any contracting problems.**

N/A

L. Provide information on any grants awarded by the program.

N/A

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

Consumers have many choices when making decisions on where to travel, and the competition for those travelers is arguably more complicated and competitive than it has ever been. The ability for Travel Texas to preserve and grow market share domestically and maintain or expand international marketing efforts is not only impacted by funding allocated to the program but also by increased investment by many other competing U.S. states and international destinations looking to grow their tourism industry. Along with the competition, the program's performance may also be impacted by an economic downturn, natural disaster, health and safety issues including pandemics, or other events that impact consumer spending and travel.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

As previously stated, there are no other entities responsible for promoting Texas as a premier travel destination outside of the state. The Travel Texas program is also unique for promoting the entire state, vice specific destinations or industry segments. Research has shown that Travel Texas advertising generates out-of-state travel and improves the state's image as a travel destination. Tourism promotion also has a proven positive "halo effect" on perceptions of Texas as a place to live, relocate a business, start a career, or attend college. The Travel Texas program attracts out-of-state travelers, creates local jobs, and grows the state and local economies.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity.

N/A

P. For each regulatory program, if applicable, provide detailed information on complaint investigation and resolution. Please adjust the chart headings as needed to better reflect

your agency's particular programs. If necessary to understand the data, please include a brief description of the methodology supporting each measure.

N/A

**Trusted Programs, Office of the Governor
Exhibit 13: Information on Complaints Against Regulated Persons or Entities
Fiscal Years 2019 and 2020**

	Fiscal Year 2019	Fiscal Year 2020
Total number of regulated persons	N/A	N/A
Total number of regulated entities	N/A	N/A
Total number of entities inspected	N/A	N/A
Total number of complaints received from the public	N/A	N/A
Total number of complaints initiated by agency	N/A	N/A
Number of complaints pending from prior years	N/A	N/A
Number of complaints found to be non-jurisdictional	N/A	N/A
Number of jurisdictional complaints	N/A	N/A
Number of jurisdictional complaints found to be without merit	N/A	N/A
Number of complaints resolved	N/A	N/A
Average number of days for complaint resolution	N/A	N/A
Complaints resulting in disciplinary action:	N/A	N/A
administrative penalty	N/A	N/A
reprimand	N/A	N/A
probation	N/A	N/A
suspension	N/A	N/A
revocation	N/A	N/A
other	N/A	N/A

Table 26 Exhibit 13 Information on Complaints Against Persons or Entities

VIII. Statutory Authority and Recent Legislation

A. Fill in the following charts, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2015–2020, or earlier significant Attorney General opinions, that affect your agency's operations.

**Trusted Programs, Office of the Governor
Exhibit 14: Statutes / Attorney General Opinions**

Statutes

Citation / Title	Authority / Impact on Agency
Texas Government Code, Chapter 489	Chapter 489 provides direction for the Texas Economic Development Bank (Bank), authority for the Texas Economic Development Bank Fund and the Product Development and Small Business Incubators Funds, and outlines other programs which the Bank shall administer.
Texas Government Code, Chapter 481	Chapter 481 relates to direction for sunset provision; matters of conflict of interest; negotiated rulemaking and alternative dispute resolution; duties of the executive director; authority to manage the Aerospace and Aviation Office and Office of Small Business Assistance and to designate the Small Business Advocate and coordinate the Office of Small Business Assistance Advisory Task Force; direction for audit; review of bonds; direction for personnel; direction for public interest information and complaints; general powers and duties of the office; general powers and duties relating to international trade; general provisions regarding business development including authority to administer the Texas Enterprise Fund; direction for business development permit assistance; direction for information and referral services; direction for tourism programs; direction for research and data services; direction for workforce development initiative for youth; direction and authority for administering Capital Access Program; and direction for defense community assistance.
Texas Government Code, Chapter 2303	Chapter 2303 establishes a process that identifies severely distressed areas of the state and provides incentives by state and local government to induce private investment in those areas by removing unnecessary governmental regulatory barriers to economic growth and to provide tax incentives and economic development program benefits, specifically the Enterprise Zone Program.

Citation / Title	Authority / Impact on Agency
Texas Government Code, Chapter 2310	Chapter 2310 relates to the designation of readjustment zones and provides authority to the Bank to administer the Defense Economic Readjustment Zone program.
Texas Government Code, Chapter 490C	Chapter 490C relates to the promotion of Texas manufactured products and the authority, powers, and duties relating to establishment of Genuine Texas Program including enforcement of the brand.
Texas Government Code, Chapter 1433	Chapter 1433 relates to bonds for development of employment, industrial, and health resources including regulations on powers of the issuer, procedure for issuing bonds, issuance of bonds; and agreements relating to bonds.

Table 27 Exhibit 14 Statutes

Attorney General Opinions

Attorney General Opinion No.	Impact on Agency
MW-277 (1980)	Provides information relating to the permissible types of interest rates for Industrial Revenue Bonds
LO-95-085 (1995)	Provides information relating to the definition of a "Qualified hotel project" in Chapter 2303 of the Texas Government Code's predecessor, V.T.C.S. Article 5190.7, which is similar to the definition of a "Qualified hotel project" in current Section 2303.003(8) of the Texas Government Code.

Table 28 Exhibit 14 Attorney General Opinions

B. Provide a summary of significant legislation regarding your agency by filling in the charts below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass but were significant, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation). Place an asterisk next to bills that could have a major impact on the agency.

**Trusted Programs, Office of the Governor
Exhibit 15: 87th Legislative Session**

Legislation Enacted

Bill Number	Author	Summary of Key Provisions
HB 3271	Ordaz Perez	Establishes a Micro-Business Recovery Fund
SB 678	Alvarado	Created a Small Business Disaster Recovery Loan Program
SB 1465	Hinojosa	Created a Texas Small and Rural Community Success Fund (successor to TLF). Includes Micro-Businesses Disaster Recovery Loan Guarantee Program.
SB 1265	Birdwell	Made the National Hot Rod Association Fall Nationals at the Texas Motorplex eligible for funding under the Major Events Reimbursement Program.
SB 1155	Nelson	Made the Texas Grand Prix race eligible for funding under the Major Events Reimbursement Program.
HB 1472	Bucy	Made the Concacaf Gold Cup eligible for funding under the Major Events Reimbursement Program.

Table 29 Exhibit 15 Legislation Enacted 87th Leg**Legislation Not Passed**

Bill Number	Author	Summary of Key Provisions / Reason Bill Did Not Pass
HB 4242	Meyer	Extends the expiration of certain parts of the Texas Economic Development Act (Chapter 313). Chapter 313 agreements are an economic development tool. The agreements are between a qualifying public school district and a taxpayer. The appraised value of a certain qualified property is limited for public school district maintenance and operations property taxes in exchange for a qualifying investment that produces a minimum number of new jobs in the district. The Chapter 313 provision will expire at the end of 2022.

Table 30 Exhibit 15 Legislation Not Passed 87th Leg

IX. Major Issues

Capital Access Program

A. Brief Description of Issue

The Economic Development Bank is responsible for administering the Capital Access Program (CAP), but the statute gives the Bank minimal power of discretion regarding loans made.

According to Sec. 481.407, “the bank may not determine the recipient, amount, or interest rate of a capital access loan or the fees or other requirements related to the loan.” Because EDT may not conduct its own due diligence on borrowers or reject a borrower, there is a higher risk to the state funds that EDT contributes to the CAP loan loss reserve accounts. Additionally, not being able to provide input regarding the loan term keeps EDT from ensuring the lenders do not participate in unreasonable lending practices.

The Bank could have more input regarding the lending practices and the creditworthiness of borrowers to better conserve state funds and lower risks.

B. Discussion

The Bank approves lenders who may participate in CAP, and the lender has the discretion to determine the terms of loans and approve borrowers; however, the Bank lacks control over the lenders’ operations and several loans made by the lenders have defaulted. Loans have defaulted for several reasons, but primarily because the lender has not conducted sufficient due diligence on the borrower or has set unreasonable expectations in the loan’s terms. CAP is intended to provide small, low-interest loans to small businesses, but some lenders have set interest rates at levels that may possibly approach predatory lending.

Additionally, lenders have accepted insufficient collateral to secure the loans. The collateral is often not worth the cost of the loan or cannot reasonably be resold to recuperate funds.

These practices not only result in the potential inefficient use of state funds but also make the program less effective. Therefore, the small businesses the CAP program was created to help are not receiving the intended assistance. The Bank and EDT have encouraged the borrowers to follow better practices, but the result has been program inactivity.

C. Possible Solutions and Impact

A possible solution is an overhaul of the establishing legislation. Amended legislation could give the Bank and EDT the ability to set restrictions on loan terms and conduct its own due diligence on applications. The Bank could also be given the discretion to reject an applicant from participating in the program.

The change would allow the Bank to better protect state funds, and a more efficient program would be more beneficial to the small businesses it was created to assist.

Texas Leverage Fund

A. Brief Description of Issue

In 1997, with the abolishment of the Texas Department of Commerce and the transfer of the Texas Leverage Fund program to the former Texas Department of Economic Development, SB 932, 75th Legislature, repealed the original sections of the Government Code under which the program was initially created (Tex. Gov't Code §§ 481.048-.058). Sec. 489.108(2) states that the TLF is under the direction of the Bank. However, there is no longer additional enabling legislation relating to the Bank's performance of specific functions to operate the TLF.

The current Master Resolution is set to expire on August 31, 2022. The terms of several active loans under the program have a maturity date past this current expiration date. The current ability for amending the TLF Master Resolution is unclear. Furthermore, as originally established, the program held program funds outside of the Treasury. Section 2.04 of SB 275, 85th Legislature, required unexpended/unobligated funds from the TLF to be transferred inside the Treasury. There was some question as to whether the TLF program's repayment of commercial paper debt from its general revenue dedicated account could occur without voter approval and TLF became inactive. The last TLF loan issued was in January 2015.

B. Discussion

Currently, EDT has paid off all commercial paper and is not accepting new loan applications. TLF is used to help fund local economic development projects by allowing Economic Development Corporations (EDCs) to leverage their economic development sales tax. Communities most often participating in the program are small and rural communities that may not be able to make an initial capital investment but can make guaranteed loan payments over time by pledging proceeds from Type A or Type B taxes.

EDT has suggested that the Legislature re-establishing the original enabling legislation could allow for the program's continued operation. HB 3772, 85th Legislature, and SB 132/HB 31, 86th Legislature were filed to re-establish TLF, but the bills did not pass. As of the 87th (R) Legislative Session, SB 1465 created a Texas small and rural community success fund program, which is similar to the Texas Leverage Fund program.

C. Possible Solutions and Impact

Passing legislation to re-establish TLF, or create a program with a similar purpose to TLF, could allow EDCs to receive low-interest loans from the State for local economic development projects. This legislative change will primarily benefit the small and rural communities which have historically participated in the program. The fund currently resides in a general revenue fund, and it is suggested that the fund should instead operate outside the Treasury. There would be a one-time impact to general revenue by transferring the existing fund outside of the Treasury. Also, the interest on the fund is contributed to general revenue. Currently, the fund is almost depleted upon the recent repayment of outstanding commercial paper and therefore has a minimal fiscal impact. As of the 87th (R) Legislative Session, SB 1465 created a Texas small and rural community success fund program, which is similar to the Texas Leverage Fund program.

X. Other Contacts

A. Fill in the following charts with updated information on people with an interest in your agency, and be sure to include the most recent email address.

Trusteed Programs, Office of the Governor Exhibit 16: Contacts

Interest Groups

(groups affected by agency actions or that represent others served by or affected by agency actions)

Group or Association Name/ Contact Person	Address	Telephone	Email Address
American Electric Power / Dale Fowler	400 West 15th St., Ste. 1500, Austin, Texas 78701	(361) 894-5174	ddfowler@aep.com
Texas Economic Development Corporation (TxEDC)/ Robert Allen	PO Box 684702, Austin, TX 78768	512-981-6736	rtbeRo@businessintexas.com
Temple EDC / Adrian Cannady	201 Santa Fe Way, Ste. 103, Temple, Texas 76501	(361) 550-8621	acannady@choosetemple.com
Union Pacific Rail / Eric Watkins	24125 Aldine Westfield Rd., Spring Texas 77373	(281)350-7177	eowatkins@up.com
Entergy Texas, Inc. / John Tarver	10055 Grogans Mill Rd., The Woodlands, Texas 77380	(936) 537-5628	jtarver@entergy.com
The Borderplex Alliance / Marcos Delgado	123 W Mills Ave, El Paso, TX 79901	(915) 298-1000	mdelgado@borderplexalliance.org
Greater Austin Chamber of Commerce / Charisse Bodisch	535 E 5th St, Austin, TX 78701	(512) 322-5608	cbodisch@austinchamber.com
greater:SATX Regional Economic Partnership / Jenna Saucedo Herrera	112 E Pecan St #2635, San Antonio, TX 78205	210-802-4856	jsaucedo- herrera@sanantonioedf.com
Texas Forest Country Partnership / Nancy Windham	300 E Shepherd Ave, Lufkin, TX 75901	(214) 213-0281	nwindham@texasforestcountry.com
High Ground of Texas / Kasey Coker	120 Main Street Sudan, TX 79371	(806) 291-3211	kasey.coker@highground.org
Amarillo Economic Development Corporation / Kevin Carter	801 S Fillmore St, Amarillo, TX 79101	(806) 379-6411	kevin@amarilloedc.com
Texas Economic Development Council / Carlton Schwab	1601 Rio Grande St., Ste. 455, Austin, Texas 78701	(512)480-8432	carlton@texasedc.org

Group or Association Name/ Contact Person	Address	Telephone	Email Address
BNSF Rail Road /Janet Black	2650 Lou Menk Drive, Fl. 2, Fort Worth, TX. 76131	(817) 867-6526	janet.black@bnsf.com
Dallas Regional Chamber / Mike Rosa	500 N. Akard Street, Dallas, TX 75201	(214) 746-6735	mrosa@dallaschamber.org
Greater Houston Partnership / Susan Davenport	701 Avenida De Las Americas #900, Houston, TX 77010	(713) 844-3612	sdavenport@houston.org
Precision Task Group / Massey Villarreal	9801 Westheimer Rd., #803, Houston, Texas 77042	(713) 201-8879	massey@ptg.com
Texas Hotel & Lodging Association / Scott Joslove	1701 West Ave., Austin, Texas 78701	(512) 474-2996	sjoslove@texaslodging.com
Texas Travel Association / Erika Boyd	1705 South Capitol of Texas Highway, Suite 160 Austin, Texas 78746	(512) 328-8842	eboyd@ttia.org

Table 31 Exhibit 16 Interest Groups***Interagency, State, or National Associations****(that serve as an information clearinghouse or regularly interact with your agency)*

Group or Association Name/ Contact Person	Address	Telephone	Email Address
Texas Healthcare & Bioscience Institute / Tom Kowalski	815 Brazos Street, Ste. 310, Austin, Texas 78701	(512) 708-8424	thbiinfo@thbi.com
Texas Association of Business / Glenn Hamer	312 W. 12th St., Ste. 200 Austin, Texas 78701	(512) 477-6721	ghamer@txbiz.org
Texas Defense Aerospace and Aviation Alliance/Joe Ahn (Chair) Part of TAM			Joseph.Ahn@ngc.com
Texas Rural Funders Collaborative / Rick Rhodes	1303 San Antonio St., Austin, Texas 78701	(512) 656-3981	rickrho3@gmail.com
Texas Oil & Gas Association / Todd Staples	304 W. 13th St., Austin, Texas 78701	(512) 478-6631	dts@txoga.org
Independent Bankers Association of Texas / Stephen Scurlock	1700 Rio Grande St., Ste. 100, Austin, Texas 78701	(512) 474-6889	ssurlock@ibat.org
Texas Association of Manufacturers / Tony Bennett	401 W. 15th St., Austin, Texas 78711	(512) 236-1464	Tony.bennett@manufacturetexas.org
Procurement Technical Assistance Center / Tim Scarborough	2302 Fannin, Ste. 200, Houston, Texas 77002	(713) 752-8402	tdscarborough@uh.edu

Group or Association Name/ Contact Person	Address	Telephone	Email Address
SCORE / Sue Phalen	8701 S. Gessner, #1200, Houston, Texas 77074	(713) 773-6565	sue.phalen@scorevolunteer.org
Business & Community Lenders (BCL) of Texas/ Rosa Rios Valdez	1011 San Jacinto Blvd Suite 500, Austin, Texas 78701	(512) 912-9884	rriosval@bcloftexas.org
Veterans Business Outreach Center / Juan Santos	1407 E. Freddy Gonzalez Dr., Edinburg, Texas 78539	(956) 665-7554	juan.santosflores01@utrgv.edu
U.S. Commercial Service / Karen Parker	221 E. 11th Street, Ste. 400, Austin, TX. 78701	(512) 916-5939	karen.parker@trade.gov
U.S. Small Business Administration International Trade / Alale Allal	1919 Smith Street, Ste. 10087, Houston, Texas 77002	(202) 412-4657	alale.allal@sba.gov
U.S. Small Business Administration / Anthony Ruiz	Hipolito F. Garcia Federal Building and United States Courthouse, 615 E Houston St., #298, San Antonio, TX 78205	(210) 403-5904	anthony.ruiz@sba.gov
U.S. Travel Association/ Nan Marchand Beauvois	1100 New York Ave. NW, Suite 450, Washington, D.C. 20005	(202) 408-8422	NBeauvois@ustravel.org

Table 32 Exhibit 16 Interagency, State, and National Association

Liaisons at Other State Agencies

(with which your agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office)

Agency Name / Relationship / Contact Person	Address	Telephone	Email Address
Texas Water Development Board /Bryan McMath	1700 Congress Ave., Austin, Texas 78701	(512) 463-1711	bryan.mcmath@twdb.texas.gov
Texas Workforce Commission / Mary York	101 E. 15th St., Austin, Texas 78701	(512) 348-2377	Mary.york@twc.state.tx.us
Texas Workforce Commission / Aaron Demerson	101 E. 15th St., Austin, Texas 78701	(512) 463-1986	aaron.demerson@twc.state.tx.us
Texas Comptroller of Public Accounts / Robert Wood	111 E. 17th St., Austin, Texas 78701	(512) 463-3973	robert.wood@cpa.state.tx.us
Texas Department of Agriculture / Karen Reichek	1700 Congress Ave # 11, Austin, TX 78701	(512) 936-2450	karen.reichek@texasagriculture.gov
Texas Commission on Environmental Quality / Sam Short	12100 Park 35 Circle, Austin, Texas 78753	(512) 239-5363	samuel.short@tceq.texas.gov

Agency Name / Relationship / Contact Person	Address	Telephone	Email Address
Texas Comptroller of Public Accounts / John Villarreal	111 E. 17th St., Austin, Texas 78701	(512) 463-5241	john.villarreal@cpa.state.tx.us
Texas Department of Transportation / Tonia Norman	125 E. 11th St., Austin, Texas 78701	(512) 463-8649	tonia.norman@txdot.gov
Texas Department of Insurance / Barb Fox	333 Guadalupe St., Austin, Texas 78701	(512) 804-4648	barb.fox@tdi.texas.gov
Texas Veterans Commission / Anna Baker	1700 North Congress Ave., Ste. 800, Austin, Texas 78701	(512) 605-8861	anna.baker@tvc.texas.gov
Texas Commission on the Arts / MOU / Gary Gibbs	920 Colorado, Ste. 501, Austin, Texas 78701	(512) 463-5535	ggibbs@arts.texas.gov
Texas Historical Commission / MOU / Mark Wolfe	1511 Colorado St., Austin, Texas 78701	(512) 463-6100	mark.wolfe@thc.texas.gov
Texas Parks and Wildlife / MOU/ Carter Smith	4200 Smith School Rd., Austin, Texas 78744	(512) 389-4800	carter.smith@tpwd.texas.gov
Texas Department of Transportation/MOU/ Joan Henderson	125 East 11th St. Austin, Texas 78701	(512) 486-5901	joan.henderson@txdot.gov
Legislative Budget Board/Analyst/Harrison Gregg	1501 North Congress, 5 th Floor Austin, TX 78701	(512)463-1840	harrison.gregg@lbb.texas.gov

Table 33 Exhibit 16 Liaisons at Other State Agencies

XI. Additional Information

A. Texas Government Code, Section 325.0075 requires agencies under review to submit a report about their reporting requirements to Sunset with the same due date as the SER. Include a list of each agency-specific report that the agency is required by statute to prepare and an evaluation of the need for each report based on whether factors or conditions have changed since the statutory requirement was put in place. Please do not include general reporting requirements applicable to all agencies, reports that have an expiration date, routine notifications or notices, posting requirements, federally mandated reports, or reports required by G.A.A. rider. If the list is longer than one page, please include it as an attachment. See Exhibit 17 Example.

Trusted Programs, Office of the Governor
Exhibit 17: Evaluation of Agency Reporting Requirements

Report Title	Legal Authority	Due Date and Frequency	Recipient	Description	Is the Report Still Needed? Why?
Strategic Tourism Plan	Government Code 481.172 (a)(8)	September 1/Annually	No recipient specified	A report of collaboration with other state agencies to direct the efforts of those agencies in all matters relating to Tourism, prevent duplication, and increase cooperation.	Yes, statutory requirement
Aerospace and Aviation Office Report	Government Code 481.0066 (d-2)	December 1/ Every Even Year	Legislature and Governor		Yes, statutory requirement
Defense Economic Readjustment Zone Report	Government Code 2310.052	December 1/Annually	Governor, Legislature and Legislative Budget Board	A report evaluating readjustment zones.	No, since the program is inactive and no entity has the ability to apply
Texas Economic Development Bank Annual Report	Government Code 489.107 & Government Code 2303.052 Enterprise Zone	January 1/Annually	Legislature	A report on the activities of the Bank and the Enterprise Zone program.	Yes, statutory requirement

Report Title	Legal Authority	Due Date and Frequency	Recipient	Description	Is the Report Still Needed? Why?
Capital Access Program Status Report	Government Code 481.412(a)	No date specified / Annually	Legislature	A status report on the Capital Access program activities.	No, information is included in the Texas Economic Development Bank Annual Report.
Texas Enterprise Fund Report	Government Code 481.079	Before the beginning of each regular Session/Every odd-numbered year	Lieutenant Governor, Speaker of the House, and each member of the Legislature.	A report on grants made from the Texas Enterprise Fund program.	Yes, statutory requirement
Personnel Report	Government Code 481.010(h)	Biennially	Legislature	A report relating to a policy statement relating to certain personnel matters	No, information is included in general OOG reporting. ED

Table 34 Exhibit 17 Agency Reporting Requirements

B. Does the agency's statute use "person-first respectful language" as required by Texas Government Code, Section 325.0123? Please explain and include any statutory provisions that prohibit these changes.

Yes, person-first respectful language is used in Chapter 481, Texas Economic and Development Office; Chapter 489, Texas Economic Development Bank; Chapter 2303, Enterprise Zones; and Chapter 2310, Defense Economic Readjustment Zone.

C. Please describe how your agency receives and investigates complaints about the agency and its operations.

Complaints made against the Office of the Governor may be received through different means, including: the Texas Workforce Commission Civil Rights Division; the Equal Employment Opportunity Commission San Antonio Field Office, the State Auditor's Office Website for Fraud Waste and Abuse, or via phone, electronic mail, mail, or face-to-face contact with a representative of the agency. Once a complaint is received by one of the means listed above, the complaint is reviewed and investigated by a designated agency official.

Fill in the following chart detailing information on complaints received about your agency and its operations. Do not include complaints received about people or entities you regulate.

Office of the Governor
Exhibit 18: Complaints Against the Agency — Fiscal Years 2019 and 2020

	Fiscal Year 2019	Fiscal Year 2020
Number of complaints received	0	0
Number of complaints resolved	0	0
Number of complaints dropped / found to be without merit	0	0
Number of complaints pending from prior years	0	0
Average time period for resolution of a complaint	N/A	N/A

Table 35 Exhibit 18 Complaints Against the Agency

D. Fill in the following charts detailing your agency's Historically Underutilized Business (HUB) purchases. See Exhibit 19 Example. Sunset is required by law to review and report this information to the Legislature.

Trusted Programs, Office of the Governor
Exhibit 19: Purchases from HUBs

Fiscal Year 2018

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Specific Goal*	Statewide Goal
Heavy Construction	\$0.00	\$0.00	0.00%	11.2%	11.2%
Building Construction	\$0.00	\$0.00	0.00%	21.1%	21.1%
Special Trade	\$2,951	\$0.00	0.00%	32.9%	32.9%
Professional Services	\$0.00	\$0.00	0.00%	23.7%	23.7%
Other Services	\$20,838,913	\$1,064,937	5.11%	26.0%	26.0%
Commodities	\$176,586	\$13,795	7.81%	21.1%	21.1%
TOTAL	\$21,018,451	\$1,078,733	5.13%		

Table 36 Exhibit 19 HUB Purchases for FY 2018

Fiscal Year 2019

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Specific Goal	Statewide Goal
Heavy Construction	\$0.00	\$0.00	0.00%	11.2%	11.2%
Building Construction	\$0.00	\$0.00	0.00%	21.1%	21.1%
Special Trade	\$4,426	\$0.00	0.00%	32.9%	32.9%
Professional Services	19,500	\$0.00	0.00%	23.7%	23.7%
Other Services	\$18,611,859	\$541,386	2.91%	26.0%	26.0%
Commodities	\$125,341	\$16,951	13.52%	21.1%	21.1%
TOTAL	\$18,761,127	\$558,337	2.98%		

Table 37 Exhibit 19 HUB Purchases for FY 2019

Fiscal Year 2020

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Specific Goal	Statewide Goal
Heavy Construction	\$0.00	\$0.00	0.00%	11.2%	11.2%
Building Construction	\$0.00	\$0.00	0.00%	21.1%	21.1%
Special Trade	\$6,252	\$0.00	0.00%	32.9%	32.9%
Professional Services	\$0.00	\$0.00	0.00%	23.7%	23.7%
Other Services	\$24,748,839	\$396,171	1.60%	26.0%	26.0%
Commodities	\$380,419	\$227,426	59.78%	21.1%	21.1%
TOTAL	\$25,135,510	\$623,598	2.48%		

Table 38 Exhibit 19 HUB Purchases for FY 2020

E. Does your agency have a HUB policy? How does your agency address performance shortfalls related to the policy? (Texas Government Code, Section 2161.003; TAC Title 34, Part 1, Rule 20.286c)

The Office of the Governor, Trusteed Programs, is committed to meeting the statewide goals for each of the categories. Demonstrative of this commitment, the Office utilizes the Centralized Master Bidder List (CMBL), and includes every registered HUB on the CMBL in its solicitation process for every procurement \$5,000 or above. In addition, the OOG supplements the CMBL with additional, known HUBs in an effort to solicit bids from those businesses.

F. For agencies with contracts valued at \$100,000 or more: Does your agency follow a HUB subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more? (Texas Government Code, Section 2161.252; TAC Title 34, Part 1, Rule 20.285)

Yes, for all Requests for Proposals, our Office requires that prospective vendors submit a HUB Subcontracting Report as part of their proposal. We encourage our vendors to demonstrate a *Good Faith Effort* to complete the HUB Subcontracting Plan.

G. For agencies with biennial appropriations exceeding \$10 million, answer the following HUB questions.

- 1. Do you have a HUB coordinator? If yes, provide name and contact information. (Texas Government Code, Section 2161.062; TAC Title 34, Part 1, Rule 20.296)**

Theresa Boland
(512) 936-0166
Theresa.Boland@gov.texas.gov

- 2. Has your agency designed a program of HUB forums in which businesses are invited to deliver presentations that demonstrate their capability to do business with your**

agency? (Texas Government Code, Section 2161.066; TAC Title 34, Part 1, Rule 20.297)

The Office of Small Business Assistance hosts approximately 15 Forums and Workshops throughout the state each fiscal year, either virtually or in person. At each of these events, we conduct a HUB/DBE panel discussion, not only to encourage HUB participation in state procurement, but also to exhibit some of the tools and resources that our Office provides to HUB vendors.

3. Has your agency developed a mentor-protégé program to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the state or to receive subcontracts under a state contract? (Texas Government Code, Section 2161.065; TAC Title 34, Part 1, Rule 20.298)

Not at this time

H. Fill in the charts below detailing your agency's Equal Employment Opportunity (EEO) statistics. See Exhibit 20 Example. Sunset is required by law to review and report this information to the Legislature. Please use only the categories provided below. For example, some agencies use the classification "paraprofessionals," which is not tracked by the state civilian workforce. Please reclassify all employees within the appropriate categories below.

**Office of the Governor
Exhibit 20: Equal Employment Opportunity Statistics**

1. Officials / Administration

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2018	35	0.0%	8.1%	11.4%	22.4%	45.7%	38.8%
2019	35	0.0%	8.1%	5.7%	22.4%	51.4%	38.8%
2020	34	0.0%	8.1%	8.8%	22.4%	55.9%	38.8%

Table 39 Exhibit 20 EEO Statistics for Officials/Administration

2. Professional

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2018	8	0.0%	10.9%	0.0%	20.3%	25.0%	54.5%
2019	209	8.1%	10.9%	25.4%	20.3%	62.7%	54.5%
2020	213	7.5%	10.9%	24.9%	20.3%	33.3%	54.5%

Table 40 Exhibit 20 EEO Statistics for Professionals

3. Technical

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2018	3	0.0%	14.4%	0.0%	29.2%	66.7%	55.2%
2019	7	0.0%	14.4%	0.0%	29.2%	42.9%	55.2%
2020	7	0.0%	14.4%	0.0%	29.2%	42.9%	55.2%

Table 41 Exhibit 20 EEO Statistics for Technical

4. Administrative Support

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2018	213	8.5%	14.3%	23.5%	36.4%	63.8%	71.6%
2019	10	0.0%	14.3%	30.0%	36.4%	90.0%	71.6%
2020	14	0.0%	14.3%	35.7%	36.4%	78.6%	71.6%

Table 42 Exhibit 20 EEO Statistics for Administrative Support

5. Service / Maintenance

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2018	6	0.0%	13.2%	50.0%	52.4%	50.0%	52.0%
2019	6	16.7%	13.2%	66.7%	52.4%	66.7%	52.0%
2020	6	16.7%	13.2%	66.7%	52.4%	66.7%	52.0%

Table 43 Exhibit 20 EEO Statistics for Service and Maintenance

6. Skilled Craft

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2018	0	N/A	10.2%	N/A	51.5%	N/A	12.0%
2019	0	N/A	10.2%	N/A	51.5%	N/A	12.0%
2020	0	N/A	10.2%	N/A	51.5%	N/A	12.0%

Table 44 Exhibit 20 EEO Statistics for Skilled Craft

I. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?

Yes, the Office of the Governor has an equal employment opportunity policy. The Office of the Governor is committed to having a workforce that represents Texas' diversity through adherence

to, and a universal application of, equal employment opportunity law and related policies, both in spirit and intent. We review our workforce statistics biennially and compare them to the statewide workforce. This information is used to update our diversity and recruiting plan, enabling the agency to reach out to under-represented communities both internally and externally.

XII. Agency Comments

Provide any additional information needed to gain a preliminary understanding of your agency.

In addition to the programs listed in the Self-Evaluation Report, the Texas Economic Development Bank also administers the Governor's University Research Initiative (GURI), and the Event Trust Fund] Programs. In addition to the programs listed in the Self-Evaluation Report, EDT also administers the Governor's Broadband Development Council and the Economic Incentives Oversight Board. These programs are not subject to this Sunset Review.

ATTACHMENTS

Create a separate file and label each attachment (e.g., Attachment 2_Annual Reports) and include a list of items submitted. Attachments may be provided in electronic form or through links to agency webpages.

Attachments Relating to Key Functions, Powers, and Duties

1. If the agency publishes a version of its enabling statute and/or rules, please include an electronic copy. N/A
2. Annual reports published by the agency from FY 2018–20.
 - Attachment 2_Annual Reports_Bank FY 2018
 - Attachment 2_Annual Reports_Bank FY 2020
 - Attachment 2_Annual Reports_DERZ FY 2018
 - Attachment 2_Annual Reports_DERZ FY 2020
 - Attachment 2_Annual Reports_Office of Aerospace and Aviation 2018
 - Attachment 2_Annual Reports_Office of Aerospace and Aviation 2020
 - Attachment 2_Annual Reports_Small Business Advisory Task Force 2019
 - Attachment 2_Annual Reports_Small Business Advisory Task Force 2021
 - Attachment 2_Annual Reports_Strategic Tourism Plan FY 2018
 - Attachment 2_Annual Reports_Strategic Tourism Plan FY 2019
 - Attachment 2_Annual Reports_Strategic Tourism Plan FY 2020
 - Attachment 2_Annual Reports_TEF Legislative Report 2017
 - Attachment 2_Annual Reports_TEF Legislative Report 2019
 - Attachment 2_Annual Reports_TEF Legislative Report 2021
3. Internal or external newsletters published by the agency in FY 20.
 - Attachment 3_Aug-See our State Safely
 - Attachment 3_Dec-Add Some Texas Charm To Your Holiday Season
 - Attachment 3_Dec-Treat Yourself to a FREE Texas Travel Guide
 - Attachment 3_Feb-Texas Is Open All Year Round
 - Attachment 3_Jan-Find Yourself In Texas This Year
 - Attachment 3_Jul-Texas from Anywhere
 - Attachment 3_Jun - It's Time To Texas Again

- Attachment 3_Jun - Welcome (Back) To Texas
- Attachment 3_Mar - Book Your Trip to Texas
- Attachment 3_May - Get A Taste Of Texas At Your Doorstep
- Attachment 3_Nov - Make Memories In Texas
- Attachment 3_Oct- Choose Your Own Adventure In Texas
- Attachment 3_Sept - Discover Something New In Texas
- Attachment 3_Newsletter_BCD_April
- Attachment 3_Newsletter_BCD_August
- Attachment 3_Newsletter_BCD_December
- Attachment 3_Newsletter_BCD_July
- Attachment 3_Newsletter_BCD_June

4. List of studies that the agency is required to do by legislation or riders.

Government Code 481.0068 (14) requires the Office of Small Business Assistance to perform research, studies, and analysis of matters affecting the interests of small and historically underutilized businesses. In order to fulfil this requirement, the following studies were completed in FY 2017-2019:

- Study Entrepreneurial Ecosystems in Texas (2017)
- Survey of Texas Small Businesses Study Identifying the Barriers to Success (2017)
- Study Challenges and Opportunities of Developing Small Business in Rural Texas (2019)

5. List of legislative or interagency studies relating to the agency that are being performed during the current interim.

N/A

6. List of studies from other states, the federal government, or national groups/associations that relate to or affect the agency or agencies with similar duties or functions. Provide links if available.

EDT references and provides links to the following state, federal, or national studies on the website at gov.texas.gov/business/page/reports-and-publication:

- U.S. Small Business Administration Texas Small Business Profile: <https://cdn.advocacy.sba.gov/wp-content/uploads/2020/06/04144220/2020-Small-Business-Economic-Profile-TX.pdf>
- Texas Port Profiles (Texas Department of Transportation): <https://ftp.txdot.gov/pub/txdot-info/mrt/port-profiles.pdf>

- U.S. Energy Information Administration Texas State Energy Profile:
<https://www.eia.gov/state/?sid=TX>

7. If applicable, a list describing the type of personal information of license holders the agency publishes on its website. Please also explain if and how license holders can opt out of this publication.

N/A

Attachments Relating to Board and Commissions

8. Biographical information (e.g., education, employment, affiliations, and honors) or resumes of all boards and committees members.

- [Aerospace and Aviation Advisory Committee](#)
- [Product Development and Small Business Incubator Board](#)
- [Small Business Advisory Task Force](#)

9. Board training manuals and copies of any policies related to the board's duties and responsibilities.

- Attachment 9_PDSBI Board Member Training Information

10. Employee manuals and copies of any policies related to staff's duties and responsibilities.

N/A

11. Copies of any other significant policies adopted by the board.

- Attachment 11_PDSBI Bank and Board Credit Policy Updated 07072020LA

Attachments Relating to Funding

12. Agency's Legislative Appropriations Request for FY 2022–23.

- [FY2022-23 Legislative Appropriation Request](#)

13. Annual financial reports from FY 2018–20.

- [FY2018 Annual Financial Report](#)
- [FY2019 Annual Financial Report](#)
- [FY2020 Annual Financial Report](#)

14. Operating budgets from FY 2018–20.

- [FY2018 Operating Budget](#)

- [FY2020 Operating Budget](#)

15. If applicable, a list of all contracts above \$1 million. Please include a brief explanation of the contract, as well as the amount and term of the contract. Do not include purchase orders in this list.

- **Office of the Governor- Proof: Comprehensive Tourism Advertising and Marketing Services**

Amount: \$40,000,000

Term: September 1, 2019-August 31, 2020

Brief explanation: Contracted services to provide strategic tourism advertising and marketing services to promote travel to the State of Texas.

- **Office of the Governor – MMGY NJF: Tourism Public Relations and Marketing Services for the United States Service Region.**

Amount: \$1,400,000

Term: September 1, 2019-August 31, 2020

Brief explanation: Contracted services to provide a comprehensive and strategic tourism public relations and marketing campaign that fully integrates consumer and media activities, and that supports the OOG's travel trade activities in the United States.

- **Office of the Governor – Texas Workforce Commission Interagency Cooperation Agreement**

Amount: \$1,100,000

Term: January 1, 2020 – December 31, 2020

Brief explanation: The purpose of this Agreement is to provide training and information conveyance to any and all Texans who are interested in starting and/or expanding a small business; entrepreneurs and small businesses (including those run by veterans, minorities, and women) who desire information regarding available governmental services, workforce training programs, contracting opportunities, best practices and methodologies, and exporting of products and services; and any other areas relevant to small business inception and growth.

Attachments Relating to Organization

16. If applicable, a map to illustrate the regional boundaries, headquarters location, and field or regional office locations.

[EDT Regional Representative Offices & Contact Information](#)

17. Any flowcharts showing the operations of the agency, such as complaint resolution processes, disciplinary or enforcement procedures, etc.

N/A

18. If applicable, a list and brief explanation of all active memorandums of understanding and information sharing agreements the agency has entered into. Indicate whether these are required by statute, rule, or something else.
- **Travel Texas:** Memorandum of Understanding (MOU) with four state agencies (Texas Department of Transportation, Texas Parks and Wildlife, Texas Historical Commission, and the Texas Commission on the Arts) to identify partnerships and reduce areas of duplication. Required by September 1 of each year.
 - **International Trade:** Memorandum of Understanding (MOU) with the U.S. Commercial Service to promote Texas exports. The MOU enables the parties to pool resources to identify export-ready companies in Texas and provide them enhanced benefits such as client counseling and overseas market assistance.

Attachments Relating to Agency Performance Evaluation

19. Quarterly performance reports completed by the agency in FY 2019–20.

N/A

20. Performance reports presented to the agency's board of directors in FY 2018–20, if different from the reports in Attachment 16.

N/A

21. Performance reports submitted to the Legislative Budget Board from FY 2018–20.
- Attachment 21_FY 18 Objective Measure
 - Attachment 21_FY 18 Strategy Measure
 - Attachment 21_FY 19 Efficiency Output Measures
 - Attachment 21_FY 19 Outcomes Measures
 - Attachment 21_FY 20 Efficiency Output Measures
 - Attachment 21_FY 20 Outcomes Measures
22. Any recent studies on the agency or any of its functions conducted by outside management consultants or academic institutions.
- Attachment 22_Financial Audit_TLF 2017
 - Attachment 22_Financial Audit_PDSBI 2018
23. Agency's current internal audit plan.

Internal Audit

24. Agency's current strategic plan.

Not required, Texas Government Code, Chapter 2056.001

25. List of internal audit reports from FY 2016–20 completed by or in progress at the agency.

Internal Audit Annual Reports

26. List of State Auditor reports from FY 2016–20 that relate to the agency or any of its functions.

N/A

27. Any customer service surveys conducted by or for your agency in FY 2019–20.

N/A

28. Any reports created under Texas Government Code, Section 2110.007 regarding the usefulness and costs of the agency's advisory committees.

N/A

29. A description of the agency's review of existing rules as required by Texas Government Code, Section 2001.039, and for the last eight years, a brief description of the rules reviewed by date and the result the review.

- [Official posting for the quadrennial agency rules review of chapters 178, 188, and 198 \(pg. 2-3\)](#)
- [Agency Rules Review Chapters 178 and 198 \(page 2\)](#)
- [Agency Rules Review Chapter 188 \(page 20\)](#)