

TEXAS SUNSET ADVISORY COMMISSION

State Preservation Board



STAFF REPORT

19



94

TEXAS SUNSET ADVISORY COMMISSION

Membership

Senator Ken Armbrister, Chair

Representative Layton Black, Vice-Chair

Senator Mike Moncrief

Senator Carl Parker

Senator David Sibley

Chuck Bailey, Public Member

Representative David Counts

Representative Patricia Gray

Representative Barry Telford

Mike Sims, Public Member

John P. Moore
Director

In 1977, the Texas Legislature created the Sunset Advisory Commission to identify and eliminate waste, duplication, and inefficiency in government agencies. The 10-member Commission is a legislative body that reviews the policies and programs of more than 150 government agencies every 12 years. The Commission questions the need for each agency, looks for potential duplication of other public services or programs, and considers new and innovative changes to improve each agency's operations and activities. The Commission seeks public input through hearings on every agency under Sunset review and recommends actions on each agency to the full Legislature. In most cases, agencies under Sunset review are automatically abolished unless legislation is enacted to continue them.

STAFF REPORT

TO THE

SUNSET ADVISORY COMMISSION

ON THE

STATE PRESERVATION BOARD

TABLE OF CONTENTS



	Page
EXECUTIVE SUMMARY	
Sunset staff report on the State Preservation Board	1
STATE PRESERVATION BOARD	
RECOMMENDATION	
1 Delay the Sunset review of the State Preservation Board	5
Across-the-Board Recommendations	9
Background	11



EXECUTIVE SUMMARY

APPROACH

In 1983, a major fire in the capitol's east wing prompted the Legislature and the Governor to create the State Preservation Board (SPB) to rehabilitate the Capitol and restore its original historic features.

The Board consists of the top elected officials who occupy the Capitol—the Lieutenant Governor, Speaker of the House of Representatives, Governor, and members appointed by each of them.

SPB operates with 58 employees and an annual budget of about \$1 million. The agency has overseen construction activities and payments of about \$190 million in general revenue to contractors for the Capitol complex restoration projects.

As required by statute, the agency has developed two 20-year master plans on which most appropriations for project funds have been based: one plan for restoring the Capitol, including construction of an underground office building, and one for the General Land Office Building, which now serves as the Capitol Complex Visitors Center.

Since 1989, the SPB has focused on the oversight and management of all Capitol renovation projects: restoration of the Capitol, construction of the Capitol Extension, renovation of the General Land Office Building, and acquisition of antique and historically reproduced furnishings for use in the Capitol buildings.

Currently, the SPB has four main duties:

- to finish restoring the Capitol;
- to renovate the Capitol grounds;
- to oversee maintenance of the Capitol, Capitol Extension, General Land Office Building, and their grounds, ensuring building systems are fully operational; and
- to preserve the historic design, furnishings, and artwork in the Capitol and General Land Office Building.

While Sunset staff have been reviewing SPB, agency staff have been busy getting the Capitol ready for the opening of the 74th Legislature in January 1995. As the restoration projects come to a close and the Legislature and Governor reoccupy the Capitol, SPB's mission shifts from project

About \$190 million in general revenue has been paid to contractors for the Capitol complex restoration projects.

Plans for the long-term oversight and maintenance of the Capitol are incomplete.

management to building management and preservation of the multi-million dollar facilities paid for by the taxpayers.

CONDUCT OF THE REVIEW

In conducting the review, the Sunset staff:

- Consulted with SPB to learn the major activities of the agency, how the agency conducts these activities, and the resources needed to carry them out;
- Toured the Capitol interior to see restoration work in progress and the General Land Office Building to see the finished product;
- Met with Legislative Budget Board (LBB) staff to discuss SPB's appropriations and strategic planning process;
- Reviewed SPB internal documents and other agency-related documents, including the 20-year master plan for the Capitol, portions of contracts with general contractors, the agency's annual report and strategic plan, state auditor reports, LBB reports, SPB's enabling legislation, previous legislation, literature concerning the history of the Capitol, and other states' information;

- Reviewed the agency's level of use of historically underutilized businesses since 1990; and
- Surveyed past, current, and continuing functions of the agency.

RESULTS

This Sunset review comes at an unusual time for an agency. SPB is at a transition point. The Board was primarily created to renovate and restore Texas' historic Capitol building and to carry out several other Capitol complex projects. While these activities are nearly complete, some work remains to be completed on the Capitol and its grounds.

The Sunset review focused on the status of projects under SPB's oversight and found that:

- The interior restoration of the Capitol will not be completed until sometime in the spring of 1995. After the restoration work in the Capitol complex is finished, SPB will have to wrap up several matters related to the work on the project, including final payments to contractors, contract close-outs, and warranty work.
- SPB and the General Services Commission have not adopted a permanent arrangement for upkeep and maintenance of the Capitol.

- The agency has not finished procuring and documenting furnishings for the Capitol.
- Plans for long-term oversight of the historic nature of the building are incomplete.
- Renovation work on the Capitol grounds has not begun.

According to the agency, work on all these projects and most contractual matters related to them should be completed by September 1997. With this amount of unfinished business, it is appropriate to wait for two years to more fully consider the role of SPB and where necessary functions related to managing a building such as the state Capitol should reside.

RECOMMENDATION

Continue the State Preservation Board until September 1, 1997.

FISCAL IMPACT

Continuing the State Preservation Board using its current organizational structure would require an annual appropriation from general revenue of about \$1 million for the 1996-1997 biennium. The Board would also continue to use unexpended balances carried forward for existing projects. The agency estimates that about \$27.7 million remains to be paid out on the Capitol complex projects.

With the amount of unfinished business left on the Capitol complex projects, continuing SPB until September 1, 1997, is appropriate.

ISSUE 1



DELAY THE SUNSET REVIEW OF THE STATE PRESERVATION BOARD.

BACKGROUND

The construction and renovation of the Capitol is in its last phase. The Capitol Extension and Capitol exterior are complete and the work has been accepted by SPB. The restoration of the Capitol's north entrance, north wing, east wing, south wing and the Governor's office of the Capitol have some items that need to be completed. Many Capitol occupants have moved into their newly renovated offices, and await completion of the project.

The west wing, including the Speaker's quarters, Legislative Council and representatives offices, are incomplete. SPB staff indicate the west wing will be ready by the start of the upcoming Legislative session.

The Capitol is expected to reach final completion in March 1995, two months past opening of the regular legislative session. When SPB accepts the interior restoration, the Capitol renovation will be complete. The Capitol building is scheduled to be rededicated in a ceremony in April 1995.

Other aspects of the Capitol project will continue into the next two year period. These items include:

- warranty work;
- contract close-outs (negotiations with contractors over final costs of the projects);
- final payments to all contractors;
- development of facility management plans for building operations (such plans typically include scheduling for regular maintenance intervals, maintaining operational information for all systems and establishing guidelines for ensuring safe performance); and
- the historic south Capitol grounds restoration.

Following completion and acceptance of the extension construction and Capitol renovation, ongoing needs will continue for:

- oversight and approval of building changes and modifications according to the master plan;

The construction and renovation of the Capitol is in its last phase.

The Sunset review of the State Preservation Board comes at a transitional period for the agency.

- care, restoration, reproduction, and cataloging of the Capitol historical furnishings collection;
- coordination of building maintenance and grounds care;
- operation of the visitors center in the General Land Office Building; and
- scheduling of exhibits and events in the Capitol, Capitol Extension, General Land Office Building, and their grounds.

The Sunset review of SPB occurs at a critical period in the agency's oversight of the historic Capitol preservation project. In the next two years, attention will shift from oversight of construction and restoration activities to preservation, facility management planning, and public education activities. As shown in the findings below, a need for a stable transition into new building operations and further study of ongoing agency functions need to occur.

FINDINGS

▼ **A full Sunset review would be more appropriate in two years.**

► SPB is currently preparing the Capitol for the opening of the 74th Legislature in January 1995. Because of the impending deadline, SPB has had difficulty devoting adequate time and resources to a thorough Sunset review process.

► A significant amount of preservation project work is not yet complete. At the publication of this report, the agency estimates that about \$27.7 million worth of work remains before final completion of the Capitol project. The chart, *Unspent Project Balances*, shows the amount of budgeted funds

Unspent Project Balances August 31, 1994		
Project	Unspent Balances	Planned Use of Unspent Balances
General Land Office Building	\$24,443	SPB needs to purchase casings for exhibits, additional benches, and other items.
Capitol Extension Excavation	\$2,257	SPS is waiting on an archeological report to complete contract payment.
Capitol Extension	\$731,210	The contractor has not completed all carpet installation and SPB has withheld funds pending completion of punch list items.
Exterior and Interior Restoration	\$20,279,157	The Interior restoration project is still underway and will require expenditure of remaining funds.
Furnishings	\$3,255,829	Funds are budgeted for completion and delivery of furnishings for the General Land Office Building, the Capitol and the Capitol Extension.
Grounds and Contingency Funds	\$3,382,468	Includes expenditures for both the contingency funds and for grounds. Contingency funds are for claims or other unforeseen costs related to projects. The grounds include the following: the Great Walk, sidewalks, curbing, paving, striping, irrigation, security lights, historic lighting, fencing, monument restoration, tree maintenance, and signs.
TOTAL	\$27,675,364	

available to complete various parts of the project.

► Warranty repairs require the familiarity of SPB staff. Having been involved with the construction and restoration projects since the beginning, the agency is best equipped to make warranty demands on contractors.

Warranty coverage generally runs for one year from the date of substantial completion of the contractor's work. Dates of substantial completion and warranty periods for the Capitol interior are shown in the chart, *Warranty Periods for the Capitol Interior*.

► SPB staff is in the best position to negotiate contract close-outs with project contractors. The agency developed the project contracts and has documented and managed all projects since the beginning. As the restoration draws to a close, SPB estimates that the state and contractors may contest as much as \$2 million in final project costs.

► Although the General Services Commission (GSC) is providing routine maintenance such as heating, air conditioning and plumbing systems for the extension and the Capitol, facility manage-

ment plans have not been developed or implemented.

SPB staff is familiar with many of the requirements for maintaining the new building systems, restored facilities and furnishings of the Capitol project. Consequently, SPB should be involved in developing and implementing facility management plans during the first two years of the buildings' use to guarantee a smooth transition from construction and renovation to an operating office environment.

▼ **A portion of the Capitol project, the renovation of the south Capitol grounds, remains unfinished.**

► SPB is now seeking bids from landscape architectural firms to develop a master plan for the south Capitol grounds renovation. SPB staff expects the master plan to be finished by March 1995 and renovation

A portion of the Capitol project, the renovation of the south Capitol grounds, remains unfinished.

Warranty Coverage Periods for Capitol Interior Projects		
Capitol Interior Project	Substantial Completion Date of Project	Warranty Expiration Date
North Entrance	October 15, 1994	October 15, 1995
North Wing	August 8, 1994	August 8, 1995
East Wing	September 6, 1994	September 6, 1995
South Wing	November 17, 1994	November 17, 1995
Governor's Office	November 17, 1994	November 17, 1995
West Wing*	N/A	N/A

N/A = Not available; substantial completion has not yet been achieved.

*Includes the Speaker's quarters, the Legislative Council, and representatives' offices.

With the amount of unfinished business, it is appropriate to delay the full review for two years.

activities to be concluded by December 1996, or within 18 months of completion of the grounds project master plan.

- ▶ SPB is best situated to oversee the south Capitol grounds renovation, the last significant portion of the Capitol restoration.

CONCLUSION

This Sunset review comes at an unusual time for an agency. SPB is at a transition point. The Board was primarily created to renovate and restore Texas' historic Capitol building and to carry out several other Capitol complex projects.

While these activities are nearly complete, some work remains to be completed on the Capitol and its grounds. Problems covered by contractors' warranties must be rectified within a year. Plans for oversight of the historic nature of the buildings are incomplete. The agency and GSC have not adopted a permanent arrangement for upkeep and maintenance of the Capitol.

With this amount of unfinished business, it is appropriate to wait for two years to more fully consider the role of SPB and where necessary functions related to managing a building such as the state Capitol should reside.

Recommendation

Change in Statute

■ Continue the State Preservation Board until September 1, 1997.

Continuing the State Preservation Board for another two years will allow completion of all Capitol project activities and provide a smooth transition from construction management to building management. During this two-year

period, the agency should work with agencies such as GSC and the Texas Historical Commission on plans to maintain and preserve the building and its furnishings. Also during this period, SPB staff will be more fully available to work with Sunset staff on the evaluation of SPB and an analysis of alternatives for transferring or merging SPB functions with other agencies.

FISCAL IMPACT

Continuing the State Preservation Board using its current organizational structure would require an annual appropriation from general revenue of

about \$1 million for the 1996-1997 biennium. The Board would also continue to use unexpended balances carried forward for existing projects.

State Preservation Board	
Recommendations	Across-the-Board Provisions
	A. GENERAL
Apply/Modify	1. Require at least one-third public membership on state agency policymaking bodies.
Not Applicable	2. Require specific provisions relating to conflicts of interest.
Apply	3. Prohibit persons required to register as a lobbyist from acting as general counsel to the agency or policymaking body or serving as a member of the policymaking body.
Apply	4. Require that appointment to the policymaking body be made without regard to the appointee's race, color, disability, sex, religion, age, or national origin.
Apply/Modify	5. Specify grounds for removal of a member of the policymaking body.
Apply	6. Require agencies to prepare an annual financial report that meets the reporting requirements in the appropriations act.
Not Applicable	7. Require the agency to establish career ladders.
Apply	8. Require a system of merit pay based on documented employee performance.
Apply	9. Provide for notification and information to the public concerning agency activities.
Apply	10. Require that all agency funds be placed in the treasury to ensure legislative review of agency expenditures through the appropriations process.
Apply	11. Require information to be maintained on complaints.
Apply	12. Require that all parties to written complaints be periodically informed in writing as to the status of the complaint.
Apply	13. Require development of an E.E.O. policy.
Apply/Modify	14. Require that information on standards of conduct be provided to members of policymaking bodies and agency employees.
Apply	15. Provide for public testimony at meetings of the policymaking body.
Apply	16. Require the agency's policymaking body to develop and implement policies that clearly separate the functions of the policymaking body and the agency staff.
Apply	17. Require development of an accessibility plan and compliance with state and federal accessibility laws.
Not Applicable	18. Provide for the Governor to designate the presiding officer of a state agency's policymaking body.
Apply	19. Require the agency to comply with the state's open meetings law and administrative procedures law.
Not Applicable	20. Require training for members of policymaking bodies.

State Preservation Board (cont.)	
Recommendations	Across-the-Board Provisions
	B. LICENSING
Not Applicable	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
Not Applicable	2. Provide for notice to a person taking an examination of the results of the examination within a reasonable time of the testing date.
Not Applicable	3. Provide an analysis, on request, to individuals failing the examination.
Not Applicable	4. Authorize agencies to establish a procedure for licensing applicants who hold a license issued by another state.
Not Applicable	5. Authorize agencies to issue provisional licenses to license applicants who hold a current license in another state.
Not Applicable	6. Authorize the staggered renewal of licenses.
Not Applicable	7. Authorize agencies to use a full range of penalties.
Not Applicable	8. Specify disciplinary hearing requirements.
Not Applicable	9. Revise restrictive rules or statutes to allow advertising and competitive bidding practices that are not deceptive or misleading.
Not Applicable	10. Require the policymaking body to adopt a system of continuing education.

BACKGROUND

CREATION AND POWERS

In 1983, the Legislature created the State Preservation Board (SPB) to restore, preserve, and maintain the State Capitol, the historic General Land Office Building, their contents, and their grounds. In this report, the term "Capitol complex" refers to the buildings and grounds for which SPB is responsible. The illustration, *SPB Area of Oversight*, shows the jurisdiction of SPB within the whole Capitol complex.

Since its completion in 1888, the Capitol had deteriorated, losing historic architectural features and posing safety hazards. As occupancy grew to twice the intended original capacity, modern plumbing, heating, and air conditioning systems were installed and office space subdivided in a patchwork fashion that made the Capitol interior unsafe, crowded, and unsightly in places.

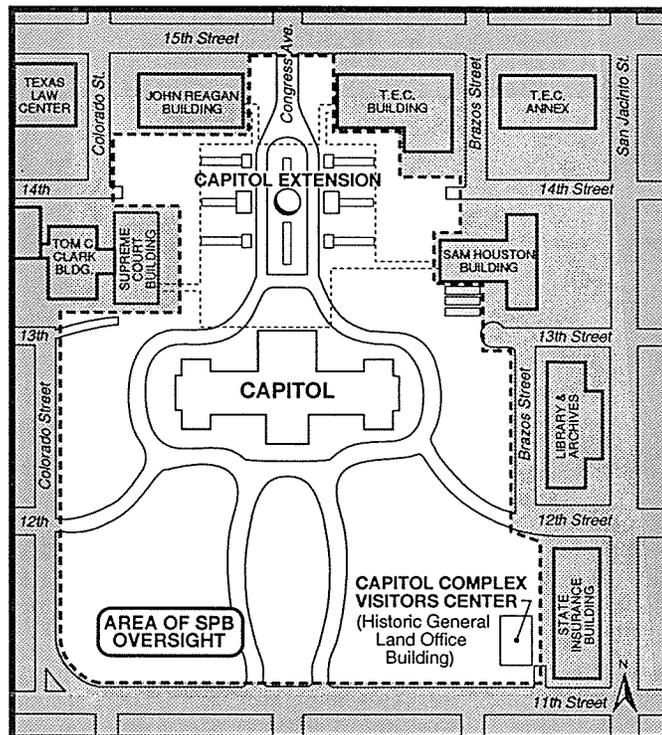
In February 1983, a fire originating in the Lieutenant Governor's apartment spread through the structure in the space above false ceilings, severely damaging the east wing of the Capitol. This event led to emergency legislation appropriating \$6 million to the Senate to repair the fire damage

and restore the back hall of the east wing. The fire also encouraged the Governor and Legislature to pursue a restoration program for the Capitol and to create the State Preservation Board to administer it.

With the exception of the \$6 million appropriated to the Senate in 1983 to repair the fire damage, the General Services Commission (GSC) had been in charge of maintaining, remodeling, and

Since its completion in 1888, the Capitol had deteriorated, losing historic architectural features and posing safety hazards.

Area of Oversight
State Preservation Board



repairing the Capitol prior to the creation of SPB. The chart, *Capitol Building Responsibilities*, shows GSC's and other state agencies' statutory powers and duties regarding the Capitol prior to the creation of SPB.

The legislation creating SPB transferred all powers and duties related to the care, maintenance, and preservation of the Capitol and the General Land Office Building to SPB from the other state agencies. However, GSC still provides maintenance services, and the historical commission annually reports to the National Park Service on the Capitol's status as a National Historic Landmark.

Capitol Building Responsibilities Before 1983	
Agency	Powers and Duties
General Services Commission (GSC)	<ol style="list-style-type: none"> 1. Controlled the halls, chambers, and committee rooms while the Legislature was in recess. 2. Provided custodial services for whole Capitol. 3. Responded to changes, repairs, and remodeling requested by the Capitol's occupants.
Texas State Libraries and Archives Commission	Inventoried and maintained paintings that hung in the Capitol.
Texas Commission on the Arts	Provided advice on matters related to the artistic character of the Capitol, such as acquisitions and remodeling.
Texas Historical Commission and Texas Antiquities Committee	Reviewed the Capitol for historic landmark status.

POLICYMAKING STRUCTURE

The State Preservation Board has three *ex officio* members and three appointed members. The *ex officio* members are the Governor, Lieutenant Governor, and Speaker of the House of Representatives. Of the three appointed members, one is a Senator appointed by the Lieutenant Governor, one is a Representative appointed by the Speaker, and one is a citizen appointed by the Governor. Traditionally, the Lieutenant Governor and the Speaker appoint the chairmen of the Senate and House Administration Committees to serve on the Board.

The statute also established a permanent advisory committee to make recommendations to the Board concerning the restoration of the Capitol and the General Land Office Building. The chairman of the permanent advisory committee serves as a non-voting member of the Board. The permanent advisory committee is made up of the following members: the executive directors of the Texas Historical Commission, Texas State Libraries and Archives Commission, and Texas Commission on the Arts; the chairman of the Antiquities Committee; and three citizen members appointed by the Governor, Lieutenant Governor, and Speaker. SPB's executive director calls the meetings of the advisory committee,

which has usually met shortly before the regular Board meetings.

The Board has also appointed other advisory committees, including one to review acquisitions of historical furnishings and other items for use in the restored Capitol and another to advise the Board on operating a gift shop in the General Land Office Building, which now serves as the Capitol Complex Visitors Center.

The Board oversees the agency's administration of the construction and restoration projects and adopts rules for carrying them out. Further, the Board awards general contracts for design, construction, and preservation. The statute requires the Board to review building changes requested by the occupants. In practice the Board has delegated this power to the agency's executive director, except for major changes to the building or master plan.

THE MASTER PLAN AND CAPITOL PROJECT

The statute required SPB to develop a 20-year master plan for restoring the Capitol and the General Land Office Building to their original architecture. The master plan was intended to serve as the foundation for all efforts to maintain, preserve, restore, and modify the Capitol and grounds.

In December 1989, SPB approved the master plan for the Capitol, which included construction of an underground extension to increase office and parking space without obstructing the north view of the Capitol.

To accomplish the construction and restoration projects, the master plan set 12 program goals, which are listed in the box, *Master Plan Program Goals*.

Master Plan Program Goals	
1.	Preserve Texas' heritage as symbolized by the Texas State Capitol.
2.	Provide a safe working environment in the Capitol.
3.	Preserve the structural integrity of the Capitol.
4.	Make the Capitol a functional seat of state government.
5.	Place any new construction underground.
6.	Restore the Capitol to its original grandeur.
7.	Begin exterior work as the first step in the restoration sequence.
8.	Concentrate on establishing four levels of restored space in the interior of the Capitol: <ul style="list-style-type: none"> a. Significant historical areas that should be restored to their original form as built in 1888; b. Functional significant historical areas, such as the back halls in the east and west wings, that can be subdivided while retaining evidence of their original spatial quality, primarily through the use of glass partitions; c. Functional areas, such as legislators' offices, that can be subdivided as needed to provide useful office space. d. Utilitarian areas that are strictly used for building support, such as mechanical rooms, janitor closets, and restrooms.
9.	Integrate all mechanical, electrical, and plumbing systems and services into the building structure with minimal effect on the restored original appearance.
10.	Provide natural lighting for offices whenever possible.
11.	Create a stable environment in the Capitol with limited change required in the future.
12.	Make the Texas Capitol an outstanding national example of historic preservation.

Source: State Preservation Board

The master plan called for the exterior of the Capitol to be restored to its original 1888 appearance and for 11 significant historic areas inside the Capitol to be restored to their original architectural and interior detailing *circa* 1888 - 1915, by which time electric lights had been installed. These interior areas include the rotunda and public corridors, Senate and House chambers, original Governor's office, Secretary of State's office, and legislative reference library.

The Board divided the Capitol project into four stages, listed in order of progress:

- Capitol exterior restoration;
- Capitol Extension construction;
- Capitol interior restoration, including preservation of original interior detailing and furnishings; and
- Capitol grounds improvement.

A separate master plan was developed for restoring the General Land Office Building, which opened to the public in April 1994 as a tourist information center and Capitol Complex history museum.

The architect of the Capitol originally headed the agency's staff. In 1991, however, the Legislature created the position of executive director to manage the agency, relieving the Capitol architect of administrative duties. Since the last architect of the Capitol resigned in 1992, SPB has not filled the vacated position.

As of now, the interior west wing of the Capitol, which includes the House chamber and Speakers' office, remains to be finished. SPB expects the restoration to be completely finished in the spring of 1995, when the Board will formally accept the work of the contractors and the restored Capitol will be rededicated.

Significant dates for the Capitol complex projects are shown in the chart, *Brief History of the Capitol Restoration*.

Brief History of the Capitol Restoration	
February 1983	Fire extensively damaged the Lt. Governor's quarters and east wing of the Capitol.
September 1983	SPB began operations.
1983-1987	Various repair projects on the Capitol and preparation for full-scale restoration.
December 1988	Project architects for Capitol restoration hired.
May 1990	Excavation of sixty-foot deep hole for the underground Capitol Extension began.
July 1990	Restoration of the General Land Office Building began.
January 1991	Construction of Capitol Extension began.
June 1991	Exterior restoration of the Capitol began.
August 1992	Interior restoration of the Capitol began.
September 1992	Restoration of General Land Office Building completed at a cost of \$3.2 million.
January 1993	Capitol Extension completed at a cost of \$63 million.
February 1993	Exterior restoration of the Capitol completed at a cost of \$10.25 million.
April 1994	General Land Office Building opens to the public as the Capitol Complex Visitors Center.
January 1995	Capitol scheduled to be fully occupied.
April 1995	Scheduled rededication of restored Capitol.

Source: State Preservation Board

SPB is also developing a master plan for renovating the south Capitol grounds, a project the agency expects to be finished by December 1996, or within 18 months of completion of the master plan.

FUNDING AND ORGANIZATION

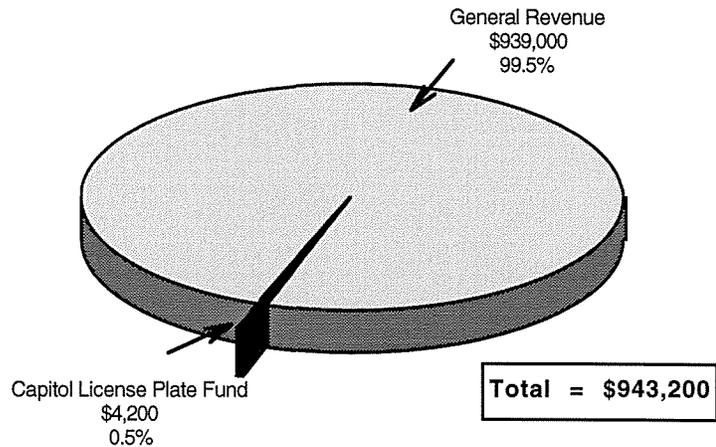
The State Preservation Board receives appropriations from the General Revenue Fund for agency operations and for management of the construction, restoration and preservation projects. In addition, SPB receives private donations from individuals and groups to be used for furnishing and restoring areas of the state Capitol and the General Land Office building.

In fiscal year 1994, the agency was appropriated \$944,109 for agency operations. The chart, *Sources of Revenue*, shows that agency operations were supported almost entirely by general revenue, with a small portion coming from the sale of special Capitol license plates which are purchased from the Texas Department of Transportation.

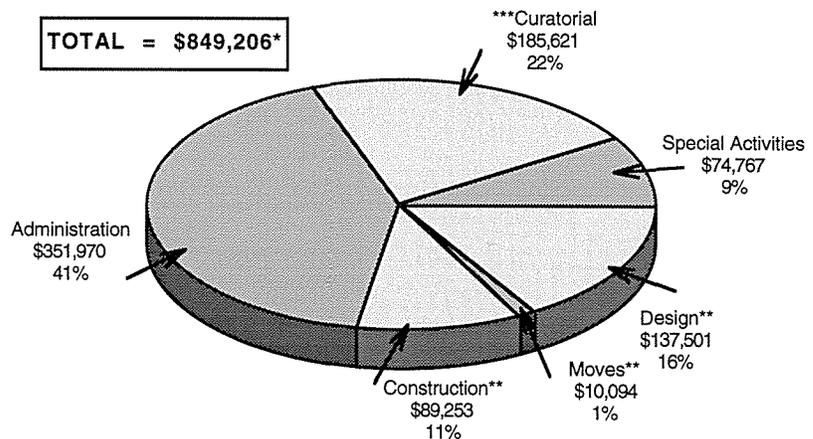
The State Preservation Board spent \$849,206 for agency operations in fiscal year 1994. The chart, *Agency Operating Expenditures by Division*, shows the agency's expenditures by division.

Over the past five years, SPB has also received large appropriations for the restoration and construc-

**Sources of Revenue for Agency Operations
Fiscal Year 1994**



**Agency Operating Expenditures by Division
Fiscal Year 1994**



* SPB was appropriated \$944,109 for FY 1994. The unspent funds were committed for FY 1994 but were not spent by August 31, 1994.

** The Construction, Moves and Design divisions comprise the Project Management Division, which is headed by the Project Manager.

***The Curatorial division collects items of historical significance related to the Capitol complex and the General Land Office building.

A total of \$190.8 million has been appropriated for the Capitol preservation project.

tion of the Capitol, the Capitol Extension, the General Land Office building, their contents, and the building grounds. A total of \$190.8 million has been appropriated in three major allotments:

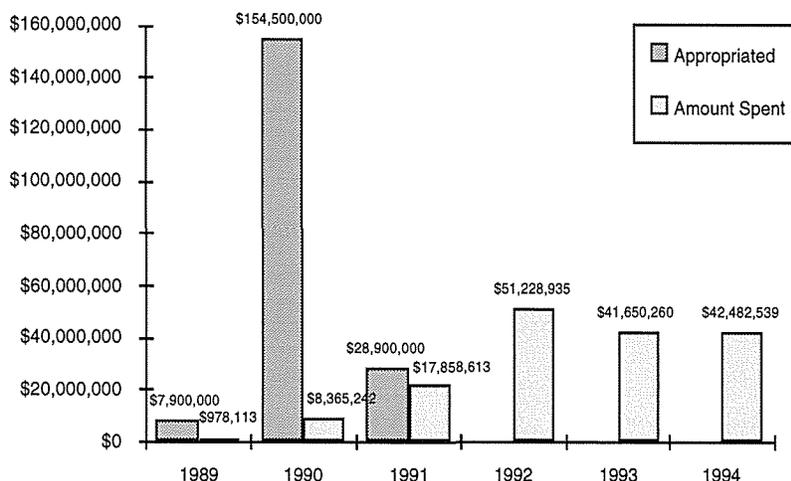
- In 1989, SPB received \$7.4 million in emergency appropriations to expedite development of the master plan and for emergency repairs to the Capitol;
- In 1989, another \$154.5 million was appropriated for the construction, repair, and restoration of the Capitol and the General Land Office building. These funds also paid for construction of the Capitol Extension building; and
- In 1991, \$28.9 million was appropriated for Capitol restoration, preservation,

asbestos abatement and office move activities undertaken by SPB.

These funds were appropriated by the Legislature only for construction, restoration, and preservation expenses. Funds that are not spent by the end of the fiscal year are rolled forward for use by SPB during the subsequent fiscal year. The chart, *Project Fund Appropriations and Expenditures, 1989-1994*, shows the appropriated funds and total expenditures for construction, preservation and restoration efforts undertaken by SPB since 1989.

The table, *Project Budgets and Expenditures - Fiscal Year 1994*, shows that as of the end of fiscal year 1994, most project expenditures have paid for the Capitol interior and exterior restoration, and the construction of the Capitol Extension.

**Project Fund Appropriations and Expenditures
1989-1994***



*Project fund appropriations do not include appropriations for agency operations.

An additional source of project funding was authorized in 1989 when the Legislature established the Capitol Trust Fund to hold private contributions for furnishing and restoring areas of the State Capitol and the General Land Office building. The State Treasurer invests and manages all donations at the direction of the State Preservation Board. The chart, *Capitol Trust Fund, Donations and Expenditures Fiscal Years 1991-1994*, shows the amount of donations received by

SPB, and expenditures from the Capitol Trust Fund beginning in 1991.

The SPB has contracted for over \$190 million for preservation, renovation, and construction goods and services. The agency's use of historically underutilized businesses (HUBs) in those contracts is described in the box on the next page, *Agency Use of Historically Underutilized Businesses (HUBs)*.

The State Preservation Board was budgeted for 58 full-time positions (FTEs) in fiscal year 1994. The organizational structure and allocation of staff among the agency's divisions is illustrated in the chart on page 19, *Agency Organizational Chart*.

Project Budgets and Expenditures Fiscal Year 1994			
Project	Budget	Expended	Use of Unexpended Balances
General Land Office Building	\$3,886,471	\$3,862,028	SPB needs to purchase casings for exhibits, additional benches, and other items.
Capitol Extension Excavation	\$5,531,205	\$5,528,948	SPS is waiting on an archeological report to complete contract payment.
Capitol Extension	\$69,073,572	\$68,342,362	The contractor has not completed all carpet installation and SPB has withheld funds pending completion of punch list items.
Exterior and Interior Restoration	\$100,185,464	\$79,906,307	The Interior restoration project is still underway and will require expenditure of remaining funds.
Furnishings	\$4,508,750	\$1,252,921	Funds are budgeted for completion and delivery of furnishings for the General Land Office Building, the Capitol and the Capitol Extension.
Grounds and Contingency Funds	\$7,053,604	\$3,671,136	Includes expenditures for both the contingency funds and for grounds. Contingency funds are for claims or other unforeseen costs related to projects. The grounds include the following: the Great Walk, sidewalks, curbing, paving, striping, irrigation, security lights, historic lighting, fencing, monument restoration, tree maintenance, and signs.
TOTAL	\$190,239,066	\$162,563,702	

Capitol Trust Fund Donations and Expenditures 1991 to 1994			
Year	Total Donations	Total Expenditures	Annual Balance
1991	\$3,675	\$3,675	\$0
1992	\$10,403	\$9,903	\$500
1993	\$472,376	\$153,382	\$318,994
1994	\$1,835,082	\$686,978	\$1,148,104
Total	\$2,321,536	\$853,938	\$1,467,598

Agency Use of Historically Underutilized Businesses (HUBs)

Due to the state's changing demographics and growing number of women and minority-owned businesses, the Legislature passed the Small Business Assistance Act in 1975 to ensure that businesses owned by women and minorities have an opportunity to do business with the state.

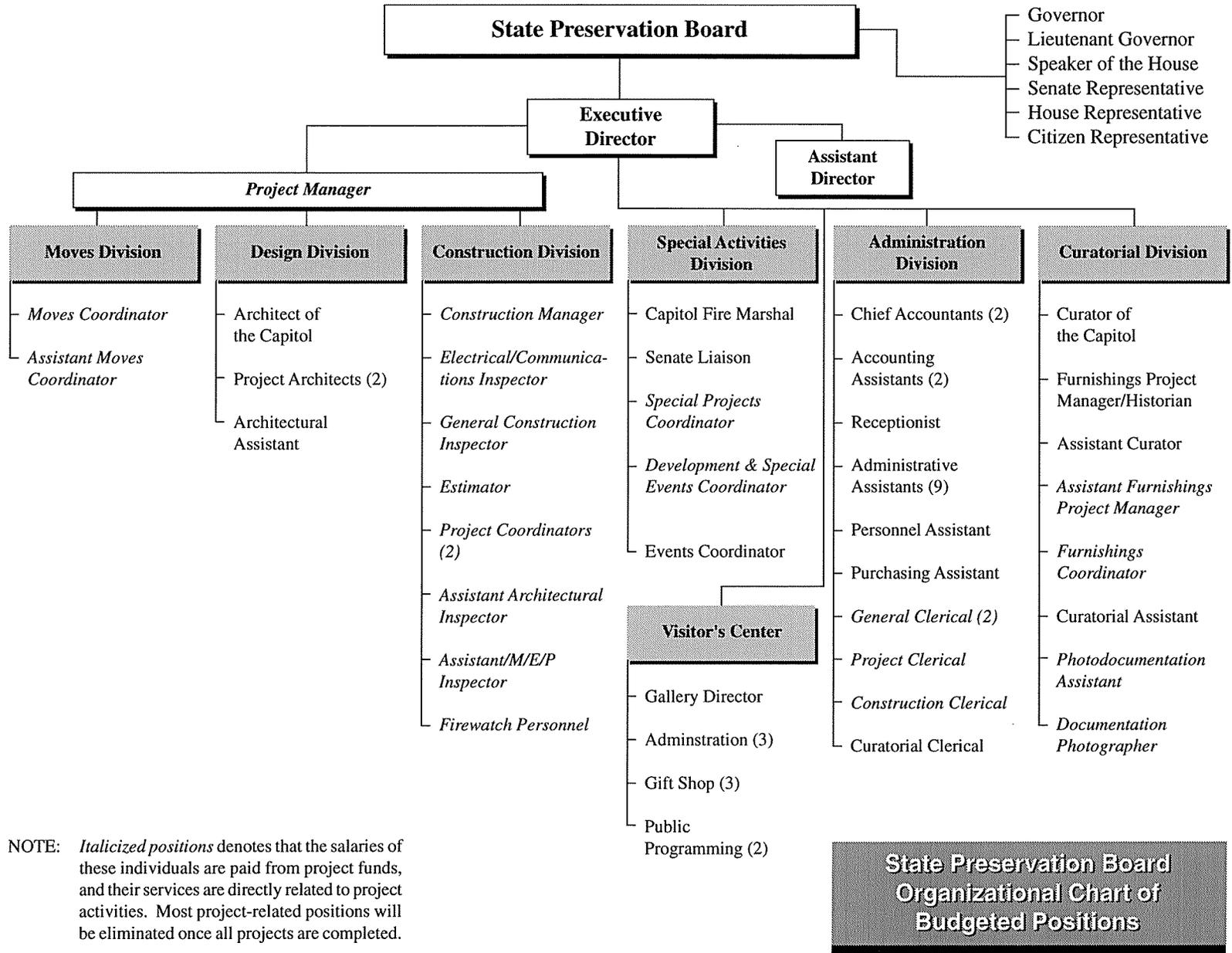
Since that time, the Legislature has continued to make the use of historically underutilized businesses a priority by setting goals in the General Appropriations Act and in the State Purchasing and General Services Act. Currently, the General Appropriations Act requires agencies that receive general appropriations to make a good faith effort to purchase 20 percent of goods and purchases from HUBs; the State Purchasing and General Services Act requires all agencies to make a good faith effort to purchase 30 percent of goods and services from HUBs.

In 1989, the 71st Legislature specifically directed SPB to increase its use of engineering and architectural HUBs to 15 percent. At that time, the state's HUB goal was 10 percent. However, a higher goal was set for the SPB because of the agency's prior underutilization of HUBs.

While the state has generally made the use of HUBs for the purchase of goods and services a priority, SPB's use of HUBs has been consistently lower than the statewide average since 1991. This is illustrated in the table, State Preservation Board HUB Purchases (1990-1994).

State Preservation Board HUB Purchases (1990 - 1994)					
Year	SPB Total Purchases	SPB HUB Purchases	SPB HUB Percent	Statewide Hub Average	State Goal
CY90	\$11,112,344	\$321,070	2.89%	0.89%	10%
CY91	\$35,415,341	\$286,549	0.81%	1.48%	10%
CY92	\$43,054,557	\$31,253	0.07%	2.17%	10%
CY93	\$43,047,933	\$1,831,576	4.25%	8.33%	10%
FY94*	\$42,267,041	\$2,065,347	4.89%	11.88%	30%

* In its fiscal year 1994 report on historically underutilized businesses, the General Services Commission reported that the State Preservation Board spent a total of \$41,582,868 on goods and services and \$99,269 with HUBs, for a total of .24 percent. However, these figures did not include the use of subcontractors and non-treasury funds. The figures for fiscal year 1994 in the table above include subcontractor and non-treasury funds.



NOTE: *Italicized positions* denotes that the salaries of these individuals are paid from project funds, and their services are directly related to project activities. Most project-related positions will be eliminated once all projects are completed.

**State Preservation Board
Organizational Chart of
Budgeted Positions**

A comparison of the agency's workforce composition to the state's women and minority workforce goals is shown in the chart, *Agency Equal Opportunity Employment Statistics*.

**State Preservation Board
Equal Employment Opportunity Statistics - 1994**

Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	State Goal	Agency	State Goal	Agency	State Goal
Officials/Administration	5	0%	5%	0%	8%	80%	26%
Professional	25	0%	7%	16%	7%	68%	44%
Technical	5	0%	13%	20%	14%	20%	41%
Protective Services	0	n/a	13%	n/a	18%	n/a	15%
Para-Professionals	3	0%	25%	67%	30%	67%	55%
Administrative Support	19	21%	16%	32%	17%	89%	84%
Skilled Craft	0	n/a	11%	n/a	20%	n/a	8%
Service/Maintenance	0	n/a	19%	n/a	32%	n/a	27%

STRATEGIC PLANNING AND AGENCY FUNCTIONS

In 1991, Texas incorporated a strategic planning and budgeting system into its legislative appropriations process. The intent of strategic planning is to move from short-term crisis intervention to long-term goal setting, allocate funds by priority, and improve agency accountability. The strategic plan focuses the budgetary process on results rather than efforts.

In Texas, each agency's strategic plan states its mission, goals, objectives, and strategies. The agency's strategies describe the

actual activities through which the agency accomplishes its goals.

Strategies also serve as the basic funding element in performance based budgeting in which agencies request and receive appropriations to implement specified strategies.

Performance measures monitor each agency's progress toward achieving its goals and objectives by comparing the agency's projected performance with its actual performance.

The State Preservation Board's mission is to preserve, maintain, and restore the Texas Capitol, the General Land Office Building, their contents, and their grounds. The agency has developed four goals to support its mission. These goals and supporting agency functions are described below.

Goal A: Complete the restoration of the Capitol and General Land Office Building and the construction of the Capitol Extension.

SPB has worked over the past five years to build the Capitol Extension, renovate the exterior of the Capitol, and renovate the General Land Office Building. The Capitol interior project, the final construction/renovation project under SPB's responsibility, is scheduled to be finished in January 1995. The Capitol project construction schedule is shown in the chart, *Project Schedule 1991-1997*.

The State Preservation Board's mission is to preserve, maintain, and restore the Texas Capitol, the General Land Office Building, their contents, and their grounds.

SPB's construction and design division, which the project manager supervises, oversees Capitol construction and renovation efforts. Although SPB has contracted for architectural and engineering services throughout the Capitol project, staff architects and construction personnel have directly overseen the activities of the contractor on behalf of the state.

The agency's executive director, project manager, and project inspectors have monitored construction and renovation work. Project inspectors checked all aspects of the construction and renovation trying to ensure that quality and cost standards set by the State Preservation Board were met. Project management staff was also responsible for making sure that the project would be completed within the allotted budget and time-frame.

To perform their monitoring duties, agency staff has used weekly and monthly job progress reports and computerized data logs to track all construction activity. Also, the agency is currently using an engineering/construction consulting firm that provides scheduling expertise to help ensure that the Capitol project is finished on-schedule.

Project Schedule, 1991 - 1997

Project	1-91	7-91	1-92	7-92	1-93	7-93	1-94	7-94	1-95	7-95	1-96	7-96	1-97
Capitol Extension Excavation	■												
Capitol Extension	●	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Capitol Interior Restoration				●	-----	-----	-----	-----	-----	-----	-----	-----	-----
Capitol Exterior Restoration	●	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Historic General Land Office				■									
Grounds									●	-----	-----	-----	-----

● Approximate begin date of project

■ Approximate end date of project

* Grounds work will include sidewalks, curbing, paving, striping, irrigation, security lights historic lighting, fencing, monument restoration, tree maintenance and signage.

Goal B: Ensure the continued preservation of the historic buildings and protect the state's current investment.

Due to the state's significant investment in the Capitol restoration project, SPB made the continued preservation of the Capitol, the General Land Office Building, and their grounds one of its major strategic planning goals.

In its preservation efforts, the agency has established a repository of vital information regarding the Capitol. Files include architectural plans and records that describe the building, its mechanical systems, and prior renovations.

SPB also maintains documents and photographs on the renovated Capitol complex buildings, contents, and grounds. Information has been organized into building, subject, and biographical files, along with files on individual historical items for historians, preservationists, and architects interested in the Capitol.

Long-term arrangements for custodial, maintenance and grounds care for the Capitol have not been finalized.

Another important aspect of Capitol preservation includes the oversight of any changes made to the building and grounds. SPB has developed guidelines for reviewing proposed building and room changes. When the agency receives requests for changes such as enlarging offices and installing electrical outlets, SPB staff reviews the requests, checking for code compliance, building safety, and historic preservation requirements. Agency staff may provide design work for an approved change and may also oversee the actual construction work.

In fiscal year 1994, the agency received 46 change requests. Of that number, 36 requested changes in the Capitol Extension, and 10 requested changes in the Capitol. SPB staff approved 36 of the change requests.

Agency staff also coordinates with GSC to provide building care and maintenance. Custodial care is provided by GSC. Building maintenance responsibilities are currently split between SPB and GSC. Items under warranty that malfunction are investigated by SPB, which works with the responsible contractor to fix the problem. GSC provides all routine maintenance and service. For example, GSC attends to heating and air conditioning equipment as long as only routine service is required and the warranty does not apply.

Long-term arrangements for custodial, maintenance and grounds care for the Capitol have not been finalized. These responsibilities have not been formally assigned or agreed to by GSC. Consequently, the issue of care and maintenance of the Capitol still needs to be resolved.

SPB also works with the Capitol Fire Marshal who is responsible for identifying fire hazards in the Capitol and for directing fire safety efforts in the buildings.

Goal C: Develop and maintain a collection of new and historical furnishings, artwork, and artifacts.

The SPB's third goal is to develop and maintain a collection of new and historical furnishings, artwork, and artifacts. The main objective is to preserve and increase the size of the Capitol collection while maintaining museum standards for the care and documentation of the items.

SPB has expanded the Capitol collection in four ways:

- by finding and returning state-owned items original to the Capitol complex buildings but distributed to other agencies;
- by reacquiring privately owned items originally used in the buildings;
- by acquiring historical artwork and other significant items from the early period of the Capitol's

history that were not originally used in the complex buildings; and

- by making accurate reproductions of original Capitol furnishings for the Capitol interior.

The curator of the Capitol manages the Capitol collection, with advice from a five-member collections review committee composed of history and museum professionals. The estimated value of the Capitol collection is shown in the table, *Value of Historic Collection*.

Value of Capitol Historic Artifact Collection	
Artwork	\$9.5m
Furnishings	\$4.5m
Other Artifacts	\$1.0m
Total	\$15.0m

Note: *The values were calculated by the Curator of the Capitol using conservative estimates. SPB has been systematically updating its inventory records in an effort to obtain current value for the collection. This process will be completed in 1995.*

Since 1989, SPB has inventoried over 2,000 items throughout the Capitol complex. In fiscal year 1994, SPB added 186 items to the historical inventory. Restoration of all items in the collection is scheduled for completion by 1999.

Goal D: Educate the general public about the restoration and the history of the buildings, their contents, and their grounds.

SPB seeks to educate the public about the historic nature of the Capitol and the restored General Land Office Building to increase the public's appreciation and respect for these structures.

A major effort in this area has been to use the Capitol Complex Visitors Center (the General Land Office Building) for educational purposes. The visitors center, which opened in April 1994, provided educational materials, exhibits, and tours to 27,738 visitors in its first six months.

The visitors center has long-term and short-term exhibits on the history of Texas state government, the Capitol building, the General Land Office Building, and the Capitol restoration project.

SPB also operates a gift shop in the visitors center. Proceeds from this operation are used to support the visitors center budget. In addition, the Texas Department of Transportation maintains a Travel Information Desk at the visitors center providing maps, brochures and general information for tourists.

As part of their educational efforts, SPB manages all events and exhibits in the Capitol, Capitol

The visitors center, which opened in April 1994, provided educational materials, exhibits, and tours to 27,738 visitors in its first six months.

Extension, General Land Office Building, and their grounds. In fiscal year 1994, SPB approved 117 event requests and eight exhibit requests.

Brief History of the Capitol Restoration	
February 1983	Fire extensively damaged the Lt. Governor's quarters and east wing of the Capitol.
September 1983	SPB began operations.
1983-1987	Various repair projects on the Capitol and preparation for full-scale restoration.
December 1988	Project architects for Capitol restoration hired.
May 1990	Excavation of sixty-foot deep hole for the underground Capitol Extension began.
July 1990	Restoration of the General Land Office Building began.
January 1991	Construction of Capitol Extension began.
June 1991	Exterior restoration of the Capitol began.
August 1992	Interior restoration of the Capitol began.
September 1992	Restoration of General Land Office Building completed at a cost of \$3.2 million.
January 1993	Capitol Extension completed at a cost of \$63 million.
February 1993	Exterior restoration of the Capitol completed at a cost of \$10.25 million.
April 1994	General Land Office Building opens to the public as the Capitol Complex Visitors Center.
January 1995	Capitol scheduled to be fully occupied.
April 1995	Scheduled rededication of restored Capitol.

Source: State Preservation Board

STATE PRESERVATION BOARD

Report prepared by:

Charla Ann Baker - Project Manager

Dan Junell

Aric Garza

Larry Graham

Barbara Hunley

Ken Levine - Project Supervisor

**John P. Moore,
Director**

**Sunset Advisory Commission
P.O. Box 13066
Room E2.002, Capitol Extension
Austin, Texas 78711**

**(512) 463-1300
FAX (512) 463-0705**