

TEXAS HISTORICAL COMMISSION

SUNSET STAFF REPORT

FEBRUARY 2006



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SUMMARY

Summary

The Sunset review of the Texas Historical Commission (THC) occurred at a time when the agency, in addition to its regulatory and stewardship duties, has increasingly focused on fostering economic development and tourism by assisting regional and local communities to develop preservation programs. THC's role as the leader of historic preservation efforts in Texas requires the agency to delicately balance its many statewide activities against the responsibility to foster preservation initiatives at the local level, to ensure THC meets its most important goals.

In approaching this review, Sunset staff focused on evaluating the effectiveness of the agency in balancing its many activities, all of which are important, and broad mission: to protect and preserve the State's historic resources for the use, education, enjoyment, and economic benefit of Texans. Sunset staff found that the breadth of agency activities can allow the agency – which operates with limited resources – to take on too many initiatives and become too involved in actually doing preservation services for communities instead of leading efforts to foster locally initiated preservation programs through training or information distribution. In addition to recognizing THC's need to evaluate and prioritize its many programs in relation to the agency's biggest goals, Sunset staff identified the following areas of concern.



THC's role as the leader of historic preservation efforts in Texas requires the agency to delicately balance its many activities.

- ◆ THC benefits from its relationship with Friends of the Texas Historical Commission (Friends), a nonprofit corporation created to assist the agency by funding projects. The agency and Friends share a broad goal – to further preservation in Texas. In accordance with this goal, both entities are involved in a wide range of initiatives, requiring close coordination and clear delineation of responsibilities to guard against potential conflicts of interest.
- ◆ The Official Texas Historical Marker program recognizes important historic resources across the state for tourism and educational purposes. However, the agency's administration of the program has lacked a statewide strategy, marking numerous historical resources without linking them to any overall themes.

A summary follows of the Sunset staff recommendations on the Texas Historical Commission, designed to address the above concerns.

Issues and Recommendations

Issue 1

THC Benefits From the Support of Its Associated Nonprofit Corporation, But Clarifying Each Entity's Role Would Help Guard Against Any Potential Conflicts of Interest.

Key Recommendations

- ◆ Require THC to adopt rules governing the relationship between the agency and any affiliated nonprofit organization.
- ◆ Prohibit the THC Executive Director from serving as a voting member on the board of any affiliated nonprofit organization.
- ◆ Clarify in statute what staff and financial support THC may provide for associated nonprofit organizations.
- ◆ Direct THC to establish a clear and open process to prioritize projects for financial assistance from Friends.

Issue 2

THC Lacks a Statewide Strategy for Recognizing Resources in the Historical Marker Program, Limiting the Program's Effectiveness as an Educational and Tourism Tool.

Key Recommendations

- ◆ Require THC to approach the marker program more strategically by awarding a more limited number of markers based on statewide themes and significance.
- ◆ Direct the agency to help build the capacity of County Historical Commissions to more effectively research and evaluate resources appropriate for official historical markers.
- ◆ Direct THC to establish an application fee for historical markers.

Issue 3

Texas Has a Continuing Need for the Texas Historical Commission.

Key Recommendations

- ◆ Continue the Texas Historical Commission for 12 years.
- ◆ Direct THC staff to evaluate and prioritize its many programs and initiatives, linking them back to the agency's most important goals.

Fiscal Implication Summary

None of the recommendations in this report would have a net fiscal impact to the State.

ISSUES

THC Benefits From the Support of Its Associated Nonprofit Corporation, But Clarifying Each Entity's Role Would Help Guard Against Any Potential Conflicts of Interest.

Summary

Key Recommendations

- ◆ Require THC to adopt rules governing the relationship between the agency and any affiliated nonprofit organization.
- ◆ Prohibit the THC Executive Director from serving as a voting member of the board of any affiliated nonprofit organization.
- ◆ Clarify in statute what staff and financial support THC may provide for associated nonprofit organizations.
- ◆ Direct THC to establish a clear and open process to prioritize projects for financial assistance from Friends.

Key Findings

- ◆ Partnerships between state agencies and associated nonprofit organizations can benefit the State.
- ◆ The agency's relationship with Friends of the Texas Historical Commission has effectively advanced historic preservation in Texas.
- ◆ Some THC staff are inappropriately involved in Friends fundraising initiatives.
- ◆ THC provides an inappropriate level of financial and staff support to run the Friends corporation.
- ◆ THC lacks clear guidelines for prioritizing projects most in need of Friends funding.

Conclusion

The Texas Historical Commission (THC) has partnered with an associated nonprofit corporation, Friends of the Texas Historical Commission, Inc. (Friends), to provide funding and support for preservation projects beyond the means of the agency's state and federal funding. While often beneficial, such relationships can also create risks and agencies should minimize these risks. Sunset staff found the partnership between THC and Friends has been successful for identifying and obtaining outside resources for important Texas preservation projects, but THC has not emphasized accepted best practice standards, which has created certain problems.

The Sunset review found that THC staff, including those with regulatory responsibilities, are inappropriately involved in fundraising on behalf of Friends, contrary to accepted best practices and creating potential conflicts of interest. The agency's current use of a THC staff person dedicated solely to fundraising activities needs clarification and boundaries to guide such activities. Finally, without a clear process to determine which agency projects should receive Friends funds, THC may not be maximizing the benefit of this support to meet the agency's most pressing needs.

Support

Partnerships between state agencies and associated nonprofit organizations can benefit the State.



Partnerships with nonprofits, while beneficial, also entail inherent risks.

- ◆ Relationships between state agencies and closely affiliated nonprofit corporations can be very beneficial to the State when both partners adhere to established best practices. Nonprofit entities can conduct business outside the restrictions placed on state funds and purchasing to act quickly and decisively on behalf of the agencies with which they are affiliated. Several state agencies, like the Texas Parks and Wildlife Department, have successful relationships with affiliated nonprofit corporations.

- ◆ Many individuals and corporations hesitate to donate funds to a public agency perceived as an arm of the government, but will donate to private organizations independent of political pressure. Such organizations can also assist state agencies with fundraising activities, which require expertise state agency staff may not possess. Fundraising comprises many different activities, which, when coordinated, yield the maximum benefit for the agency or nonprofit in question. The textbox, *Fundraising Activities*, provides further detail on the various activities involved.¹

Fundraising Activities

Fundraising activities include:

- ◆ identification of needs;
- ◆ identification of potential funding sources;
- ◆ solicitation and presentation;
- ◆ grant application;
- ◆ donor relations;
- ◆ stewardship;
- ◆ accounting and administration; and
- ◆ reporting.

- ◆ While, for the most part, state agencies have good relationships with their supporting nonprofit corporations, such partnerships also entail inherent risks. Because of the close relationships of affiliated nonprofits with various state agencies under Sunset review over the years, Sunset staff have developed standards of conduct and best practices for such organizations. The table on page 5, *Best Practices of Nonprofits with Close Relationships to State Agencies*, provides further detail on these guidelines for effectiveness, compiled through extensive research and analysis of nonprofit organizations related to governmental agencies. These best practices may not apply in every situation, but serve as a general guide to help agencies interact effectively and appropriately with associated nonprofit organizations.

The agency's relationship with Friends of the Texas Historical Commission has effectively advanced historic preservation in Texas.

- ◆ The Texas Historical Commission (THC) has developed a partnership with a private, nonprofit entity for accepting contributions of cash, property, and services. Friends of the Texas Historical Commission, Inc. (Friends), a 501(c)(3) nonprofit organization, was incorporated in

Best Practices of Nonprofits with Close Relationships to State Agencies

Statutory Authorization	Nonprofit organizations discussed in statute are accountable for public actions. Statutory provisions can specify the purposes of the organization, establish board composition, and require nonprofits to follow best practices.
Harmony of Mission	The mission of a closely related nonprofit corporation should be identical to that of the agency it supports.
Board Composition	Should represent diverse points of view. Appointments should be made by the Governor or the agency commission for set terms of office. Current state agency employees should be ineligible to serve as voting members.
Conflicts of Interest	Statute should clearly prohibit state employees from holding paid positions with agency-related nonprofits and receiving direct benefits from the nonprofits. Nonprofits may, however, reimburse state employees for legitimate expenses.
Public Input and Public Information	Closely related foundations that provide a public service and spend public funds should be accessible to members of the public under the terms of the Open Meetings Act, and their records should be accessible under the Public Information Act.
Asset Management and Investors	State funds held by foundations should be invested according to the State's Public Funds Investment Act. In most cases these provisions already apply to closely related foundations.
Expenditures	Retention of funds by nonprofit organizations should be limited to reasonable operating expenses or held in investments. All other funds should be spent to support agency-directed priorities. State employees should not be able to directly spend nonprofit funds – the nonprofit and its employees should control all nonprofit expenditures.
Sponsorships	When appropriate to the mission of a state agency, nonprofit organizations may solicit and accept corporate sponsorships. Nonprofits should establish selection criteria and guidelines when seeking corporate sponsorships and ensure that sponsorships serve the public interest.
Prohibition on Lobbying	Policies should ensure that state-derived funds cannot be used to influence legislative action either by nonprofit organizations or by others funded through grants by nonprofits.
Fundraising	Because of the high potential for conflicts of interest, state employees with regulatory responsibilities should not be involved in soliciting funds. Fundraising activities should be limited to nonprofit employees or specifically authorized state employees whose jobs do not include regulatory duties.
Salary Supplements	Statutes should prohibit a closely related foundation from providing any supplement, bonus, or benefit (such as scholarships) directly to a state employee. These benefits could be provided to agencies for their discretionary award.
Expiration Clause	Nonprofits should not be self-perpetuating, but should be periodically reviewed to assess whether the purpose for which the nonprofit was created still exists, the nonprofit continues to serve that purpose, and the nonprofit is still needed.

1996 to assist THC with raising funds for the recovery and preservation of the *Belle* shipwreck. Friends bylaws state that the organization shall operate exclusively for the support and benefit of the Texas Historical Commission.

Following the completion of the *Belle* excavation, Friends continues to provide financial support to supplement THC's legislative appropriations as needed, including funding special projects and providing additional funds for large agency initiatives. Since its inception, Friends has raised

\$6.3 million to support THC efforts, including total contributions of \$309,209 in fiscal year 2005. Friends provides significant support for the ongoing conservation of artifacts from the *Belle* as well as for other projects, as discussed in the textbox, *Friends Projects*.

Friends Projects

Friends solicits and provides funding for specific projects upon the agency's request. THC maintains an ongoing list of initiatives the various division directors consider important for Texas preservation efforts and in need of funding beyond what THC can provide.

Division directors work with the agency's development officer to identify potential funding sources, and the development officer prepares grant applications. When Friends receives the appropriate grant, the project or initiative receives funding. Friends pays all expenses directly, never transferring any money into THC accounts.

Recent projects supported by Friends include:

- ◆ special events celebrating the involvement of Texas in World War II;
- ◆ First Lady's tour of Texas Main Street cities;
- ◆ replacement of the boat used by the Texas State Marine Archeologist;
- ◆ Visionaries in Preservation Program; and
- ◆ survey of historic Texas cemeteries.



Since its inception in 1996, Friends has raised \$6.3 million to support THC efforts.

Friends is governed by a Board of 21 Trustees including the Executive Director of THC, who serves as a voting Trustee. The Texas Historical Commission appoints a simple majority of the Trustees, while the remainder are elected or appointed by the Friends Board of Trustees. The Board meets at least twice per year. Trustees make decisions on investment of Friends assets and assist with fundraising from foundations and other potential grant funding sources.

THC provides office and meeting space to Friends. Currently, Friends employs no staff. It formerly had an executive director who provided support to the Trustees, but THC and Friends have recently shifted to a new organizational structure in efforts to curb rising Friends administrative costs. Following the 2004 departure of the Friends executive director, THC hired a development officer in October 2005. This THC employee carries out many of the former Friends executive director's duties, while also working with THC staff to establish agency fundraising priorities.

Some THC staff are inappropriately involved in Friends fundraising initiatives.

- ◆ Some THC staff members, including those with regulatory responsibilities, regularly engage in fundraising and work closely with Friends. For example, the THC Executive Director serves as a voting Trustee on the Board of Friends, a position that includes fundraising responsibilities. As the head of an agency with regulatory functions and as the State Historic Preservation Officer for the purposes of federal

funding, the Executive Director also plays a key role in the regulation of historic preservation in Texas.

To avoid creating a potential conflict of interest, best practice standards provide that state employees should not serve as voting members of closely affiliated nonprofit boards of directors. Serving as a voting member of such a board places a state agency employee, who occupies a staff position at a state agency, in a role of decisionmaking and policymaking over a nonprofit that helps fund the agency.

Other key staff at THC have both regulatory and fundraising duties. For example, the THC archeology division director leads and supervises state and federal reviews of proposed construction projects, a regulatory function. Developers and others conducting federal construction must undergo a THC review to determine whether historic resources might be harmed by the development. However, the director must also obtain private and public grants to support special projects.

Private developers who wish to continue their projects without interruption might mistakenly believe that contributing funds to another THC initiative would ensure a favorable review outcome. According to accepted standards for closely affiliated nonprofit organizations, fundraising activities should generally be limited to nonprofit employees or specifically authorized state employees who have no regulatory responsibilities. This separation of duties prevents the appearance of a conflict of interest that could occur if regulated entities were approached by public employees seeking donations of cash or other resources.

- ◆ Some THC print and online publications include requests for financial support of Friends, further blurring the line between agency staff functions and Friends fundraising responsibilities. As an example, the agency's web page regarding Texas Archeology Awareness Month, an annual statewide effort to improve citizens' knowledge of and interest in archeology, includes a request that the public consider donating to Friends. Additionally, some issues of the agency's bimonthly newsletter, *The Medallion*, include donation envelopes to encourage readers to give to Friends.
- ◆ Since Friends operates solely to provide additional funding to accomplish THC's goals, close coordination between the two entities is needed. Interaction between THC staff and Friends is not inherently inappropriate, but THC has not established guidelines or rules defining appropriate conduct for staff regarding fundraising activities. Statute requires state agencies for which private organizations exist to adopt rules governing the relationship between the nonprofit and the agency and agency employees.² In the ten years since the incorporation of Friends, THC has not adopted any rules or guidelines to govern that relationship.



Fundraising by regulatory staff creates the potential for conflicts of interest.



Using agency publications to solicit funds for Friends is an inappropriate use of state resources.

THC indicates that it plans to adopt rules complying with this statutory requirement in early 2006. The agency uses contracts with Friends to lay out basic expectations of each party, but there is no contract currently in place. Prior contracts made available to Sunset staff cover the high-level relationship between the agency and Friends, but do not address THC staff conduct.³

THC provides an inappropriate level of financial and staff support to run the Friends corporation.



In 10 years, THC has never set any guidelines to define an appropriate relationship with Friends.

- ◆ Friends of the Texas Historical Commission, Inc., while closely affiliated with the Texas Historical Commission, is a private corporation. Attorney General opinions permit agencies to provide office space to organizations that serve a public purpose and provide a public benefit, and THC allows Friends to office in a public building accordingly.⁴ However, in addition to office space, THC also provides the Friends corporation with considerable financial and staff support.
- ◆ In 1998, Friends experienced some financial difficulty relating to its increasing administrative costs. Friends and THC entered into a contract in which Friends received \$50,000 for development services, enabling the nonprofit organization to use those funds to run its operations. Later, Friends paid for its own director by increasing the administrative assessment on incoming donations. Administrative costs continued to rise, however, and Friends had difficulty maintaining its business operations. In 2005, THC again provided \$50,000 to Friends, to hire an interim executive director. Friends eliminated this position in the fall of 2005, as the corporation continued to experience difficulty managing its assets in such a way as to yield sufficient funds to cover its operational and administrative costs.



In two separate cases, THC has provided Friends with \$50,000 to cover administrative costs.

- ◆ In October 2005, THC shifted operating functions away from Friends, hiring its own development officer, a full-time state employee with associated benefits, to fulfill many of the duties of the Friends executive director. The development officer performs all aspects of fundraising activities for the agency and Friends, from identification of funding needs to solicitation of funds and donor relations. The development officer's responsibilities include assisting THC staff with developing fundraising goals, objectives, and action plans; as well as providing support to Friends trustees, operating the Friends organization, and writing all grant applications for donations to Friends.

A development officer who can help THC identify and prioritize its outside fundraising needs, identify potential funding sources, and act as an informed liaison to Friends is a useful resource. The current position, however, places a state employee in the role of providing the sole staff support to the Board of Trustees of Friends and directly soliciting donations for Friends. Many donors do not wish to contribute to government agencies. However, designating a state employee as the

person primarily responsible for soliciting donations to Friends seemed inappropriate, in staff's judgment, and is not a common practice in state agencies.

- ◆ THC provides further administrative support to Friends by keeping Friends' financial records. An independent accountant conducts an annual financial report for Friends, but all other financial responsibilities, including day-to-day accounting, fall to THC's staff services division. Previously, Friends employees accounted for the corporation's funds, but after administrative expenses increased, and now that Friends no longer has any employees, THC has assumed that responsibility.
- ◆ In the current situation, the State, in the form of THC, is providing all administrative and staff support to run Friends, a private corporation. While the money Friends raises goes to support THC, the corporation's reliance on state support to cover all of its administrative costs is questionable.

THC lacks clear guidelines for prioritizing projects most in need of Friends funding.

- ◆ THC does not have a strategic process or clear guidelines in place to determine, on a regular basis, which projects should receive priority for Friends money. To date, Friends has helped THC to fund a wide variety of projects. These have ranged from major projects like the excavation and conservation of the *Belle* and its artifacts, to smaller agency initiatives like the Visionaries in Preservation program, in which THC staff help communities to develop preservation activities according to a "vision."
- ◆ Currently, to decide which projects Friends should support, THC's development officer meets with agency division directors to establish project funding priorities for each division. The development officer and agency executive staff then brief the THC Commission, though the Commission does not formally adopt priorities in an open meeting. The development officer then presents these priorities to the Friends Trustees, who begin the process of raising funds through appropriate grants or other foundation resources. This informal process does not allow the agency to strategically and clearly determine how Friends funding can be used to best meet agency needs.



*Friends employs
no staff, with
all staff support
provided by THC.*

Recommendations

Change in Statute

1.1 Require THC to adopt rules governing the relationship between the agency and any affiliated nonprofit organization.

This recommendation would ensure that THC defines the relationship between the agency and any affiliated nonprofit organization, eliminating any appearance of improper conduct or conflict of interest. Adoption of rules to govern its relationship with nonprofit organizations would ensure that THC receives any applicable public input through the open rulemaking process. To best define this partnership, these rules should take into account applicable accepted best practices and standards as referenced in this report, as well as ensure full THC compliance with Government Code sections requiring such rules to address agency staff roles in relation to the nonprofit organization and funds.⁵

At minimum, the rules should prohibit direct fundraising activities by agency staff with regulatory responsibilities, including the Executive Director. Agency staff, including those involved in regulatory activities, possess a high level of expertise and would not be prohibited from serving as resources during the fundraising process. Additionally, the rules should define the relationship between the THC and any nonprofit organization, including requirements of state employees and affiliated nonprofits. These changes would help ensure that the agency and the nonprofit understand the appropriate conduct for state employees regarding affiliated nonprofit organizations, which does not include soliciting funds in agency publications and fundraising by employees with regulatory responsibilities. This recommendation is not intended to prevent the Commission from exercising its statutory authority to accept gifts and grants.

1.2 Prohibit the THC Executive Director from serving as a voting member of the board of any affiliated nonprofit organization.

This recommendation would align THC's practices with accepted standards for the relationship between state agencies and closely associated nonprofit entities by statutorily prohibiting the Executive Director's participation as a voting member of an affiliated nonprofit board. Because the Executive Director will always inherently have regulatory duties as the head of the agency, the Executive Director should not vote on fundraising priorities at the supporting nonprofit corporation. This change would not prohibit the THC Executive Director from serving as an ex officio nonvoting member of such a board.

1.3 Clarify in statute what staff and financial support THC may provide for associated nonprofit organizations.

To clarify the distinct roles of the agency and any associated nonprofit corporation, under this recommendation, the statute should prohibit all THC employees from directly soliciting funds for a private corporation. Additionally, the agency should be prohibited from designating a THC staff member as the primary staff person or spokesperson for an associated nonprofit corporation. The statute should also prohibit THC from providing cash support to or paying the expenses of affiliated nonprofit organizations, through contracting or any other mechanism, but would not affect the agency's ability to provide office space, utilities, and similar limited support to any closely associated nonprofit, as permitted by Attorney General opinions. The statute should require THC to establish written guidelines to define any such limited support the agency provides to affiliated nonprofits. The guidelines should address administrative support, such as bookkeeping and accounting, as well as support for meetings of nonprofit organizations' boards of trustees.

This recommendation is intended to establish boundaries to govern the extent of THC's cash, fundraising, and in-kind support of affiliated nonprofits established to benefit the agency. The recommendation would not prohibit agency support for the nonprofit, but would ensure that THC provides limited support for any nonprofit, not the sole support.

THC could still designate one staff position, currently titled a development officer, to conduct certain agency fundraising activities and protect THC's interest in working with associated nonprofits. Such an employee would be the sole coordinator of fundraising at THC, responsible for certain aspects of fundraising, such as identifying the agency's fundraising needs, identifying potential sources of supplemental funds, and working with associated nonprofits as a liaison, including coordination and assistance duties. As stated above, the agency's fundraising employee would not be involved in any direct solicitation or donor relations on behalf of a nonprofit organizations; any associated nonprofit organization would be responsible for its own primary fundraising duties. As stated in Recommendation 1.1, other THC employees would not be directly involved in any fundraising activities other than in a resource capacity. Specifically, the Executive Director's role in fundraising should not include the direct solicitation of funds for any private nonprofit corporation.

Nonprofit organizations that operate solely to raise funds to support THC's efforts benefit the agency and share its primary goal: to further historic preservation in Texas. As such, close coordination between the agency and any associated nonprofit is necessary. This recommendation is not intended to completely sever the operations of the agency and any associated nonprofit, but rather to strictly define the level of services the State provides to a separate nonprofit corporation. If the two entities' missions align, then the State's interest is best served by providing assistance, expertise, and limited administrative support to an associated nonprofit. However, the State should not be put in a position of providing the only staff and sole support for a separate, private corporation, established to benefit the State.

Management Action

1.4 Direct THC to establish a clear and open process to prioritize projects for financial assistance from Friends.

THC, as an agency rather than on the division level, should create a process by which projects and initiatives are reviewed for prioritization for Friends funding. The agency should examine whether Friends funding would be most useful for supporting large projects aligning directly with the agency's goals and mission, or the extra resources of Friends might be better directed toward some of the agency's newer and less critical initiatives. With direction of Friends funding determined, THC should establish and implement a process to ensure that projects are examined consistently to determine their alignment with the agency's goals for Friends funding. The THC Commission, in an open meeting, should adopt the strategy for funding prioritization, including a process for interim approval of fundraising activities in unforeseen situations. This would introduce a strategic element into THC's use of Friends funding, allowing the agency to maximize the benefit of its supporting organization.

Fiscal Implication

These recommendations would not have a fiscal impact to the State. Associated nonprofit organizations that provide supplemental funding to THC by raising money for special projects are private entities. While any change to the funds of associated nonprofits could have a policy impact on the agency, no state funding would be affected. Adoption of rules and policies or guidelines by the Texas Historical Commission could be carried out in the course of regular Commission meetings, and would have no additional cost. Defining and limiting fundraising activities by agency staff may have an impact on agency effectiveness or efficiency if such employees redirect their efforts to spend more time on regular

duties, such as regulatory reviews, but no direct fiscal impact would result. Prohibiting THC from providing financial and full-time staff support to nonprofits would redirect staff time to other agency projects, which might create savings, but any such savings could not be calculated for purposes of this report.

¹ Association of Fundraising Professionals, adapted from Code of Ethical Principles and Standards of Professional Practice, www.afpnet.org/ka/ka-3.cfm?content_item_id=1068&folder_id=897. Accessed: January 2006.

² Texas Government Code, sec. 2255.001.

³ THC and Friends made two contracts between the entities available to Sunset staff, stating that no others existed. The first contract, effective on August 1, 1998, terminated July 31, 1999. The second contract, under which the agency continues to operate despite its expiration, became effective July 18, 2003 and terminated July 18, 2005.

⁴ Op. Tex. Att'y Gen. MW-373 (1981).

⁵ Texas Government Code, sec. 2255.001(b): Rules adopted under this section shall govern all aspects of conduct of the agency and its employees in the relationship, including: (1) administration and investment of funds received by the organization for the benefit of the agency; (2) use of an employee or property of the agency by the donor or organization; (3) service by an officer or employee of the agency as an officer or director of the donor or organizations; and (4) monetary enrichment of an officer or employee of the agency by the donor or organization.

THC Lacks a Statewide Strategy for Recognizing Resources in the Historical Marker Program, Limiting the Program's Effectiveness as an Educational and Tourism Tool.

Summary

Key Recommendations

- ◆ Require THC to approach the marker program more strategically by awarding a more limited number of markers based on statewide themes and significance.
- ◆ Direct the agency to help build the capacity of County Historical Commissions to more effectively research and evaluate resources appropriate for official historical markers.
- ◆ Direct THC to establish an application fee for historical markers.

Key Findings

- ◆ THC recognizes important historic resources with markers to educate people about Texas history and encourage tourism.
- ◆ While the program successfully identifies many historic resources, its lack of focus on the broader stories of statewide significance limits its effectiveness as an educational and tourism tool.
- ◆ Some County Historical Commissions lack the capacity to effectively research and evaluate historic resources appropriate for an official marker.
- ◆ THC charges a fee to pay for marker hardware, but does not assess an application fee to recover the agency's application review costs.

Conclusion

The Texas Historical Commission (THC) recognizes historically significant resources with Official Texas Historical Markers for educational and tourism purposes. Sunset staff evaluated the focus of the marker program and found that the agency has successfully identified many historic resources, but could benefit from taking a more strategic approach. The growing number of markers in the state – 13,000 – could eventually lessen each marker's individual significance. By relying almost exclusively on the public to identify important resources, the agency could be missing important aspects of Texas history. The review also found that some County Historical Commissions (CHCs) lack the capacity to effectively evaluate historic resources appropriate for an official marker. Finally, while THC charges for the marker hardware once approved, the agency does not charge a marker application fee.

Requiring THC to issue a more limited number of markers each year, based on statewide themes, would ensure that the agency takes a more strategic approach to awarding markers. Directing the agency to help build CHCs' capacities to better evaluate marker applications before they reach THC would strengthen CHCs and ensure THC receives complete applications. Finally, charging an application fee would help THC recover the costs tied to researching and approving the applications.

Support

THC recognizes important historic resources with markers to educate people about Texas history and encourage tourism.



- ◆ The Texas Historical Commission (THC) issues Official Texas Historical Markers to recognize historic resources significant because of their cultural, architectural, or archeological importance. Created in 1962 as a way to encourage heritage tourism, the marker program educates people about different aspects of Texas history and helps encourage interest in preserving history. More than forty years later, the State has recognized 13,000 resources of national, state, and local significance with official markers. Historical markers remain popular with the traveling public, with the marker section of THC's website receiving about 1,000 hits a day.
- ◆ By law, THC's role is to give direction and coordination to the marker program and install markers for resources of state or national significance. In addition, to ensure a degree of uniformity and quality, THC must also review and approve all markers originating from a county, county historical commission, city, individual, or organization in this state. THC recognizes all approved markers as Official Texas Historical Markers.
- ◆ Markers, which are metal plaques or signs, tell the stories and interpret the history of the important resources they recognize. THC has several marker types: interpretive subject markers that are solely educational in nature; markers for buildings and other historic structures that are 50 years old or older; and markers that recognize historic cemeteries. To date, THC has issued nearly 9,000 subject markers, about 3,000 building markers, and 681 cemetery markers.
- ◆ On occasion THC issues markers for resources the agency identifies, but the public initiates applications for the vast majority of markers. THC works with County Historical Commissions (CHCs) to accept, evaluate, and approve marker applications from individuals or groups who want to obtain markers. State law requires CHCs to review marker applications for accuracy, appropriateness, and completion, then forward them to THC for final review, approval, and marker installation.

A THC historian evaluates marker applications to determine if the subject, building, or cemetery meets standards for historical significance and merits a marker. THC generally considers a topic to have historical significance if it had influence, effect, or impact on the course of history or cultural development; age alone does not determine significance.

The flowchart, *Historical Marker Application Process*, shows how THC evaluates and approves markers. In fiscal year 2005, THC received 220 marker applications, and on average approves more than 200 new markers every year. THC does not charge an application fee, but does charge a fee for the marker itself, ranging from \$425 to \$1,250 per marker, depending on its type and size.

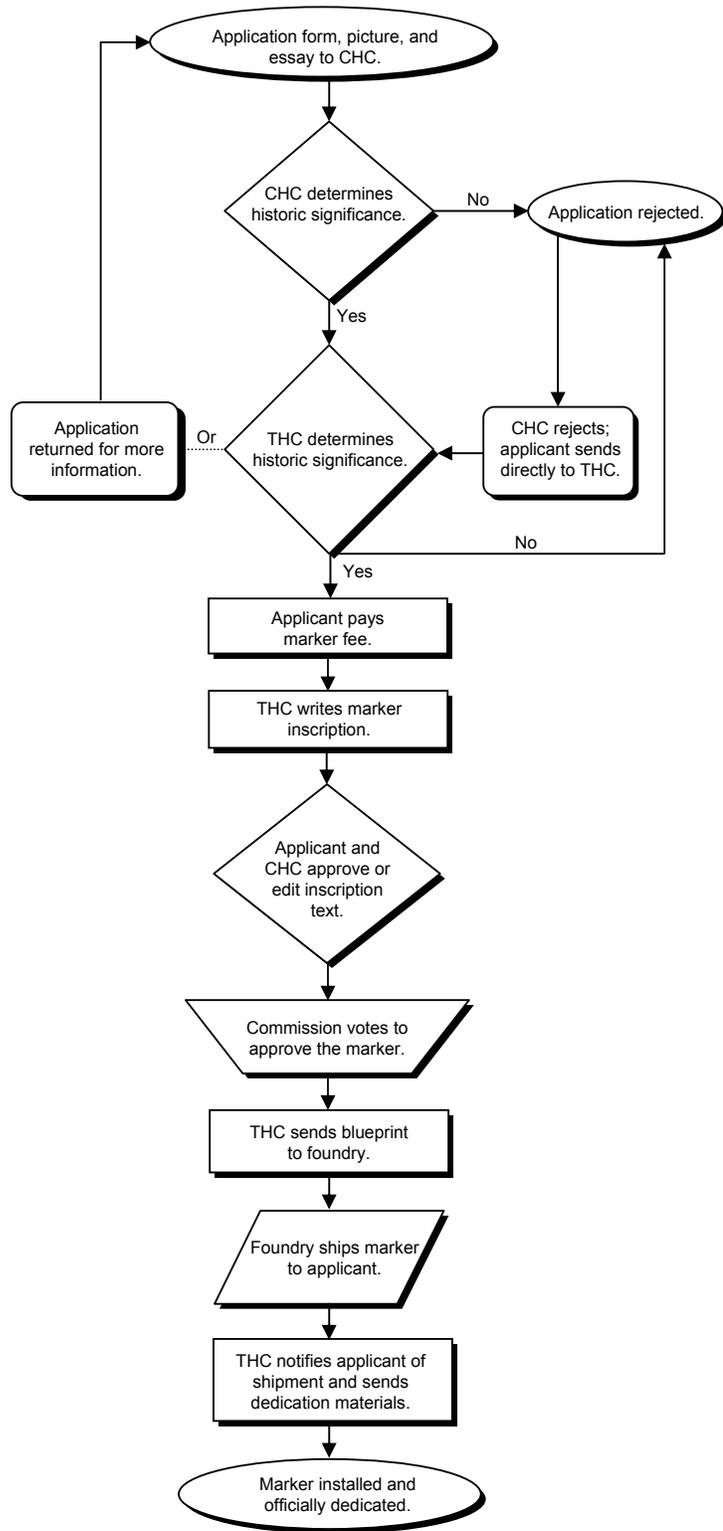
While the program successfully identifies many historic resources, its lack of focus on the broader stories of statewide significance limits its effectiveness as an educational and tourism tool.

- ◆ Sunset staff evaluated the various goals and themes of the program over the years against THC's role to provide direction to the marker program. Initially, the focus was to place markers along highways for tourism. Another goal was to reach a certain target number of markers, hitting 5,000 in 1969 and 10,000 in 1987, the 25th anniversary of the program.

Over the years, the program also developed as a popular vehicle for recording the "people's history" by relying on local citizens and historians to dig through attics, storerooms, and government records to find and tell their stories. While these are all valid goals, Sunset staff also identified concerns with other key components not addressed by the agency's current approach to the program.

- ◆ Currently, THC approves the majority of marker applications that it receives, as long as the applications meet the criteria for historical significance. THC does not evaluate applications on whether the proposed resource tells a story that fits into a broader theme or

Historical Marker Application Process





The marker program could be missing important statewide aspects of Texas history.

that has not been told before. Beyond increasing the number of markers in the state, over the years this practice has turned the markers into an expected commodity, instead of an award.

While increasing the number of markers was a key goal in the beginning, having such a large and ever growing number of markers across the state could eventually take away from their individual significance. With 13,000 markers, Texas has four times more markers than any other state. For example, the two states with next highest number of markers, New York and Georgia, have only 2,800 and 2,600 respectively.

- ◆ By relying almost exclusively on the public to identify resources of historical significance, the marker program could be missing important aspects of Texas history. By their very nature, applications sent in by the public involve a variety of individual topics, and most often deal with resources of local, rather than statewide, significance. By not identifying more resources from the state level, THC misses an opportunity to increase the effectiveness of the markers as a broader educational and tourism tool, to support the goals identified in its statewide plan, *Preserving Our Heritage*.

On occasion, THC has successfully used the marker program to help highlight certain stories of Texas history, but these efforts have generally been tied to special initiatives and are not built into the staff's ongoing process for selecting resources to mark. For example, the agency's initiative to commemorate Texans' involvement in World War II shows the potential of taking a statewide approach. THC's historians identified important World War II-related sites, people, and events around the state and, working with local communities, placed markers to recognize them. These markers tell the unique story of Texas' and Texans' involvement in the war, as well as creating tourist destinations with a specific focus. Other topics, such as Texas' involvement in the civil rights movement, could also benefit from markers that link various sites and events across the state into a themed story.



CHCs must research and evaluate the history of a resource before forwarding a marker application to THC.

Some County Historical Commissions lack the capacity to effectively research and evaluate historic resources appropriate for an official marker.

- ◆ State law requires County Historical Commissions to review and evaluate historical marker applications to ensure accuracy, appropriateness, and completeness. Therefore, to receive a marker recognizing a resource with national, state, or local significance, a citizen must submit an application to the local CHC. The CHC determines if the proposed resource is historically significant and signs off on the application before forwarding it to THC. To determine historical significance, the CHC must research and evaluate the documented narrative history of the resource provided by the applicant, as well as other required application components which include bibliographies, photographs, maps, and floor plans.

While some CHCs have the capacity to work with landowners to effectively research and document historical significance, many do not. Consequently, about 70 percent of the marker applications THC receives are incomplete. While some problems can be easily resolved, others require the agency to conduct additional research for the applicant and the CHC or to provide assistance to guide them through each step of the marker application process.

- ◆ In the past, THC trained CHCs specifically on how to research and evaluate a marker application. THC staff reports that, following this training, the quality of applications received by THC improved a great deal. Unfortunately, the agency did not sustain this training effort and returned to dealing with incomplete or inaccurate applications at the state level, instead of building the capacity of the CHCs to more appropriately develop applications at the local level.



*About 70 percent
of marker
applications
received are
incomplete.*

THC charges a fee to pay for marker hardware, but does not assess an application fee to recover the agency’s application review costs.

- ◆ State law authorizes THC to establish a reasonable fee to recover costs arising from evaluating marker applications. Currently, the agency does not charge an application fee, but only charges a fee to cover the cost of the marker itself, which is not assessed until the Commission approves the marker. Some applicants cancel their marker applications near the end of the application process, after staff have completed hours of review work. In these cases, the agency receives no fee to cover the cost of resources THC uses to evaluate those cancelled applications. By charging only a marker fee, THC relies only on successful applicants to offset the entire cost of the program.

Recommendations

Change in Statute

2.1 Require THC to approach the marker program more strategically by awarding a more limited number of markers based on statewide themes and significance.

This recommendation would ensure a more strategic approach to how THC awards historical markers. To begin this process, THC should develop statewide themes for the marker program, linked to the agency’s broader preservation plan for Texas. As part of this recommendation, THC should limit the number of markers it awards annually, initially by possibly as much as half, and select only the most qualified resources once a year. THC should develop guidelines for this process in rules, including criteria for ranking the applications. The criteria for awarding markers should give priority to resources that relate to the statewide themes developed by the agency.

THC could continue to award markers for resources that are significant locally, but that fit into the overall themes identified by the agency. After the agency awards markers to resources that are linked to the statewide theme, to the extent that the agency has not met its annual limit, it could then award markers to resources that tell unrelated local stories.

Approaching the marker program more strategically would help link this tool to THC's broader goals, particularly in the areas of education and tourism. By limiting the total number of markers, and awarding them based on statewide themes and significance, THC would ensure that markers remained more of an honor than a commodity.

Management Action

2.2 Direct the agency to help build the capacity of County Historical Commissions to more effectively research and evaluate resources appropriate for official historical markers.

To build local capacity, THC should provide training and educational materials to help CHCs and communities in effectively researching, documenting, and evaluating the historical significance of resources appropriate for official markers. The agency should make this information available on its website and through workshops targeted at more directly assisting CHCs with the greatest need. In turn, marker applications should be more complete before reaching THC.

Assisting local communities in building their capacity to evaluate historic resources would allow CHCs to act more independently. Local communities, with access to local resources and greater knowledge of local history, are well-placed to be an effective partner to THC in the marker program. Improved county-level evaluations should also enable THC to spend less time assisting applicants in researching local history, and more time developing statewide stories to tell through the marker program.

2.3 Direct THC to establish an application fee for historical markers.

This recommendation would direct THC to use its existing statutory authority to establish a reasonable fee to be submitted with historical marker applications. In developing the fee amount, the agency should consider the approximate amount of time staff needs to evaluate each marker application. The money brought in through application fees should be directed back into the agency's historical marker program.

Fiscal Implication

These recommendations would not have a net fiscal impact to the State. Awarding fewer, more targeted markers would allow agency staff to have more time to focus on statewide themes, as well as training for local communities. The recommendation directing THC to develop and institute a historical marker application fee would result in increased funds for the agency, and these funds would be used to offset the costs of the marker program. The agency should use the increased revenue generated by the application fee to cover the costs of CHC training.

Texas Has a Continuing Need for the Texas Historical Commission.

Summary

Key Recommendations

- ◆ Continue the Texas Historical Commission for 12 years.
- ◆ Direct THC staff to evaluate and prioritize its many programs and initiatives, linking them back to the agency's most important goals.

Key Findings

- ◆ Texas has a clear and continuing interest in protecting and preserving important historic resources.
- ◆ THC has been successful in leading efforts to identify, protect, and preserve historic resources in Texas, but could benefit from clearer prioritization of its many programs.
- ◆ While other state agencies perform functions that deal with cultural resources, consolidation offers no significant benefits over the current structure.
- ◆ While organizational structures vary, all other states have a mechanism to preserve historic resources.

Conclusion

The Texas Historical Commission's responsibilities to protect and preserve historic resources in the state continue to be important to Texas. The Sunset review evaluated the continuing need for these functions and concluded that beyond the necessity of preserving Texas' history for current and future generations, THC's preservation efforts also help local communities, fostering economic development in the state. Additionally, THC fulfills federal preservation requirements delegated to the State under the National Historic Preservation Act of 1966. Sunset staff also considered organizational alternatives to an independent agency, including consolidation with other state agencies that develop cultural resources, but found no clear benefit to such a change. Finally, staff found that though THC is generally successful and should be continued for 12 years, the agency should evaluate and prioritize its many activities to more effectively lead efforts to preserve history in Texas.

Support

The Texas Historical Commission provides leadership for historic preservation in Texas.

- ◆ The Texas Historical Commission (THC) is the state agency for historic preservation, first established by the Legislature as the Texas State Historical Survey Committee in 1953. In 1969, the Legislature established the Texas Antiquities Committee to protect all historic resources on public land, but later transferred these functions to THC in 1995.

Today, THC's mission is to protect and preserve the State's historic and prehistoric resources for the use, education, enjoyment, and economic benefit of Texans. Historic resources include architectural and archeological properties, and well as the history behind properties in Texas. THC also acts as the State Historic Preservation Office for Texas, implementing federally mandated preservation programs in Texas.

- ◆ To accomplish its mission, THC's main functions include identifying and designating historic resources in Texas, protecting resources through proposed construction project review, providing financial and educational assistance to organizations and individuals for preservation projects, and acting as a steward of historic resources entrusted to the State's care.

A 17-member, part-time Commission oversees the agency and its 119 employees. THC's appropriation for fiscal year 2006 is \$8.7 million, derived primarily from general revenue, interagency transfers, and federal funds. THC works closely with Friends of the Texas Historical Commission, Inc., a nonprofit corporation formed to assist THC in funding projects. In fiscal year 2005, Friends spent about \$383,000 on THC projects.



The state's historic resources tell the story of Texas for current and future generations.

Texas has a clear and continuing interest in protecting and preserving important historic resources.

- ◆ The state's historic resources tell the story of Texas for current and future Texans, and once destroyed, cannot be brought back. Consequently, protecting and preserving important historic resources continues to be in the State's interest. THC leads historic preservation efforts in Texas, fosters preservation at the local level, and acts as a steward of historic resources, furthering the preservation of these unique resources.
- ◆ THC's preservation efforts also foster economic development in the state. By helping local communities develop their own historic resources, THC stimulates business growth on the local level. For example, the Texas Historic Courthouse Preservation Program revitalizes local downtown areas, helping to encourage businesses to locate there, and providing work to local citizens. THC estimates that this program alone has created 3,519 jobs, \$97.8 million in income, and \$133.4 million in gross state product since its inception in

1999. Additionally, Texas history plays a role in fostering in-state tourism as well as drawing out-of-state tourists to Texas, a \$44.4 billion industry in 2004.

- ◆ Under federal law, Texas needs an entity to coordinate historic preservation at the state level. In adopting the National Historic Preservation Act in 1966, Congress found that historic properties were being lost or altered due to development, and that preserving the Nation's historic heritage was in the public interest. The Act requires each state to have a State Historic Preservation Office, and the federal government delegates its powers to these offices.

State Offices are responsible for implementing a statewide historic preservation plan, reviewing properties for inclusion on the National Register of Historic Places, administering grants to help local communities develop preservation programs, and reviewing federally funded construction projects to determine if they will affect historic or archeological sites. To implement these programs, THC received about \$900,000 in federal funding for fiscal year 2005.

THC has been successful in leading efforts to identify, protect, and preserve historic resources in Texas, but could benefit from clearer prioritization of its many programs.

- ◆ THC plays a key role in identifying and designating historic resources in Texas. Through its Official Texas Historical Marker Program, THC has worked with citizens to recognize 13,000 sites. In addition, Texas, through THC's efforts, now has more than 3,000 listings on the National Register of Historic Places.
- ◆ THC actively works to protect historic resources from potential harm or destruction by reviewing proposed construction projects that are on state land or receive federal aid. If staff determines that the construction project may harm resources, THC works with the landowner or developer to develop a plan to mitigate that harm. In fiscal year 2005, THC completed about 13,000 of these reviews, completing an average review in about 10 days.
- ◆ THC fosters preservation efforts on the local level by providing communities with assistance to use historic sites to revitalize their cities, increase tourism, and create jobs. One of THC's most successful community programs is the Texas Main Street program, in which THC helps cities with historic downtowns through education, training, and access to preservation services, such as architectural renderings of historic buildings. To date, THC has helped revitalize 150 Main Street cities in Texas.
- ◆ THC supports preservation financially through its six grant programs, distributing about \$20.5 million in grants in fiscal year 2005 to counties, cities, private organizations, individuals, and museums. THC's largest grant program, the Texas Historic Courthouse Preservation Program, provided \$19.8 million to 19 counties to restore historic courthouses in fiscal year



In fiscal year 2005, THC distributed \$20.5 million in grants to support historic preservation.

2005 alone. Since the program's inception in 1999, THC has helped 64 counties restore their courthouses.

- ◆ Finally and notably, THC discovered, excavated, and preserved the *Belle* shipwreck. The *Belle* was a French ship that sank in 1686 in Matagorda Bay. THC discovered the ship in 1995 and has preserved more than one million artifacts from what is considered one of the most important discoveries in North American history.
- ◆ While THC has been generally successful in leading preservation efforts in Texas, the agency could benefit from internally evaluating and prioritizing its numerous programs. The agency has more than 40 individual programs and initiatives that link back to the agency's broad mission: to protect and preserve historic resources in Texas. While these programs help preserve Texas history, the breadth of agency activities creates the potential for agency staff to have difficulty balancing a number of competing priorities. Consequently, the agency may not be effectively using its limited resources to reach its most important goals. Establishing priorities among agency initiatives would help THC balance its preservation efforts and guide everyday staff activities.



In 1995, THC discovered the French ship, the Belle, that sank in 1686 in Matagorda Bay.

While other state agencies perform functions that deal with cultural resources, consolidation offers no significant benefits over the current structure.

- ◆ Several other state agencies play a role in developing cultural resources, as shown in the textbox, *Texas' Cultural Resource Agencies*. In addition, 13 other states house their historic preservation functions in an umbrella cultural agency, which involve some combination of arts, history, parks, and archiving functions.¹

Texas' Cultural Resource Agencies

Each of the following agencies helps support, develop, and preserve the state's diverse cultural resources, although the entire agency's focus may not be on cultural resources.

Texas Commission on the Arts. Develops and supports the state's arts resources. Helps promote cultural tourism.

Texas Historical Commission. Identifies, preserves, protects, and interprets historic resources throughout the state. Helps promote heritage tourism.

Texas Parks and Wildlife Department. As part of its function of managing the state's recreational lands, the agency has a division that manages 34 historic sites and parks. Helps promote recreational tourism.

Texas State Library and Archives Commission. As part of its function of providing library services and records management, the agency manages and preserves historical documents.

In the past, the Legislature has considered consolidating some or all of these agencies' functions. For example, in 2004, the House Committee on State Cultural and Recreational Resources published an interim report that discussed the potential consolidation of these agencies. While the Committee

made no decision regarding organizational structure, it did recommend that the Sunset Commission study the potential for consolidation among the agencies prior to the 2007 session.

- ◆ Sunset staff examined each of the agencies' functions and missions and concluded that although the agencies' functions could be housed together in a single cultural resource agency, aside from administrative efficiency, no significant savings would result. Each agency has a distinct focus – arts, history, recreation, and document preservation – requiring expert support from a similar number of staff and resources currently existing within each independent agency. Staff review of other states' consolidated cultural resource agencies found that even if combined, each function operated with its own division and staffing.

Although THC and the Texas Parks and Wildlife Department (TPWD) both maintain historic sites in Texas – THC has two sites while TPWD has 34 – THC does not have the statewide infrastructure needed to run these sites, while TPWD already has a structure in place. Finally, several of the agencies also promote their cultural resources through tourism, but the Governor's Office effectively coordinates these efforts through a joint memorandum of understanding.

While organizational structures vary, all other states have a mechanism to preserve historic resources.

- ◆ All 50 states have a historic preservation function and are required to have a State Historic Preservation Office by the National Historic Preservation Act. While organizational structures vary, 19 other states have an independent agency dedicated to historic preservation, like Texas, as shown in the chart, *Historic Preservation Agency Organizational Structures*.

Historic Preservation Agency Organizational Structures

Structure	Number of States	Examples
Independent, Stand-alone Agency	19	Texas, California, Illinois
Cultural Agency (some combination of arts, history, parks, archives, and tourism)	13	Louisiana, Michigan, Pennsylvania
Parks/Natural Resources Agency	8	Georgia, Indiana, New York
State/Planning/Commerce Department	5	Florida, Maryland, Utah
Environmental Protection	2	New Jersey, Tennessee
Private, Nonprofit Corporation	2	Minnesota, Ohio
Education Department	1	Colorado



Like Texas, 19 other states have an independent agency dedicated to historic preservation.

Recommendations

Change in Statute

3.1 Continue the Texas Historical Commission for 12 years.

This recommendation would continue THC as an independent agency for 12 years.

Management Action

3.2 Direct THC staff to evaluate and prioritize its many programs and initiatives, linking them back to the agency's most important goals.

This recommendation would instruct THC staff to evaluate and prioritize its programs and initiatives to better guide the agency's preservation efforts. In doing so, the agency should consider how each program and initiative relates to the agency's most important goals, and which programs should take priority within the context of those goals. The agency should examine the importance of each program and assign agency resources accordingly. THC is currently revising its strategic plan, and could use this process to evaluate and prioritize its activities.

Fiscal Implication

If the Legislature continues the current functions of the Texas Historical Commission, using the existing organizational structure, the agency's current annual appropriation of about \$8.7 million from the General Revenue Fund, General Revenue Dedicated Funds, and interagency transfers would continue to be required for its operations. THC would also continue to receive federal funds for its responsibilities as the State's Historic Preservation Office under the National Historic Preservation Act. The recommendation to prioritize programs would not result in a fiscal impact, but could help the agency better use its existing resources by strategically directing its efforts.

¹ Six states combine history, arts, and archive functions. Three states combine just archives and history, while one state combines arts, parks, and history together. Three states combine cultural resource functions with the States' broader tourism functions.

ACROSS-THE-BOARD RECOMMENDATIONS



Texas Historical Commission

Recommendations	Across-the-Board Provisions
Update	1. Require public membership on the agency’s policymaking body.
Update	2. Require provisions relating to conflicts of interest.
Already in Statute	3. Require unbiased appointments to the agency’s policymaking body.
Already in Statute	4. Provide that the Governor designate the presiding officer of the policymaking body.
Already in Statute	5. Specify grounds for removal of a member of the policymaking body.
Update	6. Require training for members of the policymaking body.
Already in Statute	7. Require separation of policymaking and agency staff functions.
Already in Statute	8. Provide for public testimony at meetings of the policymaking body.
Update	9. Require information to be maintained on complaints.
Apply	10. Require the agency to use technology to increase public access.
Apply	11. Develop and use appropriate alternative rulemaking and dispute resolution procedures.

Agency Information

Agency Information

Agency at a Glance

The Texas Historical Commission is the state agency for historic preservation. The Legislature originally created the Texas State Historical Survey Committee in 1953 to identify important historic sites across the state, later expanding its role to include protecting and preserving the state's heritage. In 1969, the Legislature created the Texas Antiquities Committee to protect all cultural resources, historic and prehistoric, on public land in Texas. Today, these two missions are combined in the renamed Texas Historical Commission (THC), whose mission is to protect and preserve Texas' unique historic resources. THC also acts as the State Historic Preservation Office for Texas, implementing federally mandated historic preservation programs. To accomplish its mission, THC:

- ◆ identifies and designates historic resources in Texas;
- ◆ reviews proposed projects to help protect historic resources on public and private land;
- ◆ provides financial and educational assistance to communities and organizations for developing and preserving historic resources; and
- ◆ acts as a steward to preserve and interpret historic resources entrusted to the State's care.



*THC's mission is to
protect and preserve Texas'
unique historic resources.*

Key Facts

- ◆ **Funding.** In fiscal year 2005, the agency operated with a budget of \$26.9 million, funded through bonds, general revenue, interagency transfers, and federal funds. The largest expenditure, about \$19.8 million, went to 19 counties in grants to support the preservation of historic county courthouses.
- ◆ **Staffing.** The Commission employs 119 staff, mostly in its Austin headquarters. Four employees also run the Sam Rayburn House Museum in Bonham, and 13 employees operate the National Museum of the Pacific War in Fredericksburg.
- ◆ **Grants.** In fiscal year 2005, THC awarded \$20.5 million in grants to communities, owners of historic properties, and historic preservation education and training initiatives to support the preservation and promotion of Texas' historic resources.
- ◆ **Historical Markers and Designations.** THC identifies and designates many types of historic properties. Among these, THC has helped individuals and organizations mark 12,500 significant sites with Official Texas Historical Markers, and assisted citizens in preparing 3,000 nominations to the National Register of Historic Places.

- ◆ **Review of Proposed Projects.** THC works to protect important historic resources on public land by reviewing proposed construction projects to ensure that they do not negatively affect those resources. In fiscal year 2005, THC reviewed about 9,000 federal projects, as required by Section 106 of the National Historic Preservation Act of 1966. The agency also completed about 3,000 Antiquities Code reviews on state-held land, as required by state law.
- ◆ **Texas Main Street Cities.** THC has many programs to help local communities and organizations further preservation goals on the local level. The Texas Main Street Program, the most recognizable of these programs, has helped nearly 150 cities revitalize their historic downtowns.

Major Events in Agency History



- 1953 The Legislature creates the Texas State Historical Survey Committee to oversee state historical programs.
- 1956 The Legislature establishes county historical survey committees to carry out preservation work at the local level in Texas.
- 1962 The Survey Committee places the first marker of the Official Texas Historical Marker program at Camp Ford in Tyler.
- 1963 The Legislature expands the Survey Committee's responsibilities to protect and preserve the state's heritage.
- 1966 The United States Congress passes the National Historic Preservation Act to ensure protection of the nation's prehistoric and historic resources. The Governor assigns the Survey Committee as the entity responsible for administering the Act in Texas.
- 1969 The Legislature passes the Antiquities Code to protect all cultural resources, historic and prehistoric, within the public domain of the state and creates the Texas Antiquities Committee to administer the code.
- 1973 The Legislature changes the Survey Committee's name to the Texas Historical Commission and gives the agency more protective powers, an expanded leadership role, and broader educational responsibilities.
- 1981 THC creates the Texas Main Street Program to assist communities with downtown revitalization.
- 1995 THC discovers the La Salle shipwreck off the Texas coast and recovers the *Belle* with \$1.7 million in special appropriations from the Legislature and \$2.3 million in private funds.
- 1998 THC launches the Texas Heritage Trails Program, combining local preservation and statewide marketing to increase visitation to historic sites, especially in rural areas of the state.

1999 The Legislature provides THC with \$50 million to begin the Texas Historic Courthouse Preservation Program.

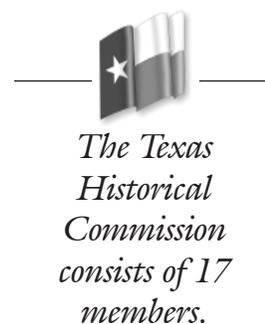
Organization

Policy Body

The Texas Historical Commission consists of 17 members appointed by the Governor for staggered six-year terms.¹ The Commissioners must include 14 members of the general public as well as a professional archeologist, a professional historian, a licensed architect with expertise in historic preservation and architectural history, and at least two members from counties with populations of less than 50,000. The Governor designates the Chair of the Commission. The chart, *Texas Historical Commission*, contains information on the Commission.

Texas Historical Commission

Member	City	Qualification	Term Expires
John Liston Nau, III Chair	Houston	Public Member	2009
Jane Cook Barnhill Vice Chair	Brenham	Public Member Rural County	2007
Lareatha H. Clay Secretary	Dallas	Public Member	2007
Thomas E. Alexander	Kerrville	Historian	2009
Bob Bowman	Lufkin	Public Member	2009
Earl Broussard, Jr.	Austin	Public Member	2011
Diane D. Bumpas	Dallas	Public Member	2011
Shirley W. Caldwell	Albany	Public Member Rural County	2007
Donna D. Carter	Austin	Registered Architect	2011
Frank W. Gorman	El Paso	Public Member	2007
David A. Gravelle	Dallas	Public Member	2007
Albert F. (Boo) Hausser	San Antonio	Public Member	2009
Sarita A. Hixon	Houston	Public Member	2011
Eileen Johnson	Lubbock	Archeologist	2003
Thomas R. Phillips	Bastrop	Public Member	2011
Marcus Warren Watson	Plano	Public Member	2011
Frank D. Yturria	Brownsville	Public Member	2007



The primary role of the Commission is to establish policies for the operation and administration of the agency. Its important duties also include hiring the Executive Director, approving the budget, overseeing the development of the

THC Advisory Boards

Antiquities Advisory Board. The Board provides recommendations to the Commission regarding State Archeological Landmark designations, and non-adjudicative issues or disputes specifically related to the Antiquities Code and associated permitting issues.

State Board of Review. The Board reviews nominations to the National Register of Historic Places and reports its recommendations to THC as the State Historic Preservation Office.

Texas Preservation Trust Fund Advisory Board. The Board reviews applications for grant funding from the Texas Preservation Trust Fund and advises the full Commission on distributing the funds to preservation projects.

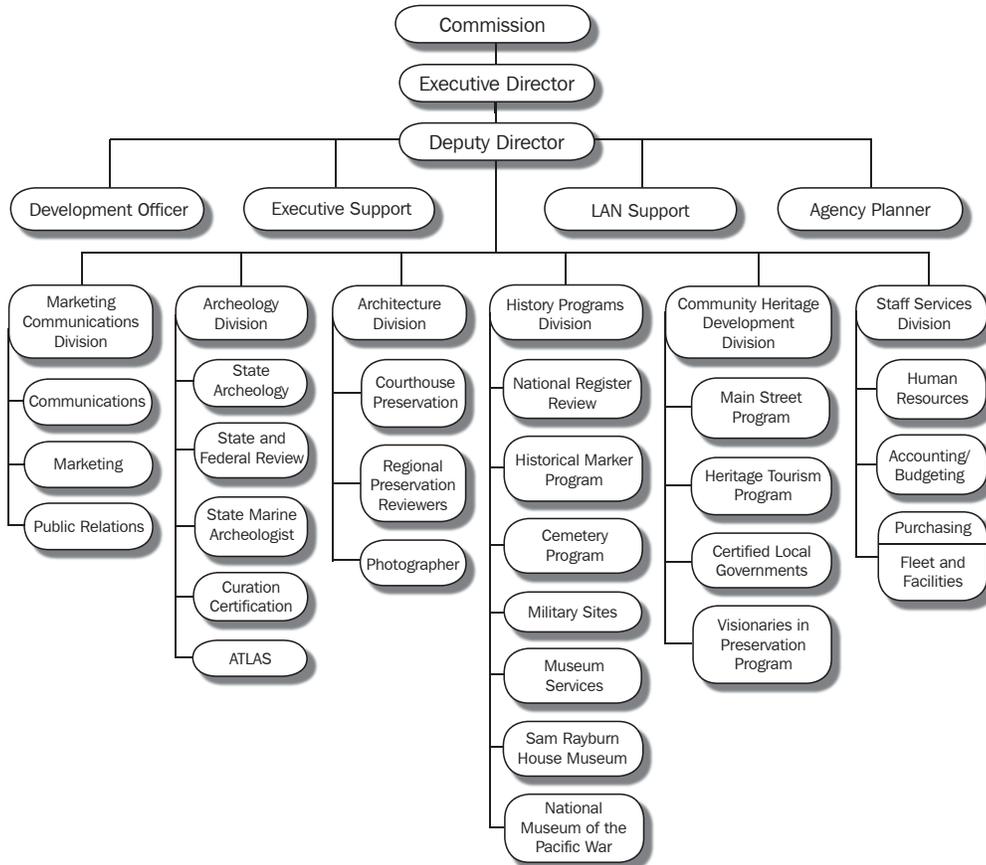
agency’s strategic plan, approving grants, and approving the purchase of historic items and collections. The Commission meets four times a year.

The committee system of the Commission provides the means for evaluation and discussion of the agency’s programs. Currently, THC has eight subcommittees, corresponding to the agency’s functions and divisions. The Commission also has three advisory boards required in statute. The textbox, *THC Advisory Boards*, explains their functions.

Staff

The Commission currently employs 119 staff. The chart, *Texas Historical Commission Organizational Chart*, depicts the agency’s structure. The majority of the agency’s staff works at its headquarters in Austin. THC also operates the Sam Rayburn House Museum in Bonham, Texas with four staff, and the National Museum of the Pacific War in Fredericksburg, Texas with 13 staff.

**Texas Historical Commission
Organizational Chart**



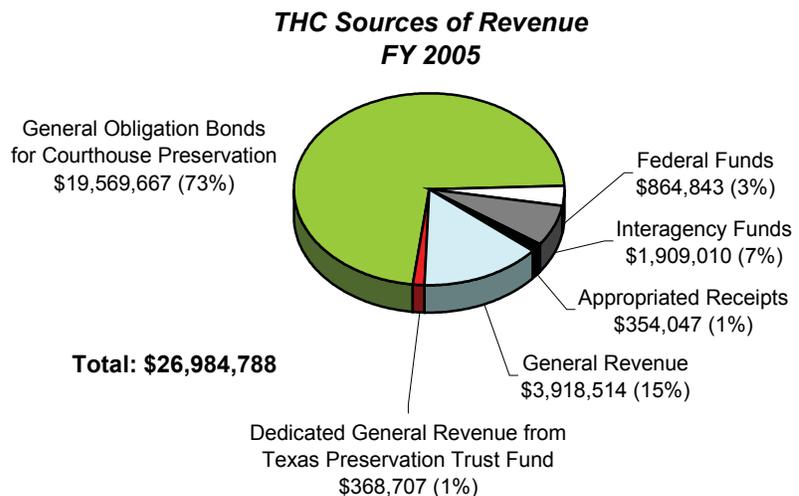
The Executive Director, with the help of the Deputy Director, manages the day-to-day operations of the agency and hiring of staff. According to statute, the Executive Director must be a Texas citizen; have ability in organization, administration, and coordination of organizational work; and have particular qualities for carrying out the purposes of the Commission.

Appendix A compares the agency’s workforce composition to the minority civilian labor force. Over the last three years, the percentage of staff the agency employed in most categories generally fell below the percentage in the minority civilian workforce.

Funding

Revenues

In fiscal year 2005, THC received almost \$27 million in funding. As shown in the pie chart, *THC Sources of Revenue*, the largest percentage of the agency’s revenue came through general obligation bonds. The Legislature authorized the use of these bonds for the Texas Historic Courthouse Preservation Program and bond sales yielded \$19.5 million in fiscal year 2005, making up 73 percent of THC’s funding. For the next biennium, the Legislature authorized \$80 million in federal highway transportation enhancement funds passed through the Texas Department of Transportation (TxDOT) to fund courthouse preservation. THC is working with TxDOT and the Federal Highway Administration to secure the funds.



In addition to bonds, THC received 15 percent of its funding from General Revenue funds in fiscal year 2005, and less than one percent from dedicated general revenue from the agency’s Texas Preservation Trust Fund account. Interagency contracts with the Texas Department of Transportation and the Office of the Governor, Economic Development and Tourism accounted for seven percent of the agency’s funding. The agency also received federal funds of \$864,843, primarily from the National Park Service’s Historic Preservation Fund. THC brought in \$354,000 in appropriated receipts through its Historical Marker, Historic Cemetery, and Main Street Programs.

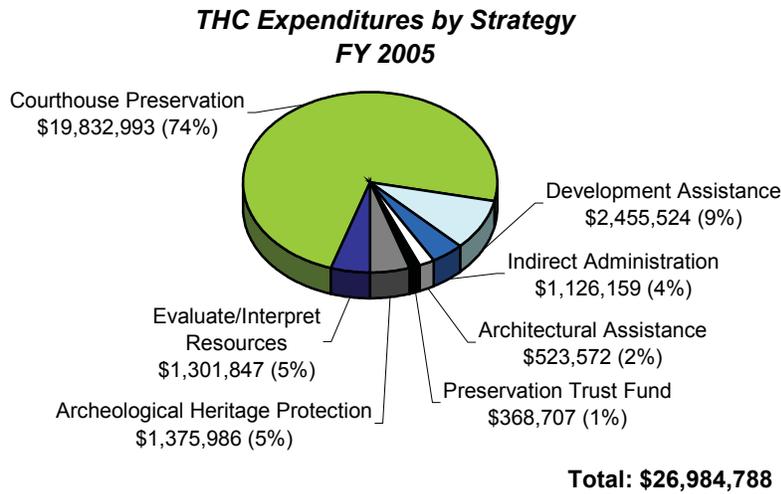
Expenditures

The pie chart on page 32, *THC Expenditures by Strategy*, shows the agency’s expenditures in fiscal year 2005, divided by agency strategy. The largest expenditure was the distribution of \$19.8 million in grants to counties for the preservation of historic courthouses. The agency’s other expenditures


*In fiscal year 2005
 THC distributed
 \$19.8 million in
 grants to preserve
 historic county
 courthouses
 in Texas.*

include architectural technical assistance, archeological heritage protection, development assistance, resource interpretation, the Texas Preservation Trust Fund grants, and indirect administration.

Appendix B describes the Commission’s use of Historically Underutilized Businesses (HUBs) in purchasing goods and services for fiscal years 2002 to 2005. Over the last four years the agency has exceeded the statewide goals for commodities and building construction, but has fallen short of the goals for special trade and other services.



Friends of the Texas Historical Commission, Inc. (Friends), a nonprofit organization affiliated with THC, spent approximately \$383,000 in fiscal year 2005 to assist THC in carrying out its duties. Friends expenditures covered special events, printing costs, matching funds, and other projects on behalf of THC. Friends funds go directly to a project or initiative, never passing through THC itself; rather, Friends spends money in place of or to supplement the agency’s expenditures.

Agency Operations

To administer its mission to protect and preserve historic resources in Texas, THC performs four basic functions: identifying and designating historic resources, protecting historic resources, assisting communities and organizations financially and educationally in developing preservation programs, and acting as a preservation steward to maintain and interpret state-owned historic resources.

Identification and Designation of Historic Resources

THC identifies historic resources in Texas in addition to designating resources identified by property owners.

Identification of Historic Resources

To ensure that important aspects of Texas history not be lost to development or neglect, THC identifies, tracks, and publicizes 163 endangered historic properties in Texas. THC also identifies and commemorates historic sites, inside and outside of the state, where Texas military forces served with distinction. Shifting from land to sea, THC’s State Marine Archeologist keeps an inventory of the thousands of ships wrecked along Texas shores, seeks out and investigates known shipwrecks, and reviews projects in state waters for possible harm to historic shipwrecks.

THC maintains information on identified historic sites in its Historic Sites Atlas, an online database of more than 280,000 historic and archeological sites in Texas. The database has evolved into an important research tool as well as a statewide register. Periodically, THC also completes surveys to identify additional or specific types of historic resources. For example, THC recently completed a survey of historic cemeteries in 49 counties across Texas, identifying hundreds of previously unmarked historic cemeteries.

Designation of Historic Resources

THC provides historic resources in Texas with special recognition or protection in one of six ways, as shown in the chart, *Texas Historical Commission Designations and Markers*. THC relies on preservationists at the local level to help identify and designate historic resources throughout the state.



THC's online database maintains information on more than 280,000 historic and archeological sites in Texas.

Texas Historical Commission Designations and Markers

Designation/Marker	Property/Resource	Recognition/Restriction	Number
Official Texas Historical Marker	Any cultural, archeological or architectural resource that meets state standards for historical significance.	Property owners must document and prove historical significance before receiving a marker, which carries no restrictions.	13,053
National Register of Historic Places	Buildings, sites, objects, structures and districts that are at least 50 years old and architecturally, archeologically, or historically significant.	Provides national recognition of a property's historical or architectural significance.	2,910
Recorded Texas Historic Landmark	Historic structures that have been designated under the Official Texas Historical Marker program.	Building owners must give their consent to have their property designated as such. Once designated, no construction can begin without giving THC notice and an opportunity to review the project, though THC has no authority to prevent alterations.	2,751
State Archeological Landmark (SAL)	State designation for historically significant archeological sites, as well as architecturally significant buildings and structures that are already listed on the National Register.	If the property is state-owned, THC may designate it without landowner consent. However, if the property is privately owned, the landowner must consent to this designation. With SAL designation, no construction can begin without a written work permit from THC.	2,733
Historic Texas Cemetery	Cemeteries or burial sites that are at least 50 years old and deemed significant.	Property owners have no restrictions on use, but county clerks record the designation in the deed.	681
Historic Texas Land Plaque	Usually ranches or farms with archeological sites on the property.	This is a special nonrestrictive recognition, or award, given by THC to landowners who are diligent stewards of preservation by working to protect important archeological sites on their property.	16

For example, the agency works with County Historical Commissions (CHCs) to designate many of the state’s resources as described in the textbox, *County Historical Commissions*.

County Historical Commissions

County Historical Commissions assist THC by reviewing applications for historical markers before they reach the agency. Additionally, CHCs are required to continually survey the county to identify historic properties. They make recommendations to THC regarding historical significance of local properties. The 254 CHCs in Texas exhibit varying levels of involvement with THC and historic preservation – some are very active, while others are not.

Protection of Historic Resources

Texas Archeological Stewardship Network

In 1984, THC formed the Texas Archeological Stewardship Network to assist with preservation and interpretation of Texas’ archeological landscape. With more than 100 avocational archeologists, the network acts as THC’s “eyes and ears” around the state.

As the state agency for historic preservation, THC works to protect important cultural resources on public lands, and assists citizens in protecting resources on private land. Staff from several divisions work to administer this key function of the agency. Agency protection activities include review of proposed construction projects for potential harm to historic resources, enforcement of restrictions in the Texas Antiquities Code, and review of changes to certain designated historic properties.

THC, which lacks a field staff, often must rely on property owners and developers to voluntarily contact the agency about cultural resources that might be affected by construction projects. Interested individuals or groups around the state also notify the agency of projects they fear might harm a historic resource. The textbox, *Texas Archeological Stewardship Network*, provides information about one such group.

Review of Proposed Construction Projects

Review of proposed projects under state and federal law enables THC to identify and attempt to protect historic resources. Every year, the agency undertakes thousands of project reviews, as shown in the chart, *THC Project Reviews*.

THC Project Reviews – FY 2005

Review Type	Number Performed
Federal Section 106	9,308
Texas Antiquities Code	3,238
Both Antiquities Code and Section 106	517
Recorded Texas Historic Landmark	155
Texas Accessibility Standards	20
Total	13,238

Section 106 of the National Historic Preservation Act, passed by Congress in 1966, requires that any construction project involving federal funding, permitting, or approval undergo a review to determine its potential effect on cultural resources. In its role as the State Historic Preservation Office, the Texas Historical Commission conducts these reviews on behalf of the federal Advisory Council on Historic Preservation. THC staff review the project in question and,

if appropriate, recommend a plan for the project sponsor to mitigate any harmful effects on prehistoric or historic resources.

The Antiquities Code of Texas protects all cultural resources on state-owned lands. As part of this protection, public entities must notify THC of a

proposed project on any building 50 years of age or older, or affecting more than five acres or 5,000 cubic yards of earth, and allow THC 30 days to comment. If THC staff reviewers feel that the proposed project could have an adverse effect on cultural resources, the agency recommends a mitigation plan to the public entity.

Two types of property designations also trigger reviews by agency staff. The Antiquities Code imposes specific and stringent protections on significant public and private properties designated as State Archeological Landmarks (SALs). SAL owners must obtain work permits from the Texas Historical Commission for any major project. THC has the authority to deny or withhold such permits, prohibiting SAL owners or operators from taking action that could threaten, harm, or destroy the SAL. In fiscal year 2005, THC issued 34 permits for work on structural and archeological SALs.

Architecturally and historically significant buildings can be designated Recorded Texas Historic Landmarks (RTHLs) on request of the owner. RTHL owners who plan to make changes to the exterior of their historic structures must provide the Historical Commission with 60 days' notice before beginning construction. If, upon review of the project, THC feels the architectural or historical integrity of the building will be compromised, the agency may extend the waiting period an additional thirty days, but cannot stop the project.

Antiquities Code Protections

THC also protects resources through its administration of the Texas Antiquities Code. For landmarks on public lands, the Code authorizes the Commission to issue permits for survey and discovery, excavation, demolition, or restoration. Under this authority, THC discovered and arranged for recovery and restoration of the *Belle* shipwreck, a resource of great importance. For additional information, see the textbox, *La Salle and the Belle*.

The Antiquities Code also protects against the removal or destruction of American Indian marks or carvings on rock, as well as historical structures, monuments, markers, medallions, and artifacts. Looters or vandals who violate this law are guilty of a misdemeanor punishable by a fine or jail confinement, and are also subject to civil suit.

Financial and Educational Assistance for Historic Preservation

THC provides financial and educational support to help communities and individuals preserve Texas resources. Financially, THC awards grants to individuals, organizations, and communities for



THC reviews proposed construction projects on public land to determine if the project will harm cultural resources.

La Salle and the Belle

In 1684, French explorer Robert Cavellier, Sieur de la Salle, supported by King Louis XIV, traveled to North America with the goal of establishing colonies on the Mississippi River. La Salle miscalculated his geography, and instead landed in Matagorda Bay. While trying to establish his forts and colony, La Salle kept many supplies on board the ship *Belle*, anchored in the bay for security. Unfortunately, in 1686, the *Belle* sank in a storm.

Three centuries later, in July 1995, THC staff discovered the remarkably intact wreckage of the ship under the mud of Matagorda Bay. THC excavated and recovered part of the hull of the ship, as well as more than one million artifacts that essentially formed a kit for creating a colony.

Today, the hull of the ship remains in the conservation phase at a research laboratory at Texas A&M University. Other *Belle* artifacts are on display at the Bob Bullock Texas State History Museum in Austin, as well as in museums in six Texas coastal counties. Experts consider the *Belle* one of the most important shipwrecks in North American history.

preservation programs, assists in fundraising activities for THC projects, and certifies federal tax credits for certain rehabilitation projects. THC also helps local groups to cultivate historic resources through community assistance, providing education, services, and training.

Grants

In fiscal year 2005, THC distributed \$20.5 million in grants to support the preservation and promotion of Texas history. Recipients of THC grants include counties with historic courthouses, cities and counties that are Certified Local Governments, private organizations and individuals undertaking preservation and education projects, and small history museums that need assistance preserving their collections. The money that THC allocates through grants is a combination of state and federal funds. All of THC's grants operate through reimbursements, requiring recipients to spend their own funds up front and later receive reimbursement from the agency. All the grant programs also require recipients to provide a match of cash or in-kind services to receive agency funds.

Texas Historic Courthouse Preservation

Texas has more historic county courthouses than any other state, with more than 225 courthouses at least 50 years old. In 1999, the Legislature established the Texas Historic Courthouse Preservation Program to provide matching grants to Texas counties for the restoration of their courthouses. To date, THC has awarded \$141.8 million to assist in the preservation of 64 county courthouses.

THC distributes millions of dollars in grant money, with the majority of these funds supporting courthouse preservation, as described in the textbox, *Texas Historic Courthouse Preservation*. The funding for other agency grant programs is limited. Additional detail on each of THC's grant programs is shown

in the chart on page 37, *Texas Historical Commission Grants*. In support of preservation efforts by communities and individuals around the state, Historical Commission staff provides direction to sources of funds outside the agency. Staff uses a system of listservs, workshops, and visits to local communities to notify Texans of private and corporate money available for targeted projects.

Fundraising

The Texas Historical Commission's enabling statute gives the Commission the authority to accept gifts, grants, devises, or bequests to carry out its mission. In fiscal year 2005, THC received about \$3,000 in such donations.

The statute also authorizes the Commission to establish affiliated nonprofit organizations to raise funds for the Commission. In 1996, THC set up the Friends of the Texas Historical Commission, Inc. (Friends) for this purpose. Friends raises funds from foundations and private donors to support THC programs and preservation efforts around the state. Since 1996, Friends has raised more than \$6.3 million to support THC efforts, particularly for the recovery and restoration of the *Belle* shipwreck and the associated Fort St. Louis archeological site. Friends has also supported several other THC special projects, including the renovation of a THC building, Luther Hall, the Red River War battle sites project, World War II projects, and the conservation of historic Texas flags. Friends administers one grant program, for Spanish and French colonial archeology projects, with consultation from THC staff.

Texas Historical Commission Grants

Grant Program	Purpose	Qualified Recipients	Amount Distributed FY 05	Number Awarded FY 05
Texas Historic Courthouse Preservation Program	Provides funds to support the preservation of historic county courthouses.	Texas counties with historic courthouses.	\$19.8 million	19
Texas Preservation Trust Fund	Supports preservation projects in the areas of acquisition, development, planning, and education.	Public and private owners of historically significant properties and sites.	\$404,058	23
Certified Local Government Grants	Provides funding to enable local communities to develop quality programs and fully participate in the State's preservation process.	Governmental entities designated as Certified Local Governments.	\$100,779	22
Heritage Tourism Partnership Grants Program	Supports sites in Heritage Trails regions by providing funding for interpretation, signage, publications, workshop development, and educational programming.	Nonprofits or governmental entities in regions participating in the Texas Heritage Trails initiative.	\$90,000	16
Visionaries in Preservation Action Plan Implementation Grants	Assists communities with implementing their Preservation Action Plans.	Government partners of communities participating in Visionaries in Preservation Program.	\$50,000	7
History Museum Grants	Supports preservation and conservation projects at small Texas history museums.	Small Texas history museums.	\$10,000	12

Federal Tax Credits

THC certifies one-time 20 percent federal tax credits for property owners conducting major rehabilitation projects on commercial buildings eligible for the National Register of Historic Places. THC staff work with owners to ensure these projects meet the Secretary of the Interior's Standards for Rehabilitation.

Community Assistance for Preservation Projects

THC encourages communities around the state to maximize their cultural and historic resources in several ways, often resulting in economic benefits for the host community. THC assists communities with identifying historic resources, creating plans to protect and preserve the resources, developing promotion or publicity plans, and marketing potential tourism sites. The agency provides promotional support for these communities' efforts through its newsletter, *The Medallion*, special brochures, and the agency website.

Nearly 150 urban and rural Texas cities have revitalized their historic downtowns and neighborhood commercial districts through participation in the Texas Main Street Program, one of THC's key community assistance initiatives. Main Street encourages preservation and economic development

Texas Main Street Program

THC's Main Street Program encourages communities to leverage partnerships between city governments, building owners, merchants, chambers of commerce, downtown organizations, and civic groups to improve the community's economic environment.

Official Main Street cities receive services from THC over three years, including training, on-site evaluations by agency staff, access to revitalization tools, and staff assistance with strategic planning and marketing efforts.

The agency estimates the economic impact of Main Street on Texas cities to be more than \$1 billion in private reinvestment in downtowns and neighborhoods, the creation of more than 21,300 jobs, and the establishment of more than 5,000 new businesses.

strategies for communities, as described in the textbox, *Texas Main Street Program*.

Similarly, THC rallies communities who are enthusiastic about preservation with the Visionaries in Preservation program. The program brings together diverse locals to form a plan for preservation – together, they develop a preservation “vision” for their community. To date, THC has designated 21 VIP communities.

Through the federal Certified Local Government program, THC partners with local and national governments to help 56 cities and counties in Texas develop high standards for preservation and fully participate in the State's preservation process.

THC creates regional partnerships among preservation and tourism professionals to

encourage heritage tourism through the Texas Heritage Trails Program. THC also helps promote the trails, as described in the textbox, *Texas Heritage Trails*.

Texas Heritage Trails

In 1998, THC launched the Texas Heritage Trails Program, combining preservation and marketing to increase visitation to historic sites around the state. THC has designated 10 Heritage Trail regions based on geographic location and commitment of community support. Once designated, THC helps these regions develop historic and cultural sites as tourist destinations.

THC provides the trail communities with technical, educational, and financial assistance for development, site interpretation, preservation practices, marketing, and promotion. To help promote the trails, THC publishes travel guides for each of the regions, and makes them available on the THC website.

THC staff provide training to help both communities and individuals with preservation and economic development in several ways: the annual Historic Preservation Conference, the annual Texas Archeology Awareness Month, an annual grant-writing workshop, and regional workshops on topics ranging from Section 106 reviews to how to apply to become an Texas Main Street.

THC provides individualized assistance to landowners, museum operators, and to the public. Architecture division staff help private and public landowners upon

request to evaluate historic buildings and sites. As directed by law, THC also provides assistance to the estimated 400 history museums in Texas through on-site consultations, workshops, and seminars.

Preservation of State Resources

THC acts as a preservation steward by acquiring land and resources important to Texas history and by maintaining and interpreting special resources entrusted to the State's care.

Acquisition

Under the Texas Historic Artifacts Program, THC is responsible for approving the purchase of historic items and collections. To date, the agency has spent about \$175,000 to acquire significant Texas artifacts. Additionally, THC holds 274 preservation easements and covenants. These involve legal agreements with property owners allowing THC to protect historic properties by restricting and, if necessary, intervening to prevent, certain construction projects. THC staff reviews, then approves or denies, proposed changes to protected properties during the period for which THC has an easement or covenant. The statute also authorizes the Commission to accept gifts of real property. Currently, the Commission holds real property, including THC buildings, valued at approximately \$725,000.

Preservation and Interpretation

THC stewards several other distinct projects to interpret and preserve cultural resources, such as the discovery and excavation of La Salle's *Belle*. Similar to the *Belle*, THC's Archeology division confirmed and scientifically documented significant battle sites from the Red River War of 1874, during which United States military forces removed Indian tribes from the Texas Panhandle and Plains regions. The Red River War Battle Sites Project is now in the artifact conservation and analysis phase.

THC also helps preserve resources by identifying and certifying curatorial facilities, such as museums or university collections, to hold collections and artifacts owned by the State. Certification of curatorial facilities allows THC to recognize facilities operating at the high professional standards necessary to curate state held-in-trust collections.

THC provides oversight for maintenance and preservation of the Governor's Mansion, a National Historic Landmark and a State Archeological Landmark. Additionally, THC owns and offices in five historic buildings that hold a variety of city, state, and federal designations. Agency staff, through Friends, seeks out financial assistance for major preservation efforts on these properties. One of these buildings houses THC's library, which contains more than 4,000 books about state and local history, historic preservation, museum studies, archeology, and architecture in Texas. In addition to THC's five historic buildings, the agency operates two state-owned museums described in the textbox, *Museums Under THC*.

Museums Under THC

The Sam Rayburn House Museum, a National Historic Landmark, is dedicated to the life of Sam Rayburn, who served 48 years in the United States House of Representatives, including 17 years as Speaker. Rayburn's former home in Bonham, Texas, houses the Museum.

THC recently acquired the National Museum of the Pacific War. The nine-acre complex in Fredericksburg, Texas includes the George Bush Gallery, the Admiral Nimitz Museum, the Japanese Garden of Peace, the Pacific Combat Zone, the Plaza of the Presidents, the Surface Warfare Plaza, the Memorial Wall, the Veterans' Walk of Honor, and the Center for Pacific War Studies.



THC has documented and is conserving artifacts from the Red River War of 1874, in which the U.S. Army battled several Indian tribes in the Texas Panhandle.

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<sup>1</sup> Mr. T.R. Fehrenbach of San Antonio also serves as an emeritus member.

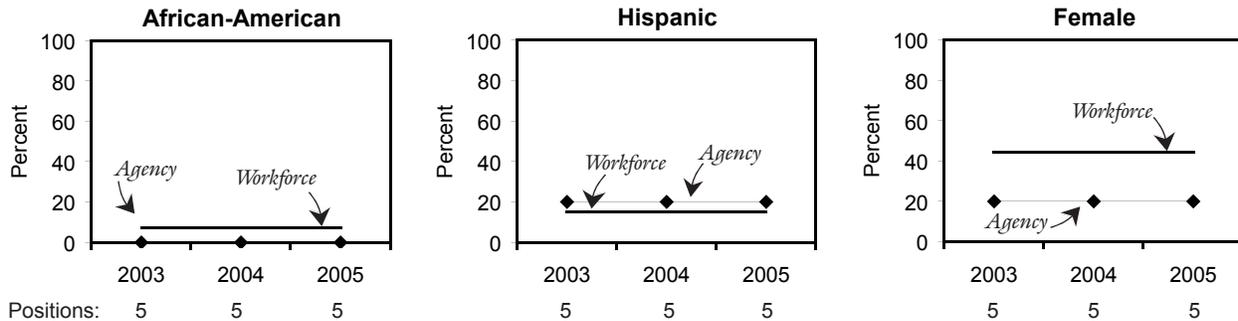
# APPENDICES



## Equal Employment Opportunity Statistics 2003 to 2005

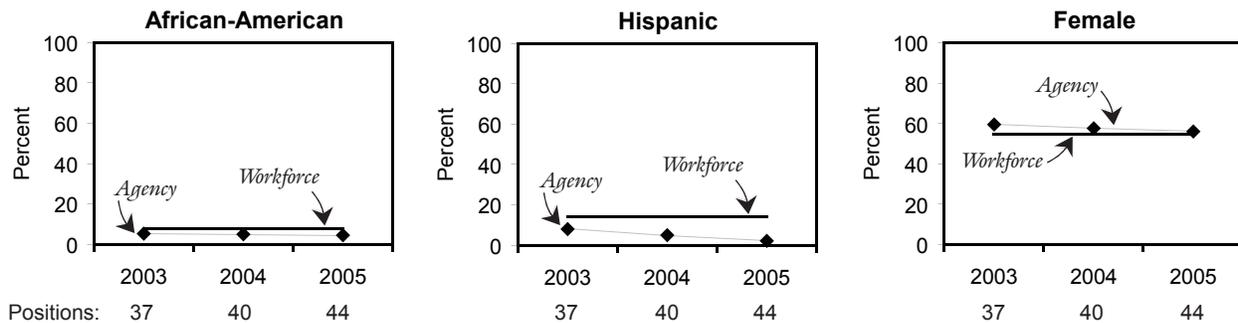
In accordance with the requirements of the Sunset Act, the following material shows trend information for the Texas Historical Commission (THC) employment of minorities and females in all applicable categories.<sup>1</sup> The agency maintains and reports this information under guidelines established by the Texas Workforce Commission.<sup>2</sup> In the charts, the flat lines represent the percentages of the statewide civilian workforce for African-Americans, Hispanics, and females in each job category. These percentages provide a yardstick for measuring agencies' performance in employing persons in each of these groups. The diamond lines represent the agency's actual employment percentages in each job category from 2003 to 2005. THC generally did not meet the statewide civilian labor force percentages for African-American and Hispanic representation in most job categories, but typically met or exceeded the percentages for female representation in most categories.

### Administration



THC has exceeded the civilian workforce percentages for Hispanics in this category, but has fallen short for African-American and female representation.

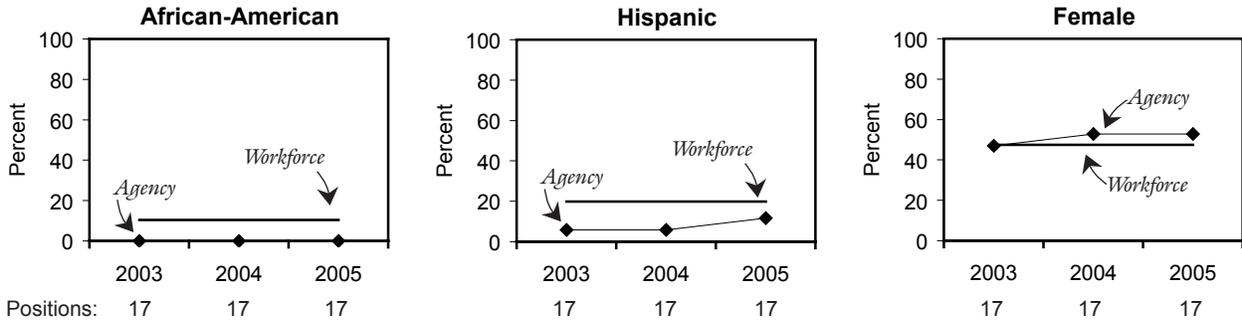
### Professional



THC has met the percentages for female representation in this category, but has fallen short for African-Americans and Hispanics.

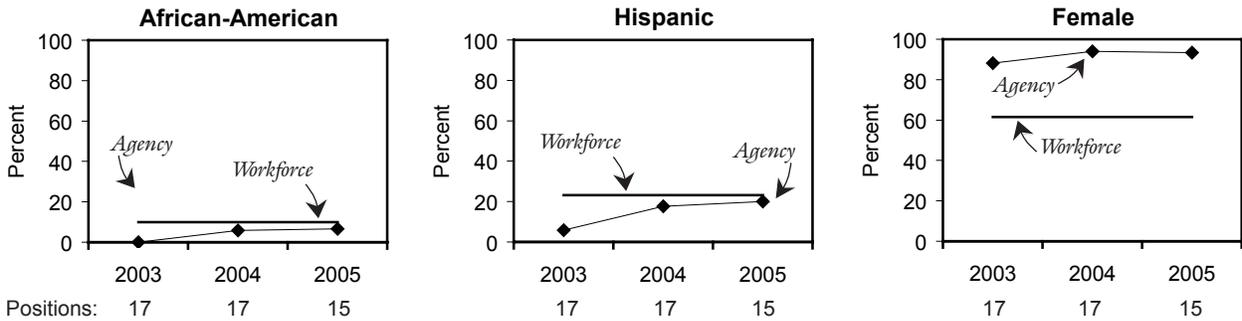
# Appendix A

## Technical



THC has met the percentages for females in this category, but has fallen short for African-American and Hispanic representation.

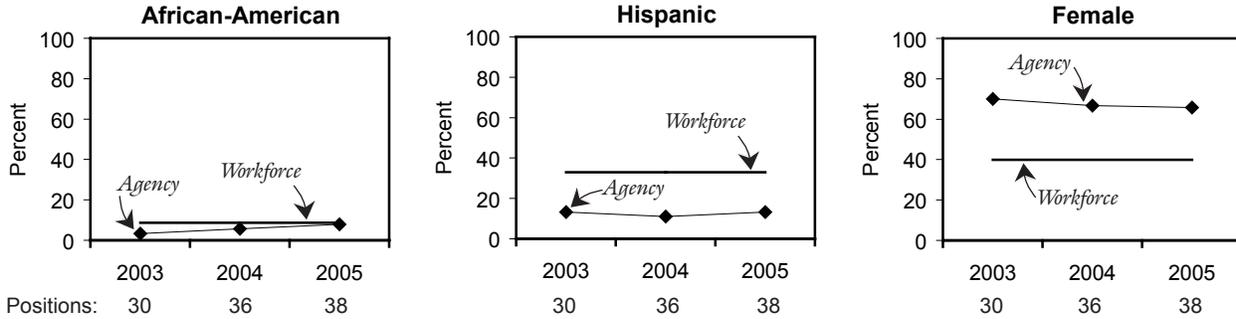
## Administrative Support



THC has far exceeded the percentages for females in this category, but has fallen short for African-Americans and Hispanics.

# Appendix A

## Service/Maintenance



THC has exceeded the percentages for females in this category and met the percentages in 2005 for African-Americans. THC has fallen short, however, for Hispanics.

<sup>1</sup> Texas Government Code, sec. 325.011(9)(A).

<sup>2</sup> Texas Labor Code, sec. 21.501.



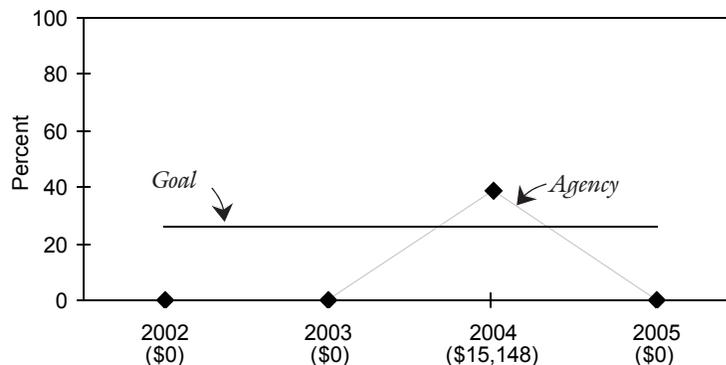
## Historically Underutilized Businesses Statistics

### 2002 to 2005

The Legislature has encouraged state agencies to increase their use of Historically Underutilized Businesses (HUBs) to promote full and equal opportunities for all businesses in state procurement. The Legislature also requires the Sunset Commission to consider agencies' compliance with laws and rules regarding HUB use in its reviews.<sup>1</sup>

The following material shows trend information for the Texas Historical Commission's (THC) use of HUBs in purchasing goods and services. The agency maintains and reports this information under guidelines in the Texas Building and Procurement Commission's statute.<sup>2</sup> In the charts, the flat lines represent the goal for HUB purchasing in each category, as established by the Texas Building and Procurement Commission. The diamond lines represent the percentage of agency spending with HUBs in each purchasing category from 2002 to 2005. Finally, the number in parentheses under each year shows the total amount the agency spent in each purchasing category. Overall, THC has a mixed record for the limited amount of purchases made over the last four years. THC exceeded the goal in the Building Construction and Commodities categories, but generally fell short of the goals in the Special Trade and Other Services categories.

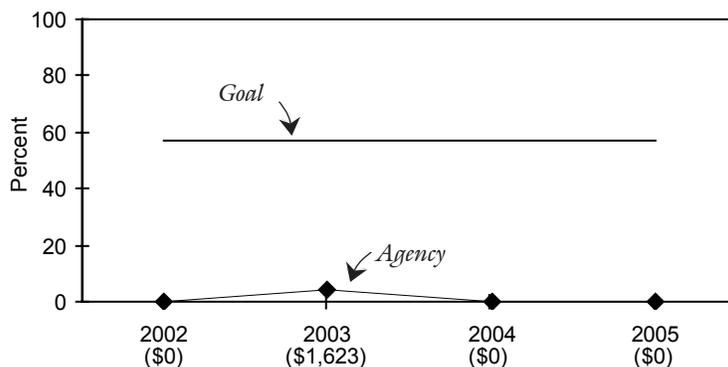
#### Building Construction



THC exceeded the goal in this category in 2004, the only year with purchases in this category.

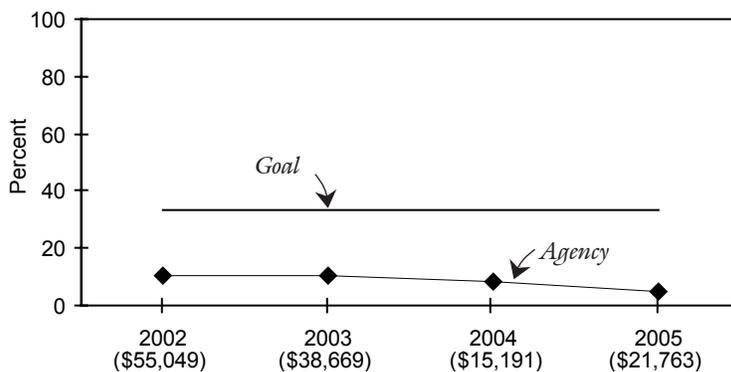
## Appendix B

### Special Trade



In 2003, THC failed to meet the goal in this category, but made no expenditures in other years.

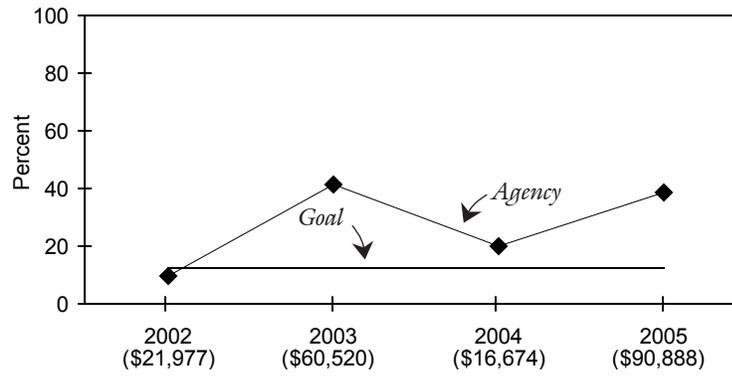
### Other Services



THC has failed to meet goals in this category for the last four years.

## Appendix B

### Commodities



THC has met or exceeded the goal for Commodities over the last four years.

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<sup>1</sup> Texas Government Code, sec. 325.011(9)(B).

<sup>2</sup> Texas Government Code, ch. 2161.



## Staff Review Activities

During the review of the Texas Historical Commission, Sunset staff engaged in the following activities that are standard to all Sunset reviews. Sunset staff worked extensively with agency personnel; attended Board and Commission meetings; met with individual Commission members, including the Commission Chair; met with staff from key legislative offices; conducted interviews and solicited written comments from interest groups and the public; reviewed agency documents and reports, state and federal statutes, legislative reports, previous legislation, and literature; researched the organization and functions of similar state agencies in other states; and performed background and comparative research using the Internet.

In addition, Sunset staff also performed the following activities unique to this review.

- ◆ Viewed the *Belle* collection and display at the Bob Bullock Texas State History Museum and discussed the conservation process and long-term preservation plan with relevant agency and museum staff.
- ◆ Toured the conservation laboratory at Texas A&M University housing the remaining hull of the *Belle* and other artifacts related to the historic shipwreck.
- ◆ Visited the Old Harrison County Courthouse in Marshall, Texas, a courthouse undergoing restoration funded through the Historic Courthouse Preservation Program.
- ◆ Observed the agency's internal grant evaluation and award recommendation process.
- ◆ Attended meetings of the Commission's Historical Marker Task Force, the Texas Archeological Stewardship Network, the Board of Trustees of Friends of the Texas Historical Commission, the Commission's Historic Courthouse Maintenance Advisory Committee, and the Commission's Cemetery Advisory Committee.
- ◆ Reviewed reports and documents related to another agency simultaneously undergoing Sunset review, the Texas Commission on the Arts.



SUNSET REVIEW OF THE  
TEXAS HISTORICAL COMMISSION

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