



Legislative Requirement:

An Efficiency Audit of the State Preservation Board

To address the requirements in Texas Government Code, Section 327.004, the State Auditor's Office reviewed the State Preservation Board's use of state resources in the following areas: financial resources, personal and real property assets, technology, and staffing.

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State Auditor

The State Preservation Board (Board) has opportunities to improve efficiency by:

- Evaluating whether it can obtain additional space to allow it to consolidate its warehouse operations.
- Assessing the projected cost and benefits of installing an automated parking garage system for the Bob Bullock Texas State History Museum.
- Replacing manual processes for monitoring custodial costs with system-generated reports.
- Continuing to identify hard-copy records that should be digitized.

Auditors did not identify any duplication, overlap, or conflict with other state agencies or misalignment between the Board's rules in the Texas Administrative Code and its statutory authority and mission.

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This audit was conducted in accordance with Texas Government Code, Sections 327.002 and 327.004.



SPACE UTILIZATION INEFFICIENCIES

Due to space limitations, the Board must store its retail inventory in multiple locations. This creates significant inefficiencies in the stocking, locating, and transporting of the inventory.

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AUTOMATION OPPORTUNITIES

Implementing an automated parking garage system may help the Board more efficiently allocate its Visitors Services staff to focus on core duties. The Board also could more efficiently track and monitor custodial care costs.

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RECORDS MANAGEMENT

Digitizing certain hard-copy records could help the Board increase efficiencies in operational processes.

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For more information about this audit, contact Audit Manager Matthew Owens or State Auditor Lisa Collier at 512-936-9500.

May 2026 | Report No. 26-024

Summary of Management's Implementation Plan

Auditors made recommendations to address the inefficiencies identified during this audit (see [Page 7](#)). The Board agreed with the recommendations and provided information on its planned implementation of them (see the Board's Management Implementation Plan starting on [Page 8](#)).

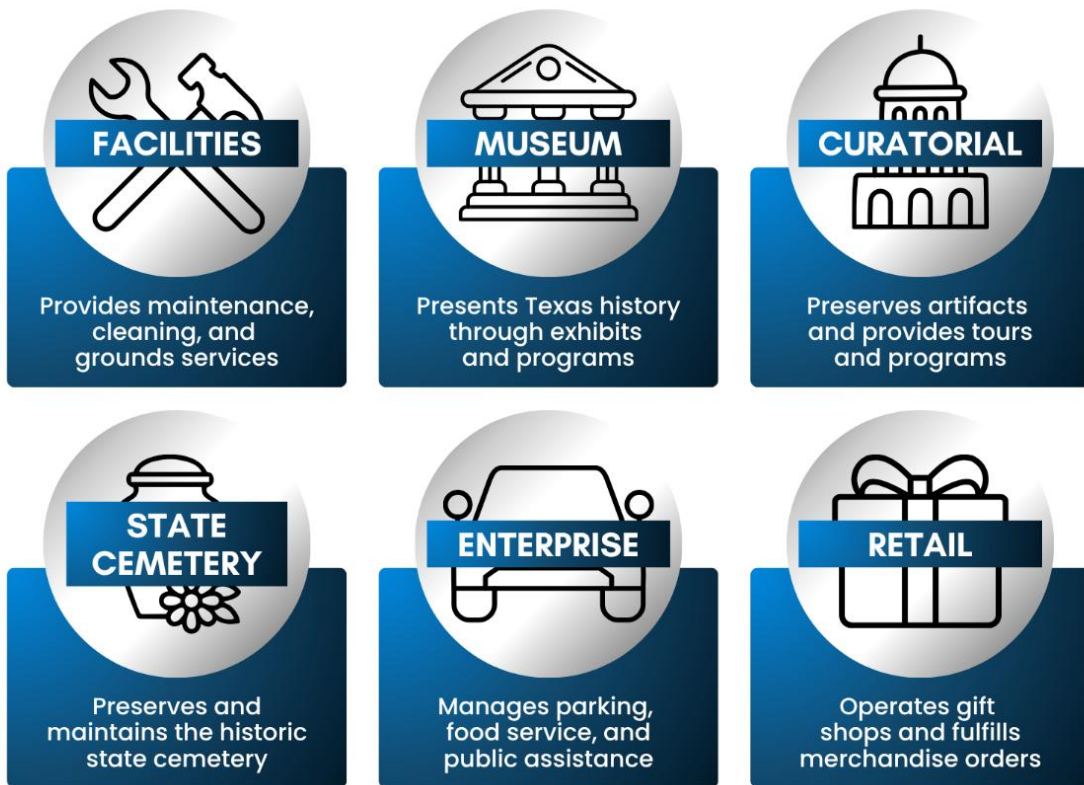
Background Information

State Preservation Board

The State Preservation Board (Board) is a state agency created to preserve and maintain certain state properties. The Board also operates and manages the Bob Bullock Texas State History Museum (Museum) and provides education programs (see Figure 1).

Figure 1

State Preservation Board's Key Functions

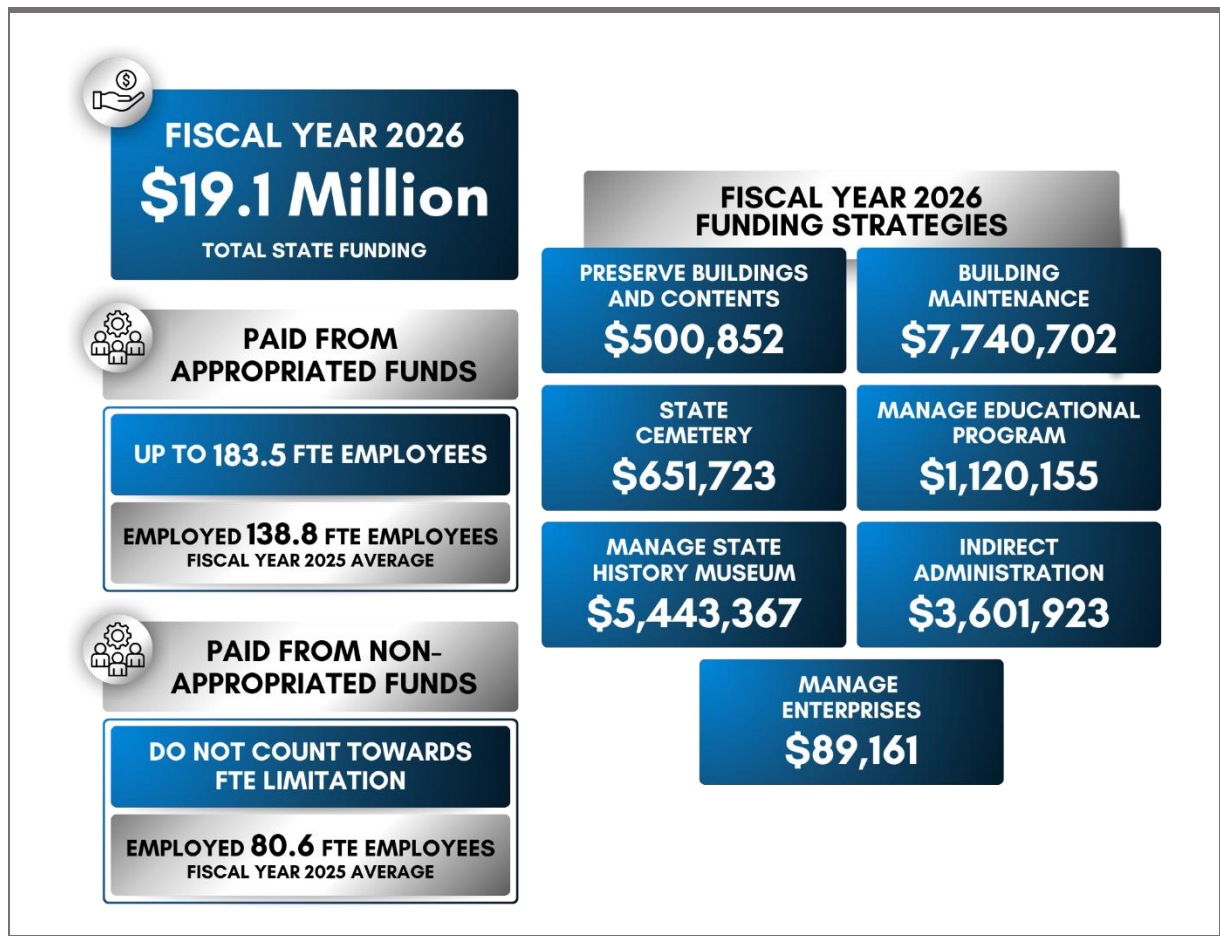


Source: The Board.

Figure 2 on the next page shows the Board's funding and size.

Figure 2

State Preservation Board Funding¹ and Size



Sources: The General Appropriations Act (89th Legislature); House Bill 500 (89th Legislature, Regular Session); and the Board’s self-reported full-time equivalent (FTE) data.

¹ Figure 2 presents funding for the Board’s general operations and excludes supplemental appropriations the Board also received. The \$5.4 million for the Manage State History Museum strategy includes a one-time \$3.5 million appropriation to renovate an exhibit.



Space Utilization Inefficiencies

The Board's current use of its available warehouse space is reasonable. However, that space is allocated in several locations. The physical distances between these warehousing spaces create inefficiencies within the Board's warehousing and retail processes.

The Board's separate warehouse locations cause inefficiencies for staff.

Due to limitations on available space, the Board cannot warehouse its retail inventory in one central location in the Capitol Complex. Instead, it must store the inventory in spaces on multiple floors with no easy access among them within the Capitol Visitor's Parking Garage building. This creates significant inefficiencies in the stocking, locating, and transporting of the inventory among the warehouse spaces, as well as to the points of sale (see text box for more information about the Board's retail locations).

For example, stock deliveries occur on one level, then staff must move some of that stock to the storage spaces on other floors. Because the floors are not connected by an elevator or staircase, staff must exit the building, which takes up one city block, and walk around it to access a separate entrance to the warehouse storage space on the other floor.

The Board estimated that it receives between 10 and 15 deliveries per week, and deliveries range from small volumes (such as 12 books) to large volumes (such as 6,000 ornaments). According to the Board, staff walk between the warehouse locations 3 to 12 times daily to process online orders and at least an additional 5 times weekly to gather items for gift shop deliveries. The extra time needed to traverse the spaces accumulates and limits the Board's efficiency in this area.

Board's Retail Operations

The Board's warehouse is used to store products sold through its gift shops and online. The gift shops are located in the Capitol Extension, the Capitol Visitor's Center, and the Bob Bullock Texas State History Museum.

Source: The Board.



Automation Opportunities

The Board could improve efficiency by automating certain processes.

Museum Parking Garage. The Board has an opportunity to improve the financial efficiency of its parking garage at the Bob Bullock Texas State History Museum (Museum). Specifically, the Museum parking garage does not have an automated parking system. As a result, the Museum must allocate some staff hired to work as Visitors Services Representatives to the garage to manually collect the parking fees. Museum management asserted this takes away staff members who could instead be working on other core tasks and duties. In addition, except for certain events, the Museum does not collect parking fees after operating hours. An automated parking garage system similar to the system the Board installed in the Capital Visitor's Parking Garage would allow the Museum to more efficiently allocate staff resources, as well as collect parking fees after hours, which would further help fund the Museum's operations.

Monitoring Custodial Costs. The Board actively monitors costs associated with providing custodial care for buildings it manages. However, the Board's facilities staff use inefficient manual processes to track those costs. This includes handwritten notes and spreadsheets. Instead, the Board could more efficiently track these costs by generating an expenditures report from the Centralized Accounting and Payroll/Personnel System (CAPPS), reducing the time that facilities staff must spend to track these costs. Facilities staff who track these costs stated they were not trained to use CAPPS and did not know how to extract an expenditures report.



Records Management

The Board has started digitizing its human resources-related documents to help improve the efficiency of its records management processes. However, the Board still has other hard-copy records stored in file rooms.

Some of the Board's staff, such as those in its Finance Department, must access these records at times for their operations. Currently, these hard copy records must be retrieved from the file rooms and are not easily accessible.

There may be opportunities to improve the efficiency of its records management by digitizing these records, especially ones that are used more frequently in operational processes. Additionally, digitizing records of high importance can help the Board ensure that they do not degrade or risk being destroyed in the event of a natural disaster.

Recommendations

The Board should:

- Evaluate whether there are opportunities to improve the efficiency of its warehousing operations.
- Evaluate whether the projected benefits of installing an automated parking garage system for the Bob Bullock Texas State History Museum, including increased revenue from after-hours parking and reduced need for staff time spent operating the garage, would exceed the costs of installing and maintaining such a system.
- Leverage system-generated reports, such as from CAPPs, to improve the efficiency of monitoring custodial costs and provide staff training on those systems as needed.
- Evaluate whether current hard-copy records should be digitized and, going forward, continue to identify records needed in operational processes that should be kept digitally to make access more efficient.

Management's Implementation Plan

The SPB recognizes the value of these recommendations in supporting the agency's continued success. The agency is committed to effectively serving the State of Texas and to strengthening our operations through thoughtful consideration and implementation of these improvements.

Our responses to the recommendations are provided below.

Recommendation #1 - Evaluate whether there are opportunities to improve the efficiency of its warehousing operations.

Management Response: The Board agrees with the recommendation to evaluate opportunities to improve the efficiency of warehousing operations.

Currently, the retail warehouse operates at capacity during peak periods and is constrained by limited space needed to support continued e-commerce growth and expanded product lines. In addition, operations are spread across three separate floors, requiring staff to move inventory between floors, which increases handling time and reduces efficiency.

As part of the agency's ongoing assessment of facility needs, management will evaluate opportunities to optimize warehouse operations, including the feasibility of consolidating functions into a single-floor layout or identifying additional space. Consolidation would improve workflow, enhance staff coordination, and reduce material handling time.

- Responsible party: Executive Director
- Implementation date: August 31, 2027

Recommendation #2 - Evaluate whether the projected benefits of installing an automated parking garage system for the Bob Bullock Texas State History Museum, including increased revenue from after-hours parking and reduced need for staff time spent operating the garage, would exceed the costs of installing and maintaining such a system.

Management Response: The Board agrees with the recommendation to evaluate whether the projected benefits of installing an automated parking garage system would exceed the associated costs.

Currently, management actively monitors evening events in the surrounding area, particularly at the Moody Center, and assigns attendants to collect parking fees during after-hours periods when anticipated revenue exceeds staffing costs. This approach has resulted in increased net parking revenue.

Building on this progress, the agency plans to formally assess the costs and benefits of implementing an automated parking system as part of its modernization goals within the next two years. This evaluation will consider potential revenue enhancements from expanded after-hours access, reductions in staffing requirements, installation and maintenance costs, and overall return on investment. The results of this analysis will be used to determine the feasibility and timing of implementation.

- Responsible parties: Executive Director and Museum Director
- Implementation date: August 31, 2027

Recommendation #3 - Leverage system-generated reports, such as from CAPPs, to improve the efficiency of monitoring custodial costs and provide staff training on those systems as needed.

Management Response: The Board agrees with the finding that the agency should establish an efficient and repeatable process for tracking costs. The agency will update the process and performance measure reporting methodology policy. Additional training will be provided to staff to ensure future compliance.

- Responsible party: Executive Director
- Implementation date: August 31, 2026

Recommendation #4 - Evaluate whether current hard-copy records should be digitized and, going forward, continue to identify records needed in operational processes that should be kept digitally to make access more efficient.

Management Response: The Board agrees with the recommendation and acknowledges the value of expanding its record digitization efforts.

The Board will evaluate what record types are best suited for digitization. The Board must consider a wide range of records, including those used in daily operations, such as invoices and other financial documents, which may be easier to digitize. At the same time, the Board recognizes that other records, including historical and high value documents, require additional review and careful consideration to ensure proper handling, retention, and preservation. The agency will plan and evaluate digitization efforts that support efficient operations, timely access to information, sound records management, and the protection of historical records.

- Responsible party: Executive Director
- Implementation date: December 31, 2026



Appendix 1

Objective, Scope, and Methodology

Objective

The objective of this audit was to determine whether the State Preservation Board (Board) is administering selected state resources in an efficient manner according to best practices and applicable requirements.

Scope

The scope of this audit included the Board’s strategic planning effective for fiscal year 2025; selected performance and financial data for fiscal years 2023-2025; staffing as of September 2025; and selected systems, processes, and use of space as of December 2025.

Internal control was not significant to the audit objective.

Methodology

We conducted this performance audit from September 2025 through April 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective.

The following members of the State Auditor’s staff performed the audit:



- Krista L. Steele, MBA, CPA, CFE, CIA, CGAP (Project Manager)
- Michael Bennett (Assistant Project Manager)
- Geddy Emery, CFE
- Daniel Johnson, CFE
- Makena Kang
- Brandon Glenn Pascall, CFE
- Mikayla Polio, CFE
- Josh Wright
- Quang Tran, CFE (Data Analyst)
- Robert G. Kiker, CFE, CGAP (Quality Control Reviewer)
- Matthew M. Owens, MBA, CPA, CFE, CGAP, CIA, CISA (Audit Manager)

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to Board management for consideration.

Addressing the Audit Objective

During the audit, we performed the following:

- Interviewed, surveyed, and conducted walkthroughs with Board management and staff to gain an understanding of the Board’s functions, activities, and processes.
- Identified the relevant criteria:
 - Texas Government Code, Chapters 443, 445, 651, 656, 658, 2056, 2165, and 2262.
 - Texas Administrative Code, Title 13, Chapters 71 and 111.
 - Board policies and procedures.

In addition, to address the requirements for efficiency audits in Texas Government Code, Section 327.004, we performed work in the following areas:

Strategic Planning. Evaluated the Board’s Strategic Plan, reviewed the Board’s rules to determine if they aligned with its statutory authority and mission; and compared the Board’s mission and responsibilities with those of other related state agencies.

Financial Resources. Evaluated the Board’s monitoring of its financial efficiency and reviewed the Board’s: financial data from the Centralized Accounting and Payroll/Personnel System (CAPPS) for fiscal years 2023 through 2025; *Legislative Appropriations Request* for fiscal years 2026 and 2027; financial statements for the Bob Bullock Texas State History Museum (Museum), gift shops, and the visitor’s parking garage; revenue transaction data for the Capitol Visitor’s Parking Garage and Museum membership.

Operations. Evaluated the Board’s monitoring of its operational efficiency; reviewed the Board’s procurement process and its procurement of the Museum’s point-of-sale system; reviewed data related to Museum membership; and evaluated the results of interviews, walkthroughs, survey results and data analysis to identify potential instances of duplicated effort that could be eliminated or other opportunities for the Board to improve operational efficiency.

Personal and Real Property. Conducted walkthroughs of the Board’s offices and buildings it manages and reviewed floor plans for those spaces; reviewed the Board’s fiscal years 2021, 2023, and 2025 space allocation plans; and reviewed the Board’s asset listing from CAPPs.

Technology. Reviewed the Board’s current information technology systems; evaluated the Board’s processes for opportunities to improve efficiency through increased automation; reviewed the Board’s *Continuity of Operations Plan*, which includes disaster recovery; and reviewed the solicitation for a new Museum point-of-sale system.

Staffing. Tested the Board’s teleworking policy and agreements with staff for compliance with Texas Government Code, Sections 658.001 and 658.012; and reviewed information on the Board’s staffing, employee turnover, and other workforce information.

Data Reliability and Completeness

For the Board’s expenditures for fiscal years 2023 through 2025, auditors (1) reviewed parameters used to pull the data from CAPPs to verify that the data aligned with parameters requested, (2) compared the total expenditures to expenditures in the Uniform Statewide Accounting System, and (3) analyzed key fields for reasonableness and completeness. The data was sufficiently reliable for the purposes of this audit.



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The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

Office of the Governor

The Honorable Greg Abbott, Governor

State Preservation Board

Members of State Preservation Board

Mr. Rod Welsh, Executive Director



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