



**John Keel, CPA**  
**State Auditor**

An Audit Report on

# **The Major Events Trust Fund**

September 2015

Report No. 16-001



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## Overall Conclusion

Several key aspects of the administration of the State's Major Events Trust Fund (METF), both before and after a major event occurs, should be strengthened to help ensure accountability for METF funds. The METF uses the incremental increase in tax receipts from state sales and use taxes, hotel occupancy taxes, mixed beverage taxes, motor vehicle rental taxes, and wholesale alcoholic beverage taxes that major events generate to pay costs incurred in hosting those events.

The Office of the Comptroller of Public Accounts (Comptroller's Office) administered the METF from the METF's inception in 2003 and throughout the scope of this audit. However, it is important to note that the administration of the METF moved to the Office of the Governor on September 1, 2015. No later than September 10, 2015, the Comptroller's Office and the Office of the Governor were required to coordinate the transfer of powers and duties to ensure a smooth transition.

### METF Administration Before a Major Event Occurs

**Estimates of incremental tax receipt increases.** Overall, the Comptroller's Office has established a reasonable methodology, based on its interpretation of statute, to estimate the incremental tax receipt increase associated with a major event. That estimate is important because it determines the amount of the METF funds available for disbursement for a major event. However, the Comptroller's Office did not document why it used certain amounts to estimate the incremental tax receipt increases for major events. Two of those amounts—the estimated number of out-of-state attendees and those attendees' expected spending—are the two key inputs in estimating incremental tax receipt increases.

In addition, although its methodology for estimating the incremental tax receipt increase is reasonable, the Comptroller's Office inappropriately implemented that methodology by including certain information in its calculations that is not permissible. Specifically, when the Comptroller's Office used economic modeling software to estimate the incremental tax receipt increases associated with major events, its estimates included tax impacts for tax types that statute does not

#### Background Information

To receive METF funds, a major event must be specified in statute. Examples of major events that have received METF funds include the National Football League's Super Bowl, the Formula One United States Grand Prix, and the National Cutting Horse Association Triple Crown (see Appendix 3 for a complete list of events).

After a major event occurs, the METF disburses funds to local governments and local organizing committees for costs obligated under those entities' event support contracts with site selection organizations.

Statute requires a local contribution of funds, and the State will contribute \$6.25 in state funds for each \$1.00 of local funds contributed, up to the amount of the estimated incremental tax receipt increase.

As of February 5, 2015, the METF had approved \$235,559,370 in state and local funds for major events, and \$203,803,584 of that amount was the State's share. A total of \$206,626,685 in METF funds had been disbursed to local governments and local organizing committees as of February 5, 2015.

Sources: TexasAhead.org and Vernon's Civil Statutes, Section 5A.

permit to be considered. Based on output from a demonstration that the Comptroller's Office's staff performed using the estimated direct spending amounts for an actual major event, auditors determined that 22 percent of the total funding that would have been approved for that major event was caused by the inclusion of tax types that were not permissible. Because that percentage was applicable only to the demonstration, it would not be appropriate to apply it to the major events tested. However, including tax types that are not statutorily permissible results in major events receiving significantly more funds than they should receive.

**Eligibility.** For all seven major events that auditors tested, the Comptroller's Office ensured that the major events were eligible for METF funds and generally met other METF requirements.

### **METF Administration After a Major Event Occurs**

**Out-of-state attendance certifications.** Effective June 2013, after a major event occurs, local governments and local organizing committees must submit to the Comptroller's Office a certification of the estimated out-of-state attendance for the major event. However, the Comptroller's Office does not review and approve the methodology for calculating out-of-state attendance, and it does not review supporting documentation for out-of-state attendance. Without reviewing the supporting documentation or the methodology for calculating the reported out-of-state attendance, the Comptroller's Office lacks assurance that the attendance information is valid and, therefore, whether a reduction in the METF disbursement for a major event is necessary.

**Disbursements.** Statute specifies that METF disbursements may be made for a purpose obligated in an event support contract between a local government or local organizing committee and a site selection organization. The METF does not operate as a reimbursement program because local governments and local organizing committees are not required to pay contractual obligations before requesting disbursement. In addition, statute permits event support contracts to cover costs that are "necessary and desirable" for the conduct of the major event. However, the event support contracts often include vague language and do not specify the types of expenses that would be necessary to conduct the event. As a result, METF funds have been disbursed to cover expenses such as cash prizes, salaried employees' pay and benefits, and the hotel accommodations for athletes who participate in a major event. Effective September 2014, the Comptroller's Office revised its rules to more clearly define allowable and unallowable costs; under the revised rules, the METF will no longer pay for those types of costs. The revised rules also provided guidance for developing event support contracts. However, the revised rules still allow for costs such as sanctioning fees, large monitors and scoreboards for sporting events, and costs associated with ancillary events.

The Comptroller's Office has established a consistent process to make METF disbursements. However, the METF should ensure that it obtains detailed documentation to support costs approved for disbursement.

**Post-event studies.** Although the Comptroller's Office prepares post-event studies after a major event, those studies cannot accurately determine whether the estimated incremental tax receipt increases were actually collected. Specifically, those studies state that determining the measurable change in tax receipts due to a major event is difficult due to the size and population of the state. In addition, taxes are remitted to the State based on receipts from 30-day to 90-day periods, which makes it difficult to isolate the economic effect of a particular major event.

Auditors communicated other, less significant issues separately in writing to management of the Comptroller's Office.

## ***Management's Response***

The full response from Comptroller's Office management is presented in Appendix 5 on page 37.

## ***Summary of Information Technology Review***

Auditors tested user access to the Uniform Statewide Accounting System (USAS), as well as user access and key fields in spreadsheets used to track METF data. The Comptroller's Office established adequate controls in USAS to ensure proper segregation of duties, and it appropriately limited access to METF-related information.

## ***Summary of Objective, Scope, and Methodology***

The objective of this audit was to determine whether the Comptroller's Office administers the METF in accordance with applicable laws, rules, Comptroller's Office policies and procedures, and applicable contracts.

The scope of this audit covered major events for which funds were disbursed between fiscal year 2010 and January 2015.

The audit methodology included selecting seven major events for audit that received METF disbursements between September 2009 and January 2015. The selection methodology for the major events audited was based on the dollar amount approved for disbursement, the location of the major event, the number of parties receiving disbursements, and public interest.

Auditors tested access to USAS and relied on previous State Auditor's Office audit work to determine that revenue and expenditure data in USAS was sufficiently reliable for the purposes of this audit. Auditors relied on previous State Auditor's

Office audit work and reviewed programming code used to generate reports to determine that reports from the Comptroller's Office's Integrated Tax System were sufficiently reliable for the purposes of this audit. Auditors reviewed key data fields and calculations and access to the spreadsheets for METF calculations to determine that the spreadsheets were sufficiently reliable for the purposes of this audit. Auditors reviewed access to the Comptroller's Office's event tracking database, tested a key formula, and reconciled key fields to USAS to determine that information in the database was sufficiently reliable for the purposes of this audit. Auditors also verified the completeness of the major event information posted on the Comptroller's Office's Web site by comparing the approved major event trust fund amounts (state share plus local share) and disbursement amounts from that Web site to information in USAS.

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# Detailed Results

Chapter 1

## ***METF Overview and Recommendations for Enhancements to Statutes***

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### **Background Information on the Administration of the Major Events Trust Fund (METF)**

**Eligible Major Events.** To be eligible for METF funds, a major event and its site selection organization (for example, the National Football League, the National Basketball Association, or Formula One) must be specified in Vernon’s Civil Statutes (see Appendix 3 for a list of eligible major events).

**Role of Local Governments and Local Organizing Committees.** A local government must sponsor each major event. The local government also may authorize a local organizing committee to submit an application and bid to a site selection organization.

**Application and Site Selection.** Article 5190.14, Vernon’s Civil Statutes, Sections 5A(a-1) and (b), require that a site in Texas for a major event must be selected (1) pursuant to a local organizing committee’s or local government’s application to a site selection organization and (2) through a “highly competitive” selection process.

#### **Event Support Contract**

An event support contract is a contract between (1) a local government or local organizing committee and (2) a site selection organization. The event support contract determines the allowable expenditures for the major event.

The Office of the Comptroller of Public Accounts may make a disbursement from the METF for a purpose for which a local government or the State is obligated under an event support contract.

Source: Article 5190.14, Vernon’s Civil Statutes, Section 5A.

**Event Support Contracts.** Event support contracts are established between (1) the local organizing committee or local government and (2) the site selection organization (see text box for additional details). There are no contracts between the METF and the local organizing committees or local governments.

#### **Requests for Participation and Submission of Economic Impact Studies.**

The local government or local organizing committee must submit a request to the Office of the Comptroller of Public Accounts (Comptroller’s Office) to participate in the METF. With that request, the local government or local organizing committee also is required to submit an economic impact study (see text box for additional details).

#### **Economic Impact Study**

An economic impact study is an initial estimate of the tax impact attributable to a major event. It is prepared by an economist that a local organizing committee or local government hires.

Source: Developed by auditors based on documentation from the Comptroller’s Office.

**Incremental Tax Receipt Increase Estimate**

The Comptroller's Office prepares an estimate of the incremental tax receipt increase attributable to a major event. That estimate determines the amount of METF funds available for disbursement for the major event.

Source: Developed by auditors based on documentation from the Comptroller's Office.

**Estimation of the Incremental Tax Receipt Increase.** The economic impact studies that local governments or local organizing committees submit include estimates of the out-of-state attendees and their expected spending, as well as other taxable expenses. The Comptroller's Office primarily uses the economic impact studies to estimate the incremental tax receipt increase associated with a major event (see text box for additional details). That estimate is important because it determines the amount of METF funds available for a major event.

**Attendance Certifications.** Effective June 2013, Article 5190.14, Vernon's Civil Statutes, Section 5A(y), required that, after a major event occurs, the Comptroller's Office must compare information on estimated out-of-state attendance that local organizing committees and local governments provide with the estimated out-of-state attendance numbers it used to estimate the incremental tax receipt increase. To meet that requirement, the Comptroller's Office requires local organizing committees and local governments to provide a certification of the estimated out-of-state attendees. The Comptroller's Office may reduce the amount of METF funds available for disbursement if estimated out-of-state attendance that local organizing committees and local government certify is significantly lower than originally estimated.

In Title 34, Texas Administrative Code, Section 2.104(l), the Comptroller's Office developed a schedule for the reduction in METF funding due to significantly lower-than-estimated attendance. That schedule is presented in Table 1.

Table 1

Reduction in METF Funding Based on Lower-than-estimated Attendance	
Percentage by Which Attendance Is Lower than Estimated Attendance	Reduction in METF Funding
15% to 25%	15%
25% to 35%	25%
More than 35%	35%

Source: Title 34, Texas Administrative Code, Section 2.104(l).

According to the Comptroller's Office, it has not yet applied the requirement for a reduction in funding because no major event has experienced lower-than-estimated attendance that would require a reduction in funding as described in Table 1 since the requirement has been in effect. Therefore, a reduction in METF funding has not been made for any major event.

**Local Contribution.** Following a major event, and before any METF disbursements are made, a local contribution is required for each major event, and the State will contribute \$6.25 in state funds for each \$1.00 of local funds

contributed, up to the amount of the estimated incremental tax receipt increase. The Comptroller's Office may retain tax revenue that it otherwise would have sent to the local government to pay for the local contribution, or a payment may be made directly to the Comptroller's Office for the local contribution.

**Disbursements.** Article 5190.14, Vernon's Civil Statutes, Section 5A(k), states that the METF may make payments based on an obligation under an event support contract. Local organizing committees and local governments are not required to have paid expenses before they receive disbursements from the METF.

**Costs That Are Eligible for METF Funding.** Article 5190.14, Vernon's Civil Statutes, Section 5A(k), specifies that METF disbursements may be made for a purpose obligated in an event support contract between a local government or organizing committee and a site selection organization. Local governments and organizing committees may be obligated to pay the event-related expenses of private entities, such as event venues. In addition, Article 5190.14, Vernon's Civil Statutes, Section 5A(h), allows event support contracts to cover costs that are "necessary or desirable" for the conduct of the event.

**Post-event Studies.** Article 5190.14, Vernon's Civil Statutes, Section 5A(w), requires that, not later than 10 months after a major event occurs, the Comptroller's Office must prepare a post-event study to determine the measurable economic impact directly attributable to the major event. That statute also requires the Comptroller's Office to post the results of that study on its Web site, along with the source documentation that the Comptroller's Office used to prepare that study.

#### **Risks in the Administration of the METF That May Warrant Changes in Statute or Administrative Rules**

**Limited Effectiveness of Attendance Certifications and Post-event Studies.** The estimated out-of-state attendance at a major event and expected spending are the key factors in estimating the amount of METF funds available for a major event. However, that information primarily comes from the economic impact studies that local governments and local organizing committees submit, and those organizations have an interest in maximizing the amount of funding approved for disbursement. While the statutorily required attendance certifications and post-event studies the Comptroller's Office conducts have the potential to mitigate the risks associated with those estimates, certain weaknesses in both of those tools limit their effectiveness:

- **Weaknesses in attendance certifications.** The Comptroller's Office does not review and approve the methodologies that local governments and local organizing committees use to calculate the certified out-of-state attendance after a major event, and it does not review supporting documentation for those organizations' certifications of out-of-state attendance (see Chapter

2-C for additional details). Without reviewing and approving the methodologies for calculating certified out-of-state attendance and reviewing supporting documentation for the calculation of certified out-of-state attendance, the Comptroller's Office lacks assurance that the attendance information is valid and, therefore, whether a reduction in the METF disbursement for a major event is necessary.

Article 5190.14, Vernon's Civil Statutes, Section 5A(i), gives the Comptroller's Office the authority to collect public information from local governments and local organizing committees that it considers necessary. However, statute does not specify whether attendance data and the methodology used to certify the number of out-of-state attendees is public information. Local governments and local organizing committees may determine the number of out-of-state attendees using their own data and methodologies. They also may use the data and methodologies of private entities (such as event venues) when certifying out-of-state attendance. Those private entities may consider the data and methodologies to be proprietary information.

Strengthening the effectiveness of attendance certifications would enhance accountability for METF funds.

- **Weaknesses in post-event studies.** The Comptroller's Office's post-event studies cannot accurately determine whether the incremental tax receipt increase estimate was actually collected. The Comptroller's Office prepares those studies by analyzing changes in tax receipts in the market area that hosted the event.

However, the Comptroller's Office's post-event studies themselves discuss several limitations on those studies' effectiveness. Those studies state that determining the measurable change in tax receipts due to a major event is difficult due to the size and population of the state. The studies also note that taxes are remitted to the State based on receipts from time periods ranging from 30 to 90 days, which makes it difficult to isolate the economic impact of an individual event.

#### Direct, Indirect, and Induced Effects

Direct Effects - Expenditures made by producers and consumers as a result of an activity.

Indirect Effects - The impact of local industries buying goods and services from other local industries through the supply chain. The impacts are calculated by applying direct effects to economic multipliers.

Induced Effects - The response by an economy to a direct effect that occurs through the re-spending of income received by a component of value added. That money is recirculated through the household spending patterns causing further local economic activity. The impacts are calculated by applying direct effects to economic multipliers.

Source: Implan.com.

The post-event studies also state that measuring the actual incremental tax receipt increase resulting from a particular event with accuracy requires certain information that is not readily available, such as the actual number of out-of-state attendees, their length of stay, and their expenditures per day.

In addition, the post-event studies conclude that the total direct, indirect, and induced tax effects (see text box for additional details) estimated before the major event are reasonable. However, the post-event studies do not attempt to analyze the indirect and induced tax effects; instead, the

post-event studies include only an analysis of the estimated direct taxes. The indirect and induced tax effects account for a significant portion of METF funds approved and disbursed (see Table 3 in Chapter 2-B for details on the amounts of indirect and induced tax effects for each major event tested.)

Enhancing the effectiveness of the post-event studies through a more precise analysis of out-of-state attendance and tax receipts, as well as consideration of other methods for determining the effects of a major event, could enhance accountability for METF funds.

**Lack of Specific Requirements Regarding the Calculation of the Incremental Tax Receipt Increase.** Statute does not define the “incremental increase” in tax receipts. As

discussed above, the Comptroller’s Office uses the estimated number of out-of-state event attendees at a major event and their expected spending to estimate the incremental tax receipt increase associated with a major event. However, that approach does not consider negative effects that major events may have on the economy and focuses only on the positive effects on the economy. Specifically, that approach does not consider factors such as the “crowding out” effect (see text box for additional details), and it does not factor in the expenses associated with administering the METF. For example:

**Crowding Out Effect**

“Crowding out” is the normal local and tourist activity displaced by an event. For example, inflated hotel or airline costs due to the event may dissuade other tourists from visiting the area; or, local residents may stay home rather than go to local bars and restaurants.

Source: *Selling the Big Game: Estimating the Economic Impact of Mega-Events through Taxable Sales*; Robert Baade, Robert Baumann, and Victor Matheson; 2005.

- **Crowding out.** A City of Austin survey of business owners and managers across the Austin metropolitan area found that, for the 2012 Formula One United States Grand Prix, 47 percent of respondents reported that local patrons turned out in fewer numbers than expected.
- **Expenses associated with administering the METF.** The Comptroller’s Office stated in its *Report on Events Trust Funds* that it spends more than 8,000 hours of staff time annually on the METF and Events Trust Fund programs.

In addition, when estimating the incremental tax receipt increase associated with a major event, the Comptroller’s Office considers direct, indirect, and induced effects. However, statute does not specify whether indirect and induced effects should be considered.

Clarifying the specific economic effects to be included in or excluded from the calculation of the incremental tax receipt increase would help to ensure compliance with the intent of the METF program.

**Broad Definitions of Allowable Expenses.** Article 5190.14, Vernon’s Civil Statutes, Section 5A(h), allows event support contracts to cover costs that are “necessary or desirable” for the conduct of the event. As a result METF disbursements have been made for the following items:

- Sanctioning fees required by a site selection organization for the right to host an event. Site selection organizations are frequently located outside of Texas; therefore, the sanctioning fees would not remain in the Texas economy. The METF has made disbursements for the following amounts for sanctioning fees:<sup>1</sup>
  - Formula One United States Grand Prix 2012 - \$22,012,236 sanctioning fee.
  - Formula One United States Grand Prix 2013 - \$23,449,389 sanctioning fee.
  - Formula One United States Grand Prix 2014 - \$20,000,000 sanctioning fee.
  - National Basketball Association All Star Game 2013 - \$750,000 sanctioning fee.
- Interest expenses.
- Plasma and high-definition televisions.
- Large monitors and scoreboards for sporting events.
- Costs for events that are ancillary to the major event, such as Taste of the NFL and a celebrity bowling tournament.

Effective September 2014, the Comptroller's Office revised its rules to more clearly define allowable and unallowable costs. The revised rules do not prohibit disbursement for the items listed above. However, under the revised rules, the METF will no longer pay for items such as cash prizes, salaried employees' pay and benefits, and the hotel accommodations for athletes who participate in a major event, all of which had been allowable and paid under the previous rules. Under the revised rules, cash prizes are prohibited, only the hourly pay or overtime pay of staff hired specifically for a major event will be paid, and travel expenses will be paid only if they are part of a service contract. The revised rules also provided requirements for developing event support contracts (see Chapter 3 for additional details).

Each local organizing committee and local government associated with the disbursements listed above submitted additional expenses that exceeded the authorized fund amount for the major event. Therefore, if the METF had not paid for the items listed above, it may have disbursed the same amount of funds to cover other allowable costs up to the entire authorized amount for major events (see Chapter 3 for additional details).

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<sup>1</sup> Although the sanctioning fees specified in the event support contracts for the Formula One United States Grand Prix events are \$25 million per year, the Comptroller's Office paid the amounts listed above for the sanctioning fees.

**Source of Local Contribution.** Article 5190.14, Vernon’s Civil Statutes, Section 5A (d-1), allows for a local government to remit “other local funds” for the required local contribution. According to the Comptroller’s Office, a local organizing committee may contribute the local share on behalf of a local government. However, it is unclear whether statute allows for the use of private funds for the required local contribution. The Comptroller’s Office relies on the local governments to determine what constitutes “other local funds,” which may not be public funds.

Table 2 summarizes the local shares contributed and disbursements made for the seven major events that auditors tested.

Table 2

Local Shares Contributed and Disbursements Made for Seven Major Events Tested			
Major Event	Entity Requesting Disbursement	Share of Local Contribution	Disbursement Amount
National Football League Super Bowl XLV (2011)	City of Arlington	\$715,069	\$2,517,016
	City of Dallas	\$2,702,000	\$3,063,726
	City of Fort Worth	\$730,000	\$2,260,669
	City of Irving	\$150,043	\$764,862
	North Texas Super Bowl Organizing Committee	\$0	\$22,547,789
National Cutting Horse Association Triple Crown 2011-2012	City of Fort Worth	\$569,327	\$4,127,608
Formula One United States Grand Prix 2012	Circuit Events Local Organizing Committee	\$4,045,516	\$29,329,984
National Cutting Horse Association Triple Crown 2012-2013	City of Fort Worth	\$604,874	\$4,385,321
National Basketball Association All Star Game 2013	Houston Host Committee	\$1,763,956	\$12,788,676
Formula One United States Grand Prix 2013	Circuit Events Local Organizing Committee	\$4,003,954	\$29,028,664
Formula One United States Grand Prix 2014	Circuit Events Local Organizing Committee	\$3,939,664	\$26,226,545 <sup>a</sup>

<sup>a</sup> As of March 24, 2015, \$2,336,017 was still remaining in the fund for that major event and available for disbursement. The amount presented in this table represents the total amount disbursed as of March 24, 2015.

Sources: Uniform Statewide Accounting System, event support contracts, and related agreements.

**No Authority in Statute to Recoup Funds Disbursed Based on Erroneous Information.** For the 2011-2012 National Cutting Horse Association Triple Crown, the City of Fort Worth received an estimated \$117,258 more than it should have due to an error in attendance numbers in the associated economic impact study (see Chapter 2-C for additional details). However, according to the Comptroller’s Office, the METF statute does not authorize the METF to recoup funds disbursed if the incremental tax receipt increase estimate was based on erroneous information submitted by the local government or local organizing committee. Although strengthening out-of-state attendance certifications and

post-event studies could help mitigate the risk of disbursements based on erroneous out-of-state attendance estimates, if an error is discovered after funds are disbursed, the METF currently does not have authority to recoup funds.

Authorizing the METF to recoup funds disbursed if the incremental tax receipt increase estimate was based on erroneous information submitted by the local government or local organizing committee would help to maximize the effectiveness of METF funds.

**No Requirements for Written Applications and Lack of Specificity Regarding Competitive Selection.** Statute does not specify whether applications to a site selection organization must be in writing, and it does not define what constitutes a “highly competitive” selection process. In addition, there is no requirement to verify compliance with those requirements. The Comptroller’s Office reviews letters from the site selection organization asserting that the site was selected through a “highly competitive” process, and it does not obtain or review the applications that local organizing committees and local governments submit to the site selection organizations.

Requiring written applications to site selected organizations and defining what constitutes a highly competitive selection process would enhance accountability for METF funds.

**Lack of Contracts Directly Between the METF and the Local Organizing Committees and Local Governments.** As discussed above, event support contracts are established between (1) the local organizing committee or local government and (2) the site selection organization. However, there are no contracts between the METF and the local organizing committees and local governments. The *State of Texas Contract Management Guide* states that contracts “serve as a reference document that records the terms of an agreement to prevent misunderstanding and conflict as to those terms at a later date, and [create] a legal, binding and enforceable obligation.” Establishing contracts between the METF and the local organizing committees or local governments would enable the METF to proactively communicate and enforce important requirements to the local organizing committees or local governments.

**No Requirements for Document Retention at the Local Level.** Local organizing committees and local governments are not required to retain supporting documentation related to major events, such out-of-state attendance records or supporting documentation related to METF disbursement requests. Without that documentation, the METF cannot ensure that appropriate documentation will be available to verify information such as out-of-state attendance certifications or disbursement requests.

## Recommendations

The Legislature should consider:

- Strengthening the effectiveness of attendance certifications and post-event studies by:
  - As a condition of participation in the METF, requiring local governments, local organizing committees, and private entities involved in major events to provide to the METF attendance data and supporting documentation, as well as the detailed methodology that they used to determine the number of out-of-state attendees for attendance certifications.
  - Requiring the METF to (1) review and approve local governments' and local organizing committees' methodologies for calculating certified out-of-state attendance as a condition of participation and (2) review the supporting information for local governments' and local organizing committees' calculations of certified out-of-state attendance.
  - Requiring the METF to (1) publish a comparison of certified out-of-state attendance with the estimated attendance numbers it used to estimate the incremental tax receipt increase, (2) publish the methodology used to obtain and review those numbers, and (3) report that information to the Legislature.
  - Requiring that the METF (1) incorporate other data into its post-event studies such as out-of-state attendance data and (2) submit a report to the Legislature regarding the results of the post-event studies, including the methodology and sources used to complete those studies.
- Clarifying the definition of an incremental tax receipt increase and whether the calculation of an incremental tax receipt increase should include the potential negative economic effects of (1) crowding out and (2) expenses associated with administering the METF.
- Specifying whether the METF should factor in indirect and induced effects when calculating the incremental tax receipt increase for major events.
- Defining specific expenses for which the METF will not pay, regardless of whether they are included in an event support contract.
- Authorizing the METF to recoup funds disbursed if the incremental tax receipt increase estimate was based on erroneous information submitted by the local government or local organizing committee.

- Requiring that applications to site selection organizations must be in writing, and requiring the METF to verify compliance with associated requirements.
- Defining a “highly competitive” selection process, and requiring the METF to verify compliance with associated requirements.
- Requiring the establishment of a contract between the METF and the local organizing committees and local governments.
- Clarifying the definition of “other local funds” to specify (1) whether funds for the required local share must be provided by a local government and (2) whether local governments and local organizing committees may contribute the local share using private funds.
- Requiring local organizing committees and local governments to retain supporting documentation related to major events in accordance with the record retention schedule for contracts of the state agency that administers the METF.

## ***The METF Should Improve Processes for Estimating Incremental Tax Receipt Increases, Seek Authority to Recoup Funds, and Review Certified Out-of-state Attendance***

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For each major event, Article 5190.14, Vernon’s Civil Statute, Section 5A(b), requires the Comptroller’s Office to estimate the incremental increase in the receipts from state sales and use taxes, hotel occupancy taxes, mixed beverage taxes, motor vehicle rental taxes, and wholesale alcoholic beverage taxes. Although the Comptroller’s Office’s methodology for estimating incremental tax receipt increases is reasonable, certain aspects of that process should be improved.

In addition, the METF should (1) seek authority from the Legislature to recoup METF funds disbursed if the incremental tax receipt increase estimate was based on erroneous information submitted by the local government or local organizing committee and (2) strengthen its reviews of certified out-of-state attendance.

All seven major events that auditors tested were eligible for participation in the METF, and the Comptroller’s Office completed post-event studies for the five events tested for which those studies were required.

### Chapter 2-A

## **Although the Methodology for Estimating Incremental Tax Receipt Increases Is Reasonable, That Methodology Should Be Applied Consistently and Correctly, and Related Documentation Should Be Maintained**

Overall, the Comptroller’s Office has developed a reasonable methodology, based on its interpretation of statute, to estimate incremental tax receipt

### **Major Events Tested**

- National Football League Super Bowl XLV (2011).
- National Cutting Horse Association Triple Crown 2011-2012 (Futurity, Summer Spectacular, and Super Stakes).
- Formula One United States Grand Prix 2012.
- National Cutting Horse Association Triple Crown 2012-2013 (Futurity, Summer Spectacular, and Super Stakes).
- National Basketball Association All Star Game 2013.
- Formula One United States Grand Prix 2013.
- Formula One United States Grand Prix 2014.

increases for major events. Those estimates are important because they determine the amounts of METF funds available for major events. For all seven major events tested, the Comptroller’s Office’s incremental tax receipt increase estimates were less than the amounts that the economic impact studies had indicated.

**Inconsistency in Following the Established Methodology.** For six of the seven major events that auditors tested, the Comptroller’s Office followed its methodology for estimating the incremental tax receipt increase (see text box for the major events tested).

However, for the 2011-2012 National Cutting Horse Association Triple Crown, the Comptroller’s Office deviated from its methodology to offset the effect of the 2008 recession. Specifically, the Comptroller’s Office averaged the incremental tax receipt estimates from the previous three years of that event. According to the Comptroller’s Office, it performed that averaging at the request of the

City of Fort Worth. As a result of that averaging, for the 2011-2012 National Cutting Horse Association Triple Crown event, an additional \$355,770 in funds were available for disbursement. (A total of \$3,558,283 was available for that event.)

**Insufficient Documentation on the Rationale for Amounts Used to Estimate Incremental Tax Receipt Increases.** As required by Article 5190.14, Vernon's Civil Statute, Section 5A(b-1), the Comptroller's Office estimated the incremental tax receipt increases based on information submitted by the local organizing committees or local governments. Specifically, the Comptroller's Office used the economic impact studies that the local organizing committees or local governments submitted to prepare the incremental tax receipt increase estimates. However, the Comptroller's Office did not document its rationale for using amounts that differed from certain amounts in those studies; conversely, it did not document why it considered other amounts in the economic impact studies to be reasonable. According to the Comptroller's Office, its staff discuss and agree on those amounts.

The Comptroller's Office's procedures for preparing incremental tax receipt increase estimates also require staff to conduct secondary research as necessary, such as researching publicly available information, reviewing a major event's Web site for past events, and researching hotel rates. However, the Comptroller's Office's procedures do not require staff to document that process or the amounts that staff derive from that process. Therefore, auditors could not determine whether the Comptroller's Office followed those procedures or verify the amounts that resulted from that process.

In addition, for four of the seven major events tested, the Comptroller's Office included a total of \$36,816,773 in direct spending listed as "event" or "other" from the economic impact studies when it calculated the incremental tax receipt increases. The Comptroller's Office included that direct spending without documenting more specific information about the nature of those expenses. That resulted in an additional \$1,504,470 in the estimates of the incremental tax receipt increases for those four events. Those four major events included the National Cutting Horse Association Triple Crown 2011-2012, the Formula One United States Grand Prix 2012, the National Basketball Association All Star Game 2013, and the Formula One United States Grand Prix 2014.

Having the ability to verify how specific amounts are derived and documenting decisions regarding amounts that affect incremental tax receipt increase estimates would help the METF to ensure that incremental tax receipt increase estimates are reasonable.

**Errors in Estimates of Incremental Tax Receipt Increases.** Auditors also identified certain errors in the estimates of incremental tax receipt increases. Specifically:

- For the 2011-2012 National Cutting Horse Association Triple Crown, the Comptroller's Office erroneously included tips in its calculation of direct spending by out-of-state attendees. That resulted in an additional \$159,494 in the incremental tax receipt increase estimate. However, tips are not taxable, and the economic impact study that the local government submitted specifically deducted tips from its calculation.
- For the 2013 National Basketball Association All Star game, the Comptroller's Office erroneously included taxes in the estimate of direct spending. Only items that are taxable should be included in the estimate of direct spending. The economic impact study that the local organizing committee submitted included those taxes, and the Comptroller's Office did not deduct those taxes from its estimate of the incremental tax receipt increase.

In accordance with Article 5190.14, Vernon's Civil Statute, Section 5A(b), the Comptroller's Office applied the correct tax rates for sales and use, hotel occupancy, mixed beverage, and motor vehicle rental taxes when it calculated the incremental tax receipt increases for major events. However, for state wholesale alcoholic beverage taxes, the Comptroller's Office used an aggregated rate of 0.4 percent, and it did not have support for how it established that rate. According to the Comptroller's Office, it determined that the 0.4 percent rate was a reasonable aggregate rate for the various types of state wholesale alcoholic beverage taxes. However, without support for that rate, the METF cannot ensure that it is accurate. For the seven major events tested, taxes for wholesale sales of liquor, ale, malt liquor, and beer accounted for 0.5 percent of the direct tax portion of the incremental tax receipt increase estimates.

## **Recommendations**

The METF should:

- Consistently follow its methodology for estimating incremental tax receipt increases, and document its rationale for deviating from that methodology.
- Document its rationale for the amounts it uses in incremental tax receipt increase estimates, including the reasons it considered the amounts in economic impact studies to be valid and the reasons it changed any amounts from the economic impact studies.
- Exclude items that are not taxable from its calculation of incremental tax receipt increase estimates.

- Maintain supporting documentation for each of the tax rates it uses to estimate incremental tax receipt increases.

Chapter 2-B

**The METF Should Consistently Use Only Statutorily Permitted Tax Types in Estimating Incremental Tax Receipt Increases**

**Use of Tax Types That Are Not Permitted by Statute.** Article 5190.14, Vernon’s Civil Statute, Section 5A(b), requires the Comptroller’s Office to estimate a major event’s incremental tax receipt increase only from state sales and use taxes, hotel occupancy taxes, mixed beverage taxes, motor vehicle rental taxes, and wholesale alcoholic beverage taxes.

**IMPLAN**

IMPLAN creates localized models to investigate the consequences of projected economic transactions in a geographic region. The models study the impacts of changes in a chosen economy for 440 different industries. The models (1) estimate the magnitude and distribution of economic impacts and (2) measure the direct, indirect, and induced changes within the economy.

Source: Implan.com

In estimating the incremental tax receipt increase for five of the seven major events tested, the Comptroller’s Office used IMPLAN economic modeling software (see text box for additional details).<sup>2</sup> However, IMPLAN incorporated tax types that statute did not permit to be considered in the estimation of the incremental tax receipt increase.

**Indirect and Induced Tax Effects**

The Comptroller’s Office uses IMPLAN to calculate indirect and induced tax effects based on estimated direct expenses. Direct expenses include estimated out-of-state attendees’ spending and event expenses such as marketing, equipment rental, and catering.

Source: Developed by auditors based on documentation from the Comptroller’s Office.

Comptroller’s Office staff performed a demonstration of IMPLAN for auditors using the estimated direct spending amounts for an actual major event. Using the output from that demonstration, auditors determined that 60 percent of the estimated indirect and induced tax effects (see text box) that IMPLAN generated was from tax types that statute does not permit to be considered, such as federal excise taxes and property taxes. That represented 22 percent of the total state share of funding that would have been approved for that major event.

Because the percentages discussed above were applicable only to the demonstration, it would not be appropriate to apply those percentages to the major events tested.

The IMPLAN software was updated several times during the time period that this audit covered, and the Comptroller’s Office asserted that it no longer had the previous versions of the software. Therefore, auditors were unable to quantify the effect of using tax types that are not permitted by statute on the estimates of the incremental tax receipt increases for the seven major events tested. However, including tax types that are not statutorily permissible results in major events receiving significantly more METF funds than they should receive.

<sup>2</sup> While the Comptroller’s Office calculated the indirect and induced tax effects for the remaining two major events tested, auditors could not determine whether it used IMPLAN to calculate the indirect and induced tax effects for those two major events (the National Football League Super Bowl XLV in 2011 and the National Cutting Horse Association Triple Crown 2011-2012). The Comptroller’s Office did not retain documentation to support how it calculated indirect and induced tax effects for those two major events.

Because the Comptroller's Office used IMPLAN to calculate the indirect and induced tax effects for five of the major events tested, its incremental tax receipt increase estimates for those major events included tax effects for tax types that statute does not permit to be considered. Those five major events were the Formula One United States Grand Prix 2012, the National Basketball Association All Star Game 2013, the Formula One United States Grand Prix 2013, the National Cutting Horse Association Triple Crown 2012-2013, and the Formula One United States Grand Prix 2014.

In addition, the Comptroller's Office transfers economic multipliers from IMPLAN to a spreadsheet that calculates the indirect and induced tax effects. In so doing, the Comptroller's Office did not calculate the detailed information that is available from IMPLAN by tax type. Without calculating that information, the Comptroller's Office cannot ensure that it prepares incremental tax receipt increase estimates in compliance with statute. Table 3 shows the total indirect and induced tax effects for the seven major events tested. For all seven major events tested, indirect and induced tax effects comprised 40 percent of the total state share of funds allocated to the major event.

Table 3

Total Indirect and Induced Tax Effects from IMPLAN for the Seven Major Events Tested						
Event	Total Approved Fund Amount	Total Local Share	Total State Share	Indirect Tax Effect	Induced Tax Effect	Percent of State Share for Indirect and Induced Tax Effects
National Football League Super Bowl XLV (2011)	\$ 31,154,062	\$ 4,297,112	\$ 26,856,950	\$ 8,266,069	\$ 1,384,972	36%
National Basketball Association All Star Game 2013	12,788,676	1,763,956	11,024,720	1,726,026	2,219,430	36%
Formula One United States Grand Prix 2012	29,329,984	4,045,516	25,284,468	4,151,724	6,512,821	42%
Formula One United States Grand Prix 2013	29,028,664	4,003,954	25,024,710	4,338,854	7,225,835	46%
Formula One United States Grand Prix 2014	28,562,562	3,939,664	24,622,898	3,317,727	5,581,829	36%
National Cutting Horse Association Triple Crown 2011-2012:						
Futurity	1,643,744	226,724	1,417,020	223,230	293,054	36%
Super Stakes	1,140,024	157,245	982,779	167,476	198,418	37%
Summer Spectacular	1,343,840	185,358	1,158,482	190,513	241,157	37%
National Cutting Horse Association Triple Crown 2012-2013:						
Futurity	2,505,739	345,620	2,160,119	369,713	615,574	46%
Super Stakes	1,038,212	143,202	895,010	157,686	252,871	46%
Summer Spectacular	841,369	116,051	725,318	130,246	201,032	46%
Totals	\$139,376,876	\$19,224,402	\$120,152,474	\$23,039,264	\$24,726,993	40%

Source: The Comptroller's Office.

**Use of full expense amounts to calculate indirect and induced tax effects.** For five of the seven major events tested, the Comptroller's Office reduced the event expenses specified in the associated economic impact study to account for only the expenses that it expected would be taxable in Texas. It calculated indirect and induced tax effects based on the full amount of the event expenses specified in the economic impact study (rather than the reduced amount) because, according to the Comptroller's Office, some event expenses that are not taxable still generate indirect and induced tax effects. For example, catering expenses may include some food items are not taxable but could still generate indirect and induced tax effects. However, the Comptroller's Office did not document (1) its rationale for using the full amounts to calculate indirect and induced tax effects or (2) which expenses it had deducted from the incremental tax receipt increase estimate that would still generate indirect and induced tax effects.

Using the full expense amounts resulted in the Comptroller's Office using an additional \$64.9 million in direct spending to calculate indirect and induced tax effects. For the five major events to which that issue was applicable, the total approved state share was \$89.7 million, and \$36.8 million (41 percent) of that amount was related to indirect and induced tax effects. Those five major events were the Formula One United States Grand Prix 2012, the National Basketball Association All Star Game 2013, the Formula One United States Grand Prix 2013, the National Cutting Horse Association Triple Crown 2012-2013, and the Formula One United States Grand Prix 2014. Without documenting its rationale for including certain expenses, the Comptroller's Office cannot ensure that its process for estimating indirect and induced tax effects is consistent across all major events.

For the other two major events tested, the Comptroller's Office did not retain sufficient documentation to enable auditors to determine whether the Comptroller's Office used the full amount of expenses or a reduced amount to calculate indirect and induced tax effects. Those two major events were the National Football League Super Bowl XLV in 2011 and the National Cutting Horse Association Triple Crown for 2011-2012.

**Effect of State Taxes on Wholesale Sales of Alcoholic Beverages.** State taxes on wholesale sales of liquor, ale, malt liquor, and beer are indirect taxes. However, in estimating incremental tax receipt increases, the Comptroller's Office calculates state taxes on those items as a direct tax based on total estimated alcohol spending. In addition, because IMPLAN calculates the indirect tax effect of total estimated alcohol spending, it is possible that the incremental tax effect attributed to those taxes may be overstated. Without knowing whether state taxes on wholesale sales of alcoholic beverages are already included in the total estimated alcohol spending in IMPLAN, the METF cannot be sure whether its estimates of incremental tax receipt increases are overstated. For the seven major events tested, taxes for

wholesale sales of liquor, ale, malt liquor, and beer accounted for 0.5 percent of the direct tax portion of the incremental tax receipt increase estimates.

## Recommendations

The METF should:

- Base estimates of incremental tax receipt increases only on the tax types permitted in statute.
- Document its rationale for calculating indirect and induced tax effects based on the entire amount of event expenses (rather than reduced amounts).
- Determine how IMPLAN accounts for the effect of state taxes on wholesale sales of alcoholic beverages, and ensure that those taxes are not calculated as having both direct and indirect tax effects.

Chapter 2-C

### **The METF Should Seek Authority to Recoup Funds Disbursed Based on Erroneous Information and Strengthen Processes for Confirming the Accuracy of Certified Out-of-state Attendance**

#### **No Statutory Authority to Recoup Funds Disbursed Based on Erroneous Information.**

Because of an error in an economic impact study that the City of Fort Worth submitted, the National Cutting Horse Association Triple Crown for the 2011-2012 received more METF funding than it otherwise would have received.<sup>3</sup> The Comptroller's Office estimated the total amount of the overpayment and worked with the City of Fort Worth to recoup a portion of the overpayment. Ultimately, however, the City of Fort Worth still received an estimated \$117,258 more in METF funds than it should have received. According to the Comptroller's Office, it did not have the authority to recoup funds disbursed if the incremental tax receipt increase estimate was based on erroneous information submitted by the local government, and the City of Fort Worth's repayment of a portion of the overpayment was made voluntarily.

**Weaknesses in Attendance Certifications.** As discussed in Chapter 1, beginning in June 2013, Article 5190.14, Vernon's Civil Statutes, Section 5A(y), required that, after a major event occurs, the Comptroller's Office must compare information on actual out-of-state attendance to the estimated out-of-state attendance numbers it originally used to estimate the incremental tax receipt increase. To meet that requirement, the Comptroller's Office requires local

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<sup>3</sup> The error was in the economic impact study the City of Fort Worth submitted for the 2009-2010 National Cutting Horse Association Triple Crown. However, because of the averaging process discussed in Chapter 2-A, that study affected METF funding for the 2011-2012 National Cutting Horse Association Triple Crown.

organizing committees and local governments to provide a certification of the out-of-state attendance after a major event is held. The Comptroller's Office may reduce the amount of METF funds available for disbursement if actual attendance is significantly lower than originally estimated.

Two of the seven major events that auditors tested occurred after local governments and local organizing committees were required to begin submitting out-of-state attendance certifications. Those events were the 2013 and 2014 Formula One United States Grand Prix events. The certified out-of-state attendance exceeded the estimated out-of-state attendance for those two major events; therefore, there was no reduction in METF funding for them.

However, the Comptroller's Office relied on the local government and the local organizing committee to verify the out-of-state attendance information, (which staff at the event venue originally calculated).

Although the Comptroller's Office researched publicly available information in an attempt to validate the certified out-of-state attendance, it did not review supporting documentation from the local organizing committee or local government showing how the certified out-of-state attendance was calculated.

In addition, the Comptroller's Office does not approve the local organizing committees' and local governments' methodologies for calculating the certified out-of-state attendance. Auditors reviewed the out-of-state attendance certification for the 2014 Formula One United States Grand Prix and determined that the local government and local organizing committee relied on the event venue to calculate the estimated out-of-state attendees. The event venue used a combination of ticket sales data and survey results to estimate out-of-state attendees. That estimate was then certified to the Comptroller's Office by the local government and local organizing committee. While the method the event venue used appeared reasonable, it relied upon various assumptions that had the potential for bias or manipulation.

Because the Comptroller's Office is authorized to reduce funds available for disbursement if out-of-state attendance is lower than initially estimated, local organizing committees and local governments have an economic incentive to use a methodology that results in certified out-of-state attendance meeting or exceeding the attendance that was estimated prior to the major event.

Without (1) reviewing supporting documentation for the calculation of certified out-of-state attendance and (2) reviewing and approving the methodology for calculating certified out-of-state attendance, the Comptroller's Office lacks assurance that the attendance information is accurate and, therefore, whether a reduction in the METF disbursement for a major event is necessary. That increases the risk that local governments and local organizing committees may receive more METF funds than they should receive.

## Recommendations

The METF should:

- Seek authority from the Legislature to recoup funds disbursed if the incremental tax receipt increase estimate was based on erroneous information submitted by the local government or local organizing committee.
- Review and approve local governments' and local organizing committees' methodologies for calculating certified out-of-state attendance in advance as a condition of participation in the METF.
- Review supporting documentation for local governments' and local organizing committees' calculations of certified out-of-state attendance.

Chapter 2-D

### The Major Events Tested Were Eligible for METF Funds and Generally Met Other Requirements Related to Those Major Events

All seven major events that auditors tested were eligible to receive METF funds. For those seven major events, auditors also verified compliance with requirements in areas such as local contributions, post-event studies, public posting of information, non-profit status, and conflicts of interest.

#### Article 5190.14, Vernon's Civil Statute, Section 5A(a-1)

Article 5190.14, Vernon's Civil Statute, Section 5A(a-1), states that an event not listed in Subsection (a)(4) of the statute is ineligible for funding from the METF. A listed event may receive funding only if:

- (1) a site selection organization selects a site located in [Texas] for the event to be held one time or, for an event scheduled to be held each year for a period of years one time each year for the period of years, after considering, through a highly competitive selection process, one or more sites that are not located in [Texas];
- (2) a site selection organization selects a site in [Texas] as:
  - (A) the sole site for the event; or
  - (B) the sole site for the event in a region composed of [Texas] and one or more adjoining states;
- (3) the event is held not more than one time in any year; and
- (4) the amount of the incremental increase in tax receipts determined by the comptroller equals or exceeds \$1 million.

**Requirements Regarding Event Eligibility and Local Contributions.** As required by Vernon's Civil Statute (see text box), all seven major events that auditors tested were eligible to receive METF funding. Specifically, for all seven major events tested, the event and site selection organization were listed in statute. Auditors also noted that, for all seven major events tested, the site selection organization selected a site in Texas as the sole site for the event and that the major event was held one time in a calendar year.<sup>4</sup>

Effective June 2013, a major event's incremental tax receipt increase estimate must be at least \$1 million; that requirement applied to two of the seven major events tested. Those events were the Formula One United States Grand Prix 2013 and the Formula One United States Grand Prix 2014, and both of those events met that requirement.

In addition, Article 5190.14, Vernon's Civil Statute, Section 5A(f), requires a local contribution, and the State will

<sup>4</sup> The National Cutting Horse Association Triple Crown consists of three individual events.

contribute \$6.25 in state funds for each \$1.00 of local funds contributed, up to the amount of the estimated incremental tax receipt increase. (As Chapter 3 discusses, the Comptroller's Office also ensured that it collected the local shares.)

**Requirements Regarding Post-event Studies and Web Site Posting.** The Comptroller's Office also met other requirements of Article 5190.14, Vernon's Civil Statute. Specifically:

- For five of the seven major events tested, the Comptroller's Office was required to complete post-event studies, and auditors determined that the Comptroller's Office completed those studies.
- Effective June 2013, the Comptroller's Office was required to post other information regarding major events on its Web site. Of the seven major events tested, those requirements applied only to the Formula One United States Grand Prix 2014 event. The Comptroller's Office generally met those requirements, which included requirements to post the following:
  - The source documentation on which it based its incremental tax receipt increase estimate.
  - Information stating that a major event's local government or local organizing committee submit formal requests to the Comptroller's Office to participate in the METF.
  - Documentation showing that, when the Comptroller's Office estimated the incremental tax receipt increase, it considered information that the major event's local government or local organizing committee had submitted.

**Requirements Regarding Local Organizing Committees.** As Table 2 in Chapter 1 showed, five of the seven major events tested involved a local organizing committee. Title 34, Texas Administrative Code, Section 2.100, requires local organizing committees to be nonprofit corporations. Auditors determined that those five local organizing committees had registered with the Office of the Secretary of State as non-profit corporations and were authorized by a local government, as required.

**Requirements Regarding Conflicts of Interest, Policy Acknowledgment, and Ethics Training.** Auditors did not identify any conflicts of interest related to the METF. All 29 Comptroller's Office employees whom auditors identified as having been involved in the administration of the METF completed a policy acknowledgement form agreeing to comply with the Comptroller's Office's employee handbook. That handbook includes standards on conflicts of interest. In addition, 27 (92 percent) of those 29 employees completed the Comptroller's Office's required ethics training within the required time frame.

## **Recommendation**

The METF should ensure that all employees complete required ethics training within the required time frame.

## ***The METF Has a Consistent Disbursement Process***

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**Disbursements.** The Comptroller's Office has established a consistent process to make disbursements from the METF to local governments and local organizing committees for costs related to major events. In addition, for all seven major events tested, total METF disbursements were within the authorized amounts, and all disbursements were properly approved, as required by the Comptroller's Office's policy.

All major event costs tested were either (1) allowable under the event support contracts or (2) health and safety costs. Although payment for health and safety costs is not specified in statute, the Comptroller's Office consistently paid for health and safety costs regardless of their inclusion in an event support contract because it determined that those costs served a public interest.

For four of the seven major events tested, the Comptroller's Office received adequate supporting documentation and made METF disbursements for allowable costs. However, for the 2011 National Football League Super Bowl XLV, the 2011-2012 National Cutting Horse Association Triple Crown, and the 2014 Formula One United States Grand Prix, the Comptroller's Office made disbursements for costs that could have had more detailed documentation. For example:

- As evidence of costs, the Comptroller's Office accepted documentation that contained limited detail regarding the services rendered or the dates of service. That documentation did not contain the original vendor invoices and did not always identify the vendor.
- The Comptroller's Office accepted invoices containing summary level payroll (salary and benefits) information that did not always detail who or how many employees worked on the major events or the tasks on which the employees had worked.

Each local organizing committee and local government associated with the costs described above submitted additional costs for disbursement that exceeded the authorized amount for the major event. Therefore, if the Comptroller's Office had not made the payments described above, it may have disbursed the same amount of funds to cover other allowable costs.

It is important to receive detailed supporting documentation to reduce the risk that disbursements could be made for costs that are not associated with a major event.

**State and Local Contributions.** For each of the seven major events tested, the Comptroller's Office correctly established a fund in the Uniform Statewide Accounting System (USAS) for the authorized amount. In addition, it

received all contributions for local shares from the local organizing committees and local governments within 90 days of the major event end date, as required by Article 5190.14, Vernon's Civil Statutes, Section 5A(d-1). The Comptroller's Office also appropriately limited access to METF-related information, and it established adequate controls in USAS to ensure proper segregation of duties.

**Event Support Contracts.** Event support contracts were established between the local organizing committee or local government and the site selection organization for all seven major events tested. However, the event support contracts for the 2012-2014 Formula One United States Grand Prix events and the 2011-2012 and 2012-2013 National Cutting Horse Association Triple Crown included vague language and were not always specific regarding the types of expenses that would be necessary to hold those major events. For example, the Formula One United States Grand Prix event support contract did not list any specific costs other than the \$25 million sanctioning fee for each year of that event. In addition, the National Cutting Horse Association Triple Crown event support contracts tested specified that expenses included "any and all personnel and administrative costs." Effective September 2014, the Comptroller's Office revised its rules to specify that the Comptroller's Office would not consider for payment items that are described in an event support contract with terms that "are overly broad or too general in nature."

**Proof of Payment.** The Comptroller's Office did not consistently require proof of payment of event costs from local governments and local organizing committees before disbursing METF funds, as required by its original rules. That occurred because Article 5190.14, Vernon's Civil Statutes, Section 5A(h), specifies that only an "obligation" (rather than an actual payment of costs) is necessary to receive a METF disbursement. Effective September 2014, the Comptroller's Office revised its rules to align with statute. The revised rules also require the Comptroller's Office to request proof of payment of event costs only if a local government or local organizing committee made those payments.

## **Recommendations**

The METF should:

- Consistently obtain and review detailed documentation for payment requests to ensure that costs are (1) associated with approved major events and (2) allowable.
- Require local governments and local organizing committees to provide original vendor invoices when they request a disbursement from the METF.

# Appendices

Appendix 1

## **Objective, Scope, and Methodology**

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### **Objective**

The objective of this audit was to determine whether the Office of the Comptroller of Public Accounts (Comptroller's Office) administers the Major Events Trust Fund (METF) in accordance with applicable laws, rules, Comptroller's Office policies and procedures, and applicable contracts.

### **Scope**

The scope of this audit covered major events for which funds were disbursed between fiscal year 2010 and January 2015.

### **Methodology**

The audit methodology included selecting seven major events for audit that received METF disbursements between September 2009 and January 2015. The selection methodology for the major events audited was based on the dollar amount approved for disbursement, the location of the major event, the number of parties receiving disbursements, and public interest. The seven events selected for testing were:

- The National Football League (NFL) Super Bowl XLV (2011).
- The National Cutting Horse Association Triple Crown (2011-2012, Futurity, Summer Spectacular, Super Stakes).
- The Formula One United States Grand Prix (2012).
- The National Cutting Horse Association Triple Crown (2012-2013, Futurity, Summer Spectacular, Super Stakes).
- The National Basketball Association (NBA) All Star Game (2013).
- The Formula One United States Grand Prix (2013).
- The Formula One United States Grand Prix (2014).

Audit work included collecting and reviewing the Comptroller's Office's (1) incremental tax receipt increase estimates and supporting documentation and (2) disbursements to local governments and local organizing committees and supporting documentation. Auditors also performed selected tests and other procedures.

## **Data Reliability and Completeness**

**Revenue and expenditure information in the Uniform Statewide Accounting System (USAS).** Auditors tested access to USAS and relied on previous State Auditor's Office audit work to determine that revenue and expenditure data in USAS was sufficiently reliable for the purposes of this audit.

**Reports from the Comptroller's Office's Integrated Tax System.** Auditors relied on previous State Auditor's Office audit work and reviewed programming code used to generate reports to determine that the reports were sufficiently reliable for the purposes of this audit.

**The Comptroller's Office's spreadsheets for METF calculations.** Auditors reviewed key data fields and calculations and access to the spreadsheets to determine that the spreadsheets were sufficiently reliable for the purposes of this audit.

**The Comptroller's Office's event tracking database.** Auditors reviewed access to that database, tested a key formula, and reconciled key fields to USAS to determine that information in the database was sufficiently reliable for the purposes of this audit.

Auditors also verified the completeness of the major event information posted on the Comptroller's Office's Web site by comparing the approved major event trust fund amounts (state share plus local share) and disbursement amounts from that Web site to information in USAS.

## **Sampling Methodology**

To test the disbursements for the National Football League (NFL) Super Bowl XLV (2011) major event, auditors used professional judgment to select a risk-based sample of 63 expenses and/or invoices for testing. The sampled items were generally not representative of the population and, therefore, it would not be appropriate to project those test results to the population.

To test the disbursements for the other six major events tested, auditors tested all expenses and/or invoices for which a disbursement had been made as of January 2015.

Information collected and reviewed included the following:

- Requests for participation submitted by local governments and local organizing committees.
- Comptroller's Office incremental tax receipt estimates and supporting documentation.
- Economic impact studies submitted by local governments and local organizing committees.

- Affidavits submitted by local governments and local organizing committees.
- Comptroller's Office approval letters to establish a fund for a major event.
- Event support contracts and related joinder agreements.
- Attendance certifications submitted by local governments and local organizing committees.
- Disbursement requests submitted by local governments and local organizing committees and supporting documentation, including vendor invoices.
- Deposit and payment information from USAS.
- Comptroller's Office's event tracking database.
- Office of the Secretary of State business registration records.
- Comptroller's Office post-event studies and supporting documentation, including Integrated Tax System reports.
- Training records and policy acknowledgement forms.
- Comptroller's Office's *Report on Events Trust Funds*, December 2014.

Procedures and tests conducted included the following:

- Interviewed staff of the Comptroller's Office.
- Reviewed Comptroller's Office policies and procedures.
- Tested whether the Comptroller's Office followed the requirements of Article 5190.14, Vernon's Civil Statutes, Chapter 10, for selected major events.
- Reviewed and tested Comptroller's Office incremental tax receipt increase estimates and supporting documentation for selected major events.
- Reviewed event support contracts for selected major events.
- Reviewed and tested out-of-state attendance certifications for the applicable selected major events.
- Reviewed supporting documentation for the calculation of certified out-of-state attendance for the applicable selected major events.
- Reviewed and tested Comptroller's Office post-event studies for selected major events.

- Reviewed and tested disbursements and supporting documentation for selected major events.
- Tested the compliance of Comptroller's Office employees identified as having worked on selected major events with ethics training and policy acknowledgement requirements.

Criteria used included the following:

- Article 5190.14, Vernon's Civil Statutes, Chapter 10.
- Texas Tax Code, Chapters 151, 152, 156, and 183.
- Texas Alcoholic Beverage Code, Chapter 221.
- Title 34, Texas Administrative Code, Chapter 2.
- Title 1, Texas Administrative Code, Chapter 202.
- Comptroller's Office policies and procedures.
- Selected major events' event support contracts.
- *State of Texas Contract Management Guide.*

### **Project Information**

Audit fieldwork was conducted from January 2015 through July 2015. We conducted this performance audit 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

- Kristyn Hirsch Scoggins, CGAP (Project Manager)
- Lauren Godfrey, CIA, CGAP (Assistant Project Manager)
- Adam Berry
- Paige Dahl
- Taylor L. Huff
- Joseph A. Kozak, CPA, CISA
- Eric Ladejo, MPA

- Michelle Rodriguez
- Quang Tran
- Michelle Ann Duncan Feller, CPA, CIA (Quality Control Reviewer)
- J. Scott Killingsworth, CIA, CGAP, CGFM (Quality Control Reviewer)
- John Young, MPAff (Audit Manager)

## **Information on Event Programs in Other States**

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Auditors researched event programs in other states and summarized key information for certain states below. Auditors did not identify other states that had existing programs that were substantially similar to the Major Events Trust Fund in Texas. However, in July 2015 the Louisiana legislature passed legislation to create a program that shares some similarities with the Major Events Trust Fund.

### **Louisiana**

The Louisiana legislature passed Senate Bill 218 effective July 1, 2015, which established the Major Events Incentive Program Subfund to attract major events to Louisiana. That program is subject to legislative appropriation and the approval of the Joint Legislative Committee on the Budget. The program authorizes the secretary of the Department of Economic Development to enter into a contract with a local organizing committee, endorsing parish, or endorsing municipality to recruit, solicit, or acquire for Louisiana any qualified event that will have a significant positive impact on economic development in Louisiana. The contract must provide for a financial commitment to the local organizing committee, endorsing parish, or endorsing municipality.

The program limits incremental tax receipt increase calculations to excise taxes and sales and use taxes, excluding hotel occupancy taxes. It also requires a highly competitive selection process in which one or more sites are not located in Louisiana; in addition, eligible events cannot be held more than once a year.

### **Florida**

The Florida Sports Foundation administers Florida's Major and Regional Grant Program. That program is funded with some General Revenue, but most of its funding is generated by the sale of sports-themed license plates.

To be eligible, an event must generate more than \$500,000 in out-of-state economic impact and at least 600 out-of-state bed nights. The event also must generate at least 80 percent of the estimated impact to receive the full award. If the impact is less than the estimate, but still exceeds the \$500,000 threshold, the final payment is prorated based on percentage of impact. Applications for funds also identify the "community support" or other public matching funds secured for the event.

To measure the estimated economic impact of events, applications must include an estimate of (1) the number of adults and youth from out-of-state attending or participating in the event, the length of their stay, the number of

rooms estimated to be let, and the event room rate and (2) the state sales and tourist development taxes the event will generate.

A grant recipient must submit a post-event report that details attendance and expenses. The State of Florida has a requirement to estimate out-of-state attendance, and it has contracted out that part of the application process.

Grantees receive reimbursement for proof of payment of invoices that meet allowable expense criteria.

Grantees are subjected to preaward evaluation and post-event verification of economic impact, and the Florida Economic Development Council audits regional sports commissions every three years to ensure compliance with program requirements.

### **Indiana**

Sports Indiana is a nonprofit organization whose mission is to promote Indiana as a premier destination for sports-related events. The goal of that organization's Sports Tourism Business Development Grant program is to issue monetary grants or grow high-quality sporting events in Indiana that generate a significant economic impact to local communities. The program has awarded a total of 39 grants, resulting in \$50 million in direct spending in Indiana.

The grants may be used for bidding and hosting expenses and are available to non-profit tourism or sports-related organizations to support and conduct athletic events.

The maximum grant award amount is \$20,000, and it must be matched with local cash funds (50 percent grant funds, 50 percent local funds) provided by a local sports commission, convention and visitor bureau, or other not-for-profit entity.

Sports Indiana retains 5 percent of the grant proceeds to cover administrative expenses.

### **Missouri**

The Missouri Department of Economic Development administers Missouri's Amateur Sporting Tax Credit Program to help attract amateur sporting events to Missouri.

The program awards tax credits to event sponsors, endorsing counties/municipalities, or local organizing committees that act individually or collectively. It is limited to amateur sporting events and has a total award amount of \$3 million per state fiscal year. Individual awards are for 100 percent of actual costs or \$5 per ticket sold, whichever is less.

The Department of Economic Development reviews the event sponsor or organizer after an event. The Missouri State Auditor's Office also can audit the Department at its discretion.

No support contract will be certified unless a site selection organization chooses a location in Missouri during a competitive bidding process in which at least one competitive bid came from out of state.

All costs must be supported by valid proof of payment, be supported by a valid invoice or itemized in a contract, and be listed on an eligible cost listing form.

Sources: Other states' event program Web sites and information from interviews with officials in other states.

## Major Events That Have Received METF Funds and That Are Eligible for METF Funds

The 78th Legislature established the Major Events Trust Fund (METF)<sup>5</sup> in 2003 with eight eligible major events. The Legislature increased the number of eligible major events in five of the six subsequent legislative sessions. As of September 1, 2015, statute listed a total of 28 major events that are eligible to participate in the METF.

Table 4 lists all of the major events (in chronological order) for which state and local METF shares had been approved as of February 5, 2015. It is important to note that each of the major events in Table 4 also is eligible to receive additional METF funds if those major events are held in Texas in the future.

As of February 5, 2015, the METF had approved \$235,559,370 in state and local funds for major events, and \$203,803,584 of that amount was the State's share and \$31,755,786 was the local share. A total of \$206,626,685 in METF funds had been disbursed to local governments and local organizing committees as of February 5, 2015.

Table 4

Major Events for Which State and Local METF Shares Had Been Approved as of February 5, 2015				
Event	Approved Local Share	Approved State Share	Total Approved Amount (State and Local Share)	Total Disbursements Paid
Major League Baseball All Star Game 2004	\$ 668,800	\$ 4,180,000	\$ 4,848,800	\$ 4,848,800
National Collegiate Athletic Association Men's Division I Final Four Basketball Tournament 2004	800,000	5,000,000	5,800,000	5,800,000
National Football League Super Bowl XXXVIII (2004)	0 <sup>a</sup>	8,700,000	8,700,000	8,700,000
National Basketball Association All Star Game 2006	1,160,000	3,880,000	5,040,000	4,500,800
National Collegiate Athletic Association Men's Division I Final Four Basketball Tournament 2008	973,000	6,081,250	7,054,250	7,054,250
National Collegiate Athletic Association Women's Division I Final Four Basketball Tournament 2010	254,871	1,592,946	1,847,817	1,847,817
National Basketball Association All Star Game 2010	2,129,299	13,308,121	15,437,420	15,437,420

<sup>5</sup> The program was originally named the Other Events Trust Fund. The 81st Legislature changed the name of the program to the Major Events Trust Fund beginning September 1, 2009. Effective September 1, 2015, the program was renamed the Major Events Reimbursement Program.

**Major Events for Which State and Local METF Shares Had Been Approved as of February 5, 2015**

Event	Approved Local Share	Approved State Share	Total Approved Amount (State and Local Share)	Total Disbursements Paid
Summer National Senior Games 2011	385,382	2,408,633	2,794,015	2,794,015
National Collegiate Athletic Association Men's Division I Final Four Basketball Tournament 2011	1,875,157	11,719,733	13,594,890	12,464,908
National Football League Super Bowl XLV (2011)	4,297,112	26,856,950	31,154,062	31,154,062
Annual Amateur Athletic Union Junior Olympics 2012	381,273	2,382,953	2,764,226	2,764,226
U.S.A. Olympic Marathon Trials 2012	170,454	1,065,332	1,235,786	1,235,786
National Cutting Horse Association Triple Crown 2011-2012	569,327	3,558,281	4,127,608	4,127,608
National Cutting Horse Association Triple Crown 2012-2013	604,874	3,780,447	4,385,321	4,385,321
Formula One United States Grand Prix 2012	4,045,516	25,284,468	29,329,984	29,329,984
National Basketball Association All Star Game 2013	1,763,956	11,024,720	12,788,676	12,788,676
Formula One United States Grand Prix 2013	4,003,954	25,024,710	29,028,664	29,028,664
National Cutting Horse Association Triple Crown 2013-2014	416,812	2,605,062	3,021,874	2,137,803
National Collegiate Athletic Association Men's Division I Final Four Basketball Tournament 2014	1,485,488	9,284,298	10,769,786	0 <sup>b</sup>
Formula One United States Grand Prix 2014	3,939,664	24,622,898	28,562,562	26,226,545
National Cutting Horse Association Triple Crown 2014-2015	350,940	2,193,366	2,544,306	0 <sup>b</sup>
National Collegiate Athletic Association Division I FBS Football National Championship 2015	1,479,907	9,249,416	10,729,323	0 <sup>b</sup>
<b>Totals</b>	<b>\$31,755,786</b>	<b>\$203,803,584</b>	<b>\$235,559,370</b>	<b>\$206,626,685</b>

<sup>a</sup> Article 5190.14, Vernon's Civil Statutes, Section 5A, did not require a local share for the National Football League Super Bowl XXXVIII in 2004. Senate Bill 1515 (81st Legislature, Regular Session) subsequently repealed that statute.

<sup>b</sup> No disbursements have been made because either the local government and/or local organizing committee has not submitted a disbursement request to the Office of the Comptroller of Public Accounts or the Office of the Comptroller of Public Accounts has not approved the disbursement request.

Source: TexasAhead.org.

The following major events are also eligible to receive METF funds:

- X Games.
- National Hockey League All-Star Game.
- National Collegiate Athletic Association men's or women's lacrosse championships.
- World Cup Soccer game.
- World Cup Soccer tournament.
- Major League Soccer All-Star Game.
- Major League Soccer Cup.
- Professional Rodeo Cowboys Association National Finals Rodeo.
- Elite Rodeo Association World Championship.
- United States Open Championship.
- World Games.
- National collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee.
- Mixed martial arts championship.
- Breeders' Cup World Championships.
- Moto Grand Prix of the United States.
- Academy of Country Music Awards.
- National political conventions of the Republican National Committee or the Democratic National Committee.
- Presidential general election debate.
- The largest event held each year at a sports entertainment venue in Texas with a permanent seating capacity, including grandstand and premium seating, of not less than 125,000.

## Event Locations

Table 5 shows the locations, from 2004 through 2021, for various events (information is as of February 2015). Events listed in Table 5 that were held in Texas were funded from the Major Events Trust Fund.

Table 5

Locations of Events 2004 through 2021								
National Football League Super Bowl								
2004	2005	2006	2007	2008	2009	2010	2011	2012
Houston, TX	Jacksonville, FL	Detroit, MI	Miami, FL	Glendale, AZ	Tampa, FL	Miami Gardens, FL	Arlington, TX	Indianapolis, IN
2013	2014	2015	2016	2017	2018	2019	2020	2021
New Orleans, LA	East Rutherford, NJ	Glendale, AZ	Santa Clara, CA	Houston, TX	Minneapolis, MN	Not determined	Not determined	Not determined
National Basketball Association All Star Game								
2004	2005	2006	2007	2008	2009	2010	2011	2012
Los Angeles, CA	Denver, CO	Houston, TX	Las Vegas, NV	New Orleans, LA	Phoenix, AZ	Arlington, TX	Los Angeles, CA	Orlando, FL
2013	2014	2015	2016	2017	2018	2019	2020	2021
Houston, TX	New Orleans, LA	New York, NY	Toronto, Ontario (Canada)	Not determined	Not determined	Not determined	Not determined	Not determined
National Collegiate Athletic Association Men's Division I Final Four Basketball Tournament								
2004	2005	2006	2007	2008	2009	2010	2011	2012
San Antonio, TX	St. Louis, MO	Indianapolis, IN	Atlanta, GA	San Antonio, TX	Detroit, MI	Indianapolis, IN	Houston, TX	New Orleans, LA
2013	2014	2015	2016	2017	2018	2019	2020	2021
Atlanta, GA	Arlington, TX	Indianapolis, IN	Houston, TX	Phoenix, AZ	San Antonio, TX	Minneapolis, MN	Atlanta, GA	Indianapolis, IN
U.S.A. Olympic Marathon Trials								
2004	2005	2006	2007	2008	2009	2010	2011	2012
Birmingham, AL (Men) St. Louis, MO (Women)	Not applicable	Not applicable	Not applicable	New York, NY (Men) Boston, MA (Women)	Not applicable	Not applicable	Not applicable	Houston, TX
2013	2014	2015	2016	2017	2018	2019	2020	2021
Not applicable	Not applicable	Not applicable	Los Angeles, CA	Not applicable	Not applicable	Not applicable	Not determined	Not applicable

**Locations of Events  
2004 through 2021**

**Annual Amateur Athletic Union Junior Olympics**

2004	2005	2006	2007	2008	2009	2010	2011	2012
Des Moines, IA	New Orleans, LA	Hampton Roads, VA	Knoxville, TN	Detroit, MI	Des Moines, IA	Hampton Roads, VA	New Orleans, LA	Houston, TX
2013	2014	2015	2016	2017	2018	2019	2020	2021
Detroit, MI	Des Moines, IA	Hampton Roads, VA	Houston, TX	Detroit, MI	Des Moines, IA	Greensboro, NC	Not determined	Not determined

**Major League Baseball All-Star Game**

2004	2005	2006	2007	2008	2009	2010	2011	2012
Houston, TX	Detroit, MI	Pittsburgh, PA	San Francisco, CA	Bronx, NY	St. Louis, MO	Anaheim, CA	Phoenix, AZ	Kansas City, MO
2013	2014	2015	2016	2017	2018	2019	2020	2021
New York, NY	Minneapolis, MN	Cincinnati, OH	San Diego, CA	Not determined				

**National Collegiate Athletic Association Division I FBS Football National Championship <sup>a</sup>**

2004	2005	2006	2007	2008	2009	2010	2011	2012
Not applicable								
2013	2014	2015	2016	2017	2018	2019	2020	2021
Not applicable	Not applicable	Arlington, TX	Glendale, AZ	Tampa, FL	Not determined	Not determined	Not determined	Not determined

**National Cutting Horse Association Triple Crown**

2004	2005	2006	2007	2008	2009	2010	2011	2012
Fort Worth, TX								
2013	2014	2015	2016	2017	2018	2019	2020	2021
Fort Worth, TX	Fort Worth, TX	Fort Worth, TX	Fort Worth, TX	Not determined				

**Formula One United States Grand Prix**

2004	2005	2006	2007	2008	2009	2010	2011	2012
Indianapolis, IN	Indianapolis, IN	Indianapolis, IN	Indianapolis, IN	Event not held	Event not held	Event not held	Event not held	Austin, TX
2013	2014	2015	2016	2017	2018	2019	2020	2021
Austin, TX	Austin, TX	Austin, TX	Austin, TX	Austin, TX	Austin, TX	Austin, TX	Austin, TX	Austin, TX

<sup>a</sup> Prior to 2015, the National Collegiate Athletic Association Division I FBS Football National Championship venue was not competitively bid and, instead, it rotated among the four major bowl game sites.

Sources: Event Web sites.

## Management's Response



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

August 28, 2015

John Keel, CPA  
State Auditor  
State of Texas  
1501 N. Congress Ave., Room 4.224  
Austin, Texas 78701

Dear Mr. Keel:

Our office is in receipt of the SAO report "An Audit Report on the Major Events Trust Fund." As you know, the 84th Legislature transferred administration of this function to the Governor's office, at my request. Please accept the following statement as our response:

Immediately after taking office, Comptroller Hegar conducted a top-to-bottom review of the agency and determined that the METF program falls outside the core functions of the Comptroller's office. On February 5, 2015, Comptroller Hegar and Governor Abbott announced their joint proposal to move the METF from the Comptroller's office to the Governor's office. At the same time, both offices called for meaningful program reforms, some of which are detailed in the State Auditor's report. Senate Bill 633 (84th Leg., R.S.) transfers administration of the METF to the Governor's office effective September 1, 2015. The Comptroller has agreed to work with the Governor's office, upon request, to provide assistance regarding these recommendations.

Please contact me if you need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven for Mike Reissig".

Mike Reissig  
Deputy Comptroller

cc: Kristyn Scoggins

Copies of this report have been distributed to the following:

### **Legislative Audit Committee**

The Honorable Dan Patrick, Lieutenant Governor, Joint Chair  
The Honorable Joe Straus III, Speaker of the House, Joint Chair  
The Honorable Jane Nelson, Senate Finance Committee  
The Honorable Robert Nichols, Member, Texas Senate  
The Honorable John Otto, House Appropriations Committee  
The Honorable Dennis Bonnen, House Ways and Means Committee

### **Office of the Governor**

The Honorable Greg Abbott, Governor

### **Office of the Comptroller of Public Accounts**

The Honorable Glenn Hegar, Comptroller of Public Accounts



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