

FINANCE COMMISSION OF TEXAS AUDIT COMMITTEE MEETING

Friday, October 15, 2021
8:30 a.m.

Finance Commission Building
William F. Aldridge Hearing Room
2601 N. Lamar Blvd.
Austin, Texas 78705

Public comment on any agenda item or issue under the jurisdiction of the Finance Commission of Texas agencies is allowed. Finance Commission members who are not members of the Audit Committee may be present at this committee meeting creating a quorum of the Finance Commission.

- A. Review and Approval of the Minutes of the August 20, 2021 Audit Committee Meeting
- B. Review of Agencies' Activities
 - 1. Texas Department of Banking
 - 2. Office of Consumer Credit Commissioner
 - 3. Department of Savings and Mortgage Lending
- C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2021 Fourth Quarter Investment Officer Reports
 - 1. Texas Department of Banking
 - 2. Office of Consumer Credit Commissioner
 - 3. Department of Savings and Mortgage Lending
- D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2021 Fourth Quarter Financial Statements
 - 1. Texas Department of Banking
 - 2. Office of Consumer Credit Commissioner
 - 3. Department of Savings and Mortgage Lending
- E. Report on Activities Relating to the Texas Financial Education Endowment Fund
- F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Amend the Amount of Grant Awards for the 2022-2023 Grant Cycle for the Texas Financial Education Endowment (TFEE)
- G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Final Selection of Organizations to Receive Grant Funds from the Texas Financial Education Endowment Fund
- H. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by Tex. Govt. Code Secs. 551.076 and 551.089

NOTE: The Audit Committee of the Finance Commission of Texas may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

Meeting Accessibility: Under the Americans with Disabilities Act, the Finance Commission of Texas will accommodate special needs. Those requesting auxiliary aids or services should notify the Texas Department of Banking, 2601 North Lamar Boulevard, Austin, Texas 78705, (512) 936-6222, as far in advance of the meeting as possible.

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MINUTES OF THE AUDIT COMMITTEE MEETING Friday, August 20, 2021

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m. on August 20, 2021, with the following members present:

Audit Committee Members in Attendance (via webinar):

Phillip Holt, Chairman, Finance Commission
Debbie Scanlon, Chairman, Audit Committee
Hector Cerna
Larry Long

Chairman Scanlon announced there was a quorum of the Audit Committee of the Finance Commission of Texas. (1:08 on the audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the June 18, 2021 Audit Committee Meeting	Larry Long made a motion to Approve the Minutes of the June 18, 2021 Audit Committee Meeting. Hector Cerna seconded and the motion passed.	1:33 start of discussion 1:52 Vote
B. Review of Agencies' Activities 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	No Action Required.	2:23 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2021 Third Quarter Investment Officer Reports 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission approve the Agencies' 2021 Third Quarter Investment Officer Reports. Larry Long seconded and the motion passed.	5:34 start of discussion 13:44 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for: 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Larry Long made a motion to recommend that the Finance Commission approve the Readoption of the Investment Policies for the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and the Texas Department of Banking. Hector Cerna seconded and the motion passed.	14:13 start of discussion 23:38 Vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2021 Third Quarter Financial Statements 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission approve the Agencies' Third Quarter Financial Statements. Larry Long seconded and the motion passed.	24:14 start of discussion 32:37 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2022 Operating Budgets</p> <ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking 	<p>Larry Long made a motion to recommend that the Finance Commission approve the Agencies' Fiscal Year 2022 Operating Budgets. Hector Cerna seconded and the motion passed.</p>	<p>33:05 start of discussion</p> <p>67:47 Vote</p>
<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2021 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Hector Cerna made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's 2021 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Larry Long seconded and the motion passed.</p>	<p>68:18 start of discussion</p> <p>73:51 Vote</p>
<p>H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2021 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Larry Long made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's 2021 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Hector Cerna seconded and the motion passed.</p>	<p>74:24 start of discussion</p> <p>79:55 Vote</p>
<p>I. Report on Activities Relating to the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>80:27 start of discussion</p>

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Holt adjourned the meeting at 9:52 a.m. *(81:53 on the audio file).*

Debbie Scanlon, Chairman, Audit Committee
Finance Commission of Texas

Charles G. Cooper, Executive Director
Finance Commission of Texas

Brenda Medina, Executive Assistant
Finance Commission of Texas

Texas Department of Banking
Audit Activities Report
as of September 30, 2021

Auditor:	<i>State Office of Risk Management</i>	Audit Report Date: <i>Completed</i>
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Audit Area:	<i>Risk Management Program Review</i>
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Findings: None.	Status Update: <i>No findings, however, SORM had two recommendations, one of which was related to risk management standards training that was completed during the review. The second recommendation relates to supplementing the Department's risk management policies.</i>
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Auditor:	<i>Department of Information Resources – AT&T</i>	Audit Report Date: <i>Completed</i>
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Audit Area:	<i>Texas Cybersecurity Framework Assessment</i>
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Findings:	Status Update: <i>Remediations continue on findings. Will report to Audit Committee in Executive Session upon completion.</i>
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Auditor:	<i>Department of Information Resources – AT&T</i>	Audit Report Date: <i>Completed</i>
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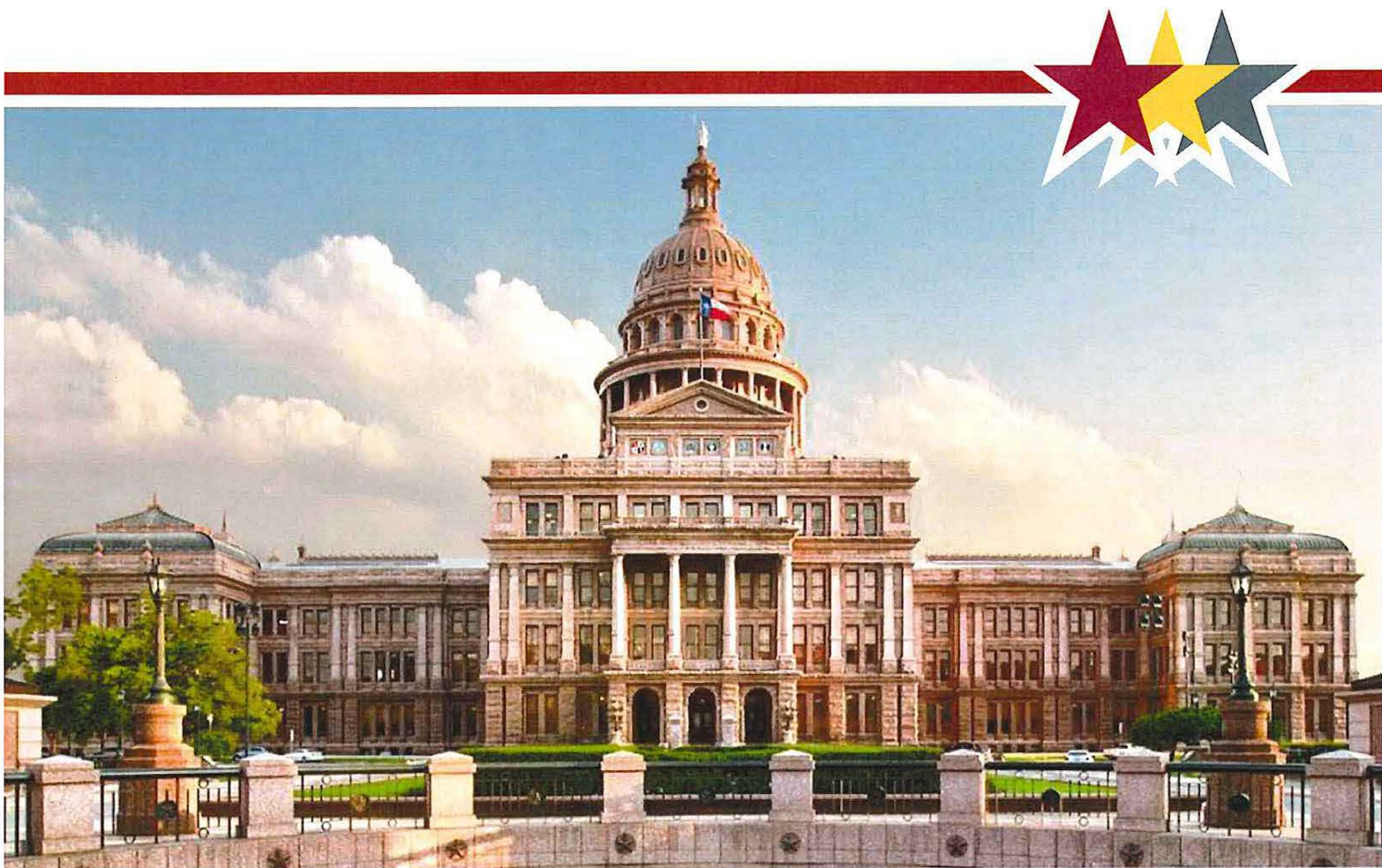
Audit Area:	<i>Web Application Vulnerability Scan and Controlled Penetration Test</i>
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Findings:	Status Update: <i>Will report to Audit Committee in Executive Session.</i>
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Auditor:	<i>Texas Comptroller of Public Accounts</i>	Audit Report Date: <i>Pending</i>
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Audit Area:	<i>Post Payment Audit</i>
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Findings:	Status Update: <i>In Progress – Audit field work began January 25, 2021.</i>
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Risk Management Program Review Report

Department of Banking

August 24, 2021

Conducted by:

Carly Hughes, Enterprise Risk Specialist, Risk Management





August 24, 2021

Mr. Charles G. Cooper
Banking Commissioner
Department of Banking
2601 North Lamar Blvd.
Austin, TX 78705

Agency # 451

Re: Risk Management Program Review (RMPR)

Dear Mr. Cooper,

On Wednesday, June 16, 2021, the State Office of Risk Management (SORM) conducted a Risk Management Program Review (RMPR) with the Department of Banking (DOB) at 2601 North Lamar Blvd. in Austin, TX. The consultation was conducted under authority of Texas Labor Code, Title V, Subtitle A, Chapter 412, and is designed to assist state agencies with the development and implementation of comprehensive risk management programs that meet *Risk Management for Texas State Agencies (RMTSA) Guidelines*.

EXECUTIVE SUMMARY

The review period covered FY17 through June 2021. The following individuals participated during the RMPR:

- **SORM**
 - Carly Hughes, Enterprise Risk Specialist, Risk Management
- **DOB**
 - Sami Chadli, Chief Financial Officer
 - Lori Wright, Human Resources Director

The following SORM core mission areas were discussed:

- Workers' Compensation: The DOB submitted six claims during the review period, FY17 through June 2021, which accrued \$323,247.97 in medical costs and other income

benefits.

- Property: The DOB reported one property loss during the review period, which resulted in \$1356.00 of costs to the agency. The property loss was categorized as a theft/robbery and occurred at an employee's residence.

Insurance: The DOB is currently participating in following lines of insurance: Directors' & Officers' and Property.

- Continuity of Operations (COOP): SORM received and reviewed the DOB's COOP plan in FY21. Recommendations for improving the plan were provided to the agency.
- Training: The DOB has taken advantage of several of SORM's complimentary training, including Additional Duty Safety Officer (ADSO) Orientation, the Continuity Planning Workshop, and Personal Safety and Situational Awareness training. Additional training opportunities that are available were discussed during the consultation.
- Noteworthy observations made during the consultation include the following:
 - COVID-19 precautions were observed to be exemplary, including the addition of plexiglass partitions and a wireless microphone for on-site meetings.
 - SORM commends the DOB for their participation in the SORM Risk Management Guidelines Council, which assisted with the update to the Statewide Risk Management Guidelines.
- Opportunities for improvement of the agency's risk management program and any action items are included in the attached report.

Please convey my sincere appreciation to the staff at the DOB for their cooperation and assistance during the consultation. If you have any questions or concerns regarding the information detailed in this report, please contact me by either phone at 512-936-1573 or email at Carly.Hughes@sorm.texas.gov.

Sincerely,



Carly Hughes, PCP
Enterprise Risk Specialist
State Office of Risk Management

Mr. Charles G. Cooper
August 24, 2021
Page 4 of 9

cc: Sami Chadli, Chief Financial Officer, DOB
Lori Wright, Human Resources Director, DOB
Wendy Rodriguez, Chief Operating Officer, DOB



FINDINGS AND RECOMMENDATIONS

I. GENERAL

A. The following items were reviewed and discussed during the RMPR:

1. Annual Report
2. Strategic Plan
3. Personnel Policy and Procedures Manual
4. Continuity of Operations (COOP) Plan
5. SORM 200 Data
6. Risk Evaluation and Planning System (REPS) Questions

B. The annual review process for internal policies and procedures were observed to be organized, efficient, and properly utilized.

C. Section 11 of the Personnel Policy and Procedures Manual contains the agency's policy for "Risk Management and Safety and Health Program." Section 11 also contains the agency's "Return-to-Work Program" (Section #11-11). The policy was noted to incorporate provisions for handling exposures that employees may encounter. Opportunities for improving the existing policy were identified and are detailed below (See recommendation #21-06-02).

II. WORKERS' COMPENSATION

SORM reviewed and discussed the following workers' compensation insurance data and claims with the DOB during the consultation. The information reflects claims received by SORM from FY17 through June 2021.

A. During the review period the DOB reported six claims, which accrued \$323,247.97 in medical costs and other income benefits.

1. The severity of claims was driven by two Slip/Trip/Fall (On Same Level) claims which incurred \$316,544.89 in medical costs and other income benefits.
 - a. The claims were reported by the same claimant, occurring approximately 3

months apart in FY17 and FY18.

- b. Both claims remain in "Active" status and may continue to mature.
 - c. To date, the claims have incurred a total Temporary Income Benefit (TIB) cost of \$64,436.39, a total Impairment Income Benefit (IIB) cost of \$71,601.04, and a total Supplemental Income Benefit (SIB) cost of \$78,010.24.
2. Four other claims were submitted, including two claims in FY18 and two in FY19, which incurred \$6,703.08 in medical costs only.

III. Property

SORM reviewed and discussed the following property loss data and claims with the DOB during the consultation. The information reflects claims received by SORM from FY17 through June 2021.

- A. During the review period, the DOB had one reported property loss involving a laptop which incurred \$1,356 in costs to the agency. The DOB stated the laptop was later found. The agency experienced technical difficulties regarding updating the property loss claim in the SORM Risk Management database.

IV. INSURANCE

SORM reviewed and discussed the DOB's participation in the SORM sponsored lines of insurance: Automobile, Property, and Directors' and Officers'.

- A. Automobile: The DOB does not own a fleet of state vehicles in accordance with its duties. State business is regularly conducted by employees operating their personally owned vehicles or vehicle rentals. The DOB elects to retain the risks associated with automobile exposures.
- B. Property: The DOB operations occur in the headquarters located in Austin, Texas, and 4 regional offices throughout Texas. The agency owns the building where HQ operates and a variety of Contents property in accordance with its operations. The agency has provided SORM the Maximum Possible Loss and Maximum Probable Loss values with regards to their Contents property for the DOB headquarter location. The DOB transfers the liability of property loss for the headquarters location to the SORM sponsored Property insurance program.
- C. Directors' and Officers': Decisions made by the DOB and the agency itself may be subject to liability claims, including those involving employment practices liability. Based on the nature of this kind of litigation, however, quantification of this risk is difficult. Therefore, Maximum Possible and Probable Loss are impossible to accurately quantify due to the

various factors influencing the likelihood of an insurable event occurring. The DOB transfers the liability associated with D&O loss to SORM's sponsored D&O insurance program.

V. CONTINUITY OF OPERATIONS

SORM reviewed and discussed the following Continuity of Operations (COOP) considerations.

- A. COOP Plan: The agency last submitted their COOP plan to SORM in FY21. The SORM COOP Team had no new recommendations for the DOB's COOP Plan.
- B. COOP Exercise Summary: SORM has not previously received a COOP Exercise Summary from the DOB. The COOP Exercise Summary is due to be completed, with a submitted report to SORM, in **January 2022**. The agency is encouraged to use the COVID-19 Pandemic Event for their COOP evaluation in lieu of a scheduled exercise.

VI. RMPR RECOMMENDATIONS

- A. During this visit, SORM discussed the following recommendations made during the previous consultation and they are now **Closed**:

21-12-01 Safety: Hazard Communication—Safety Data Sheets (SDS)

- B. Recommendations to maintain the efficiency of your Risk Management Program from this SORM consultation include the following:

1. 21-06-01 Policy/Procedure/Training: ISO 31000 Training

ISO 31000 assists Risk Managers and other decision makers to improve the operational efficiency, governance, and stakeholder confidence in an organization, while minimizing losses and enhancing risk analysis and risk assessment capacities. It helps integrate a risk-based decision-making in the culture of your organization. SORM recommends initial training in ISO 31000 to provide a baseline of knowledge, common risk language and a consistent framework we all share.

Reference: SORM, RMTSA Guidelines, Volume One, Section Two, Chapter 2, "The Risk Management Process"

2. 21-06-02 Policy/Procedure/Training — Risk Management and Safety and Health Program

Opportunities were identified for improving the current DOB Safety Manual.

Employees at the DOB have exposures to potential medical emergencies and events, therefore requiring they Shelter-In-Place (SIP). SORM recommends that the following provisions be considered for incorporation into the Safety Manual:

a. Medical Emergency Plan

SORM noted the need for a more extensive Medical Emergency Plan. SORM recommends the DOB expand their Medical Emergency Plan to include proper Cardiopulmonary Resuscitation (CPR), Automated External Defibrator (AED), and first aid procedures.

Reference: Occupational Safety and Health Administration (OSHA) 1910.151 (b) Medical and First Aid; OSHA First-Aid Program Best Practices [Guide](#)

b. Shelter-in-Place (SIP) Plan

During the review of the DOB's emergency procedures, SORM noted the need for a Shelter-in-Place (SIP) Plan for the DOB headquarters location. Sheltering in place may be advised in situations where on-site personnel are exposed to inclement weather, active attackers, hazardous chemical exposures, etc. The DOB should develop a SIP plan where detailed procedures for sheltering in place are communicated. During the review, SORM provided the DOB with a location specific CatNet® report, which provides natural hazard information. The perils identified in this report can be referenced when developing a SIP Plan directed toward the highest natural hazards.

Reference: Occupational Safety and Health Administration (OSHA) Shelter-in-Place [eTool](#); Federal Emergency Management Agency (FEMA) Shelter-in-Place [Guidance](#)

VII. RISK STRATEGY PLAN

Please complete the attached Risk Strategy Plan for the above listed recommendations and forward them to SORM by **Monday, September 20, 2021**.



Important SORM Resources

[Request Training](#)

[SORM Safety Videos](#)

[Workers' Compensation Healthcare Network](#)

SORM Contact Information

Main: (512) 475-1440

Toll-Free: (877) 445-0006

Website: www.sorm.texas.gov

Continuity of Operations

			coop@sorm.texas.gov
Heather Hernandez	Enterprise Risk Specialist, Continuity Operations	512-936-1477	heather.hernandez@sorm.texas.gov

Other Contacts

James Cox	Chief of Strategic Programs	512-936-1527	james.cox@sorm.texas.gov
Marc Guyot	Director of Enterprise Risk	512-936-1555	marc.guyot@sorm.texas.gov
Shelby Hyman	COOP Task Force Leader, Director of Public Relations	512-936-1457	shelby.hyman@sorm.texas.gov
Shelly Milvo	Enterprise Risk Specialist, Insurance Services	512-936-1561	shelly.milvo@sorm.texas.gov
Courtney Page	Training Consultant	512-936-1572	courtney.page@sorm.texas.gov
Jamell Collins	Training Consultant	512-936-1512	jamell.collins@sorm.texas.gov



State Office of Risk Management

300 W. 15TH, AUSTIN, TEXAS 78701 / P.O. BOX 13777, AUSTIN, TEXAS 78711-3777
(512) 475-1440, FAX (512) 370-9025 / www.sorm.state.tx.us

To: Department of Banking
From: Carly Hughes
September 28, 2021
Subject: Risk Strategy Plan

Agency #451

To whom it may concern:

On Wednesday, June 16, 2021, the State Office of Risk Management (SORM) conducted a Risk Management Program Review (RMPR) with the Department of Banking (DOB).

During the RMPR, the attached recommendations were made to help the agency mitigate potential risk(s). Please complete and return this Risk Strategy Plan to SORM by **Monday, September 20, 2021**.

If you have any questions or concerns regarding your agency's Risk Strategy Plan, please feel free to contact me by either phone at 512-936-1573 or email at Carly.Hughes@sorm.texas.gov.

Sincerely,

Carly Hughes, PCP
Enterprise Risk Specialist
State Office of Risk Management

Recommendation: 21-06-01 **Policy/Procedure/Training:** ISO 31000 Training

Details:

ISO 31000 assists Risk Managers and other decision makers to improve the operational efficiency, governance, and stakeholder confidence in an organization, while minimizing losses and enhancing risk analysis and risk assessment capacities. It helps integrate a risk-based decision-making in the culture of your organization. SORM recommends initial training in ISO 31000 to provide a baseline of knowledge, common risk language and a consistent framework we all share.

Reference: SORM, RMTSA Guidelines, Volume One, Section Two, Chapter 2, "The Risk Management Process"

Current Status of Recommendation (check appropriate box and comment below):

Recommendation has already been completed.

- ☒ Completion|Date: 8/12/2021
- ☐ Will implement with a target date of completion.
Target Date: Click or tap to enter a date.
- ☐ Other (Please detail in Comments below)

Risk Strategy

- ☐ Avoidance ☒ Mitigation ☐ Retention ☐ Transfer

Comments:

Even though this training was not communicated as mandatory by SORM, the Risk Manager/CFO completed this training as part of continuing risk management education (see included certificate). The Risk Manager/CFO also holds FEMA's Level I and Level II certifications – Professional Continuity Practitioner and Master Continuity Practitioner.


ISO 31000 Cert Sami
Chadli.pdf

Name: Sami Chadli

Title/Position: CFO

Date: September 20, 2021

Recommendation: 21-06-02 Policy/Procedure/Training — Risk Management and Safety and Health Program

Details:

Opportunities were identified for improving the current DOB Safety Manual. Employees at the DOB have exposures to potential medical emergencies and events, therefore requiring they Shelter-In-Place (SIP). SORM recommends that the following provisions be considered for incorporation into the Safety Manual:

a. Medical Emergency Plan

SORM noted the need for a more extensive Medical Emergency Plan. SORM recommends the DOB expand their Medical Emergency Plan to include proper Cardiopulmonary Resuscitation (CPR), Automated External Defibrillator (AED), and first aid procedures.

Reference: Occupational Safety and Health Administration (OSHA) 1910.151 (b) Medical and First Aid; OSHA First-Aid Program Best Practices [Guide](#)

b. Shelter-in-Place (SIP) Plan

During the review of the DOB's emergency procedures, SORM noted the need for a Shelter-in-Place (SIP) Plan for the DOB headquarters location. Sheltering in place may be advised in situations where on-site personnel are exposed to inclement weather, active attackers, hazardous chemical exposures, etc. The DOB should develop a SIP plan where detailed procedures for sheltering in place are communicated. During the review, SORM provided the DOB with a location specific CatNet® report, which provides natural hazard information. The perils identified in this report can be referenced when developing a SIP Plan directed toward the highest natural hazards.

Reference: Occupational Safety and Health Administration (OSHA) Shelter-in-Place [eTool](#); Federal Emergency Management Agency (FEMA) Shelter-in-Place [Guidance](#)

Current Status of Recommendation (check appropriate box and comment below):

- ☐ Recommendation has already been completed.
Completion Date: Click or tap to enter a date.
- ☒ Will implement with a target date of completion.
Target Date: January 31, 2022
- ☐ Other *(Please detail in Comments below)*

Risk Strategy

☐ Avoidance

☒ Mitigation


☐ Retention

☐ Transfer

Comments:

Medical Emergency Plan: Before the pandemic, the Department conducted through a third party vendor AED, CPR, and first aid training. Due to the pandemic, this training has been put on hold. The Department will supplement its Personnel Policy and Procedures Manual's risk management and safety and health program and Continuity of Operations Plan with a medical emergency plan.

Shelter-in-Place (SIP) Plan: Based on the CatNet report provided by SORM, pluvial floods are the highest threat to Headquarters with a 50 year return period. In such a case, Department staff will be instructed not to be at Headquarters during this event. In addition, as this is a predictable event, staff will also be instructed to work from home or leave early if already in the office. However, The Department will supplement its Personnel Policy and Procedures Manual's risk management and safety and health program and Continuity of Operations Plan with a shelter-in-place plan.


451 DOB CatNet
RiskAssessment 081'

Name: Sami Chadli

Title/Position: CFO

Date: September 20, 2021

Office of Consumer Credit Commissioner
Audit Activities Report
as of 8/31/2021

Auditor: <i>Texas State Auditor's Office</i>	Audit Report Date: <i>Estimated March 2022</i>
Audit Area: <i>SDSI Audit</i>	
Findings: <i>Pending</i>	Status Update: <i>In Progress</i>
<hr/>	
Auditor: <i>Garza/Gonzales</i>	Audit Report Date: <i>May 20, 2021</i>
Audit Area: <i>Internal Audit – Fiscal Activities</i>	
Findings: <i>Travel policies & procedures</i>	Status Update: <i>Implementation in Progress</i> <i>Expected completion 11/15/2021</i>
<i>Guidance for justification of Alternative travel methods</i>	<i>Implementation in Progress</i> <i>Expected completion 11/15/2021</i>
<hr/>	
Auditor: <i>Garza/Gonzales</i>	Audit Report Date: <i>June 19, 2020</i>
Audit Area: <i>Internal Audit – Records Management</i>	
Findings: <i>Imaging and verification logging Procedures</i>	Status Update: <i>Ongoing – Imaging and verification of records in 2021 has been delayed due to COVID-19.</i> <i>Expected completion: 01/31/2022</i>
<hr/>	
Auditor: <i>Department of Public Safety</i>	Audit Report Date: <i>Pending</i>
Audit Area: <i>Non-Criminal Justice Audit: Licensing</i>	
Findings: <i>Pending</i>	Status Update: <i>Report Issuance Pending</i>

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**Department of Savings and Mortgage Lending
Audit Activities Report as of September 30, 2021**

Auditor:	Garza/Gonzales	Audit Report Date: N/A
Audit Area:	Annual Risk Assessment FY2022	
Findings: N/A	Status Update: <i>In progress.</i>	

Auditor:	State Office of Risk Management (SORM)	Audit Report Date:
Audit Area:	On-site Consultation and Walk-through	
Findings:	Status Update: <i>Planned for November 2021.</i>	

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Texas Department of Banking Quarterly Investment Report
 June 1, 2021 to August 31, 2021

Seized Prepaid Funeral Funds Held in a Financial Institution	Book Value at May 31, 2021	Interest Income Received	Trustee Fees Paid	Other Deductions	Other Additions	Book Value at August 31, 2021	Financial Institution	Investment Type	Maturity Date	Interest Rate
None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			N/A	N/A
Total Seized Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				

Notes:

/s/ Jesse Saucillo
Investment Officer

9/13/2021
Date

/s/ Sami Chadli
Investment Officer

9/13/2021
Date

Trust-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
June 1, 2021 to August 31, 2021

<u>Book Value at May 31, 2021</u>	<u>Interest Income Received</u>	<u>Trustee Fees Paid</u>	<u>(1) Other Deduction(s)</u>	<u>(2) Other Addition(s)</u>	<u>Book/Market Value at August 31, 2021</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accrued Interest on CDs</u>
\$1,409,533.56	\$2,361.85		\$20,067.52	\$10,872.73	\$1,402,700.62	--	--	\$401.68

Trust Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$426,182.20	9/1/2021	0.02%	
State Bank of Texas, Dallas, Texas (CD)	\$240,000.00	12/16/2021	0.90%	\$76.93
Texas Bank Financial, Weatherford, Texas (CD)	\$246,992.73	12/24/2021	0.95%	\$45.00
Frontier Bank of Texas, Elgin, Texas (CD)	\$244,525.69	7/18/2022	0.75%	\$216.05
American Bank of Commerce, Wolfforth, Texas (CD)	\$245,000.00	11/18/2022	0.73%	\$63.70
Subtotal	\$1,402,700.62			

(1) Other deductions include: (a) \$9,336.50 restitution issued to 60 consumers and \$4,665.60 for 12 consumers escheated to the Texas Comptroller of Public Accounts (Comptroller's Office) as abandoned property related to Hernandez Funeral Home; (b) \$170.74 for three consumers escheated to the Comptroller's Office as abandoned property related to Gonzalez Funeral Home; (c) \$3,483.55 restitution issued to two consumers and \$2,282.36 for two consumers escheated to the Comptroller's Office as abandoned property related to Lopez Funeral Chapels; and (d) \$128.77 for one consumer escheated to the Comptroller's Office as abandoned property related to Amarillo Family Funeral Home.

(2) Other additions include: (a) \$300.00 restitution received from Mr. Roy and Ms. Kay Bryant dba Amarillo Family Funeral Home; (b) \$400.00 restitution received from Mr. Marc Gonzalez on behalf of Gonzalez Funeral Home; (c) \$5,700.00 restitution received from Hernandez Funeral Home; (d) \$1,500.00 restitution received from Mr. Kevin Keeney on behalf of Howell-Doran Funeral Home; (e) \$2,673.22 stop payment of six restitution checks related to Hernandez Funeral Home that were not negotiated by consumers; (f) \$170.74 stop payment of three restitution checks related to Gonzalez Funeral Home that were not negotiated by consumers; and (g) \$128.77 stop payment of one restitution check related to Amarillo Family Funeral Home that was not negotiated by the consumer.

* These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.
The above investments are in compliance with the investment strategies of Administrative Memorandum 2016.

/s/ Jesse Saucillo
Investment Officer

9/13/2021
Date

/s/ Sami Chadli
Investment Officer

9/13/2021
Date

Insurance-Funded Prepaid Funeral Guaranty Fund Quarterly Investment Report
June 1, 2021 to August 31, 2021

<u>Book</u> <u>Book Value at May 31, 2021</u>	<u>Interest Income</u> <u>Received</u>	<u>Trustee</u> <u>Fees Paid</u>	<u>Other</u> <u>Deduction(s)</u>	<u>Other</u> <u>Addition(s)</u>	<u>Book/Market</u> <u>Value at August 31, 2021</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued Interest</u> <u>on CDs</u>
\$791,073.41	\$821.69	\$23.99			\$791,871.11			\$107.82

Account Balances at Trustee/Depositories

Texas Treasury Safekeeping Trust Company *	\$301,239.56	9/1/2021	0.02%	
AccessBank, Denton, Texas (CD)	\$245,631.55	7/14/2022	0.35%	\$35.33
Spring Hill State Bank, Longview, Texas (CD)	<u>\$245,000.00</u>	5/12/2022	0.60%	\$72.49
Subtotal	\$791,871.11			

* These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.
The above investments are in compliance with the investment strategies of Administrative Memorandum 2016.

/s/ Jesse Saucillo
Investment Officer

9/13/2021
Date

/s/ Sami Chadli
Investment Officer

9/13/2021
Date

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**Office of Consumer Credit Commissioner
Fiscal Year 2021 - 4th Quarter**

Residential Mortgage Loan Originator Recovery Trust Fund #3008

<u>Beginning Balance at 06/01/2021</u>	<u>Additions / *(Deductions)</u>	<u>Interest Paid</u>	<u>Paid Bank Fees</u>	<u>Ending Balance at 08/31/2021</u>	<u>Current Interest Rate</u>
\$ 163,557.59	\$ 5,950.00	\$ 7.41	\$ -	\$ 169,515.00	0.01%

Prepared By: /s/ Chris Churchill

Date: 09/28/21

Investment Officer: Mirand Diamond

Date: 10/1/2021

Note: These funds are held at the Texas Treasury Safekeeping Trust Company in overnight repurchase agreements.
The above investments are in compliance with the agency's investment policy.

Office of Consumer Credit Commissioner
Fiscal Year 2021 - 4th Quarter

Texas Financial Education Endowment Fund #3071								
	Beginning Balance at 06/01/2021	Additions	Interest Paid	Transfers	Grant Disbursements	Paid Bank Fees	Ending Balance at 08/31/2021	Current Interest Rate
Cash	\$ 1,372,180.26	\$ 3,600.00	\$ 62.44	\$ -	\$ -	\$ -	\$ 1,375,842.70	0.01%
Invested Portfolio	Beginning Balance at 06/01/2021	Additions	*Change in Value	Transfers	Transfer Out	Paid Fees	Ending Balance at 08/31/2021	
Cash in Bank	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Investments - STIF	1,356,047.28	-	(29,571.56)	-	-	-	1,326,475.72	
Interest & Dividends Receivable	26.02		0.69				26.71	
Trade Receivables	-		9,321.33				9,321.33	
Investments - Equities	9,689.52		529.23				10,218.75	
Investments - Alternatives	6,658,678.47		189,098.13				6,847,776.60	
Investments - Fixed Income	141,636.16		2,293.98				143,930.14	
Investments - Futures	-		-				-	
Investments - SWAPS, at Fair Value	32,240.43		(17,300.46)				14,939.97	
Total Assets-Invested Portfolio	\$ 8,198,317.88	\$ -	\$ 154,371.34	\$ -	\$ -	\$ -	\$ 8,352,689.22	
Liabilities								
Accounts Payable	\$ (24,723.70)	\$ 8,240.63	\$ -	\$ -	\$ -	\$ -	\$ (16,483.07)	
Interest Payable	(812.33)	\$ 174.96					(637.37)	
Trade Payables	-	-					-	
Futures Contracts, at Fair Value	-	-					-	
Swaps, at Fair Value	-	-					-	
Total Liabilities	\$ (25,536.03)	\$ 8,415.59	\$ -	\$ -	\$ -	\$ -	\$ (17,120.44)	
Total Net Fiduciary Assets-Invested Portfolio	\$ 8,172,781.85						\$ 8,335,568.78	
Total Endowment Funds	<u>\$ 9,544,962.11</u>						<u>\$ 9,711,411.48</u>	

Note: These funds are invested with the Texas Treasury Safekeeping Trust Company.
The above investments are in compliance with the agency's investment policy.

* Reflects redistributed amount among the asset classes in addition to market value adjustment.

Prepared By: /s/ Chris Churchill

Date: 09/28/2021

Investment Officer: /s/ Mirand Diamond

Date: 10/1/2021

Department of Savings and Mortgage Lending

Recovery Fund

	Beginning Balance 6/1/2021	Additions/ Reductions	Interest Received	Bank Fees	Ending Balance 8/31/2021
Cash & Cash Equivalents	\$4,594,108.56	\$45,180.00	\$8,007.49	\$0.00	\$4,647,296.05

Bank Name	Type	Maturity Date	Interest Rate	Book/Market Value	Accrued Interest
Tx Treasury Safekeeping Trust Co	Overnight Repurchase Agreements	9/1/2021	0.02%	\$3,147,296.05	\$1.75
South Star Bank SSB	CD - 24 months	4/17/2022	1.20%	250,000.00	2,751.74
TBK Bank	CD - 12 months	4/22/2022	0.60%	250,000.00	1,133.33
Pioneer Bank SSB	CD - 18 months	5/24/2022	0.60%	250,000.00	1,083.33
Dalhart Federal Savings	CD - 24 months	10/18/2022	1.25%	250,000.00	191.67
First Fed Community Bank, SSB	CD - 18 months	12/23/2022	0.45%	250,000.00	215.63
Horizon Bank SSB	CD - 24 months	1/31/2023	0.60%	250,000.00	133.33
				\$4,647,296.05	\$5,510.78

Investment Position:

The Fund is capable of meeting all known obligations.

Investment Officer: /s/Antonia Antov

Investment Officer: /s/Janie Recio

Investment Compliance:

The Department's Investment Policy has been followed.

Date: 9/24/2021

Date: 9/24/2021

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**Texas Department of Banking
Operating Statement and Budget Analysis
For the Quarter Ending August 31, 2021**

	FY 2020 ACTUAL	FY 2021 BUDGET	QUARTER PERFORMANCE				FY 2021 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Bank & Trust Regulation	\$22,720,521	\$25,888,937	\$5,350,513	\$3,854,140	\$1,496,372	72.0%	\$25,888,937	\$24,298,891	\$1,590,046	93.9%
Penalties - Bank & Trust Regulation	10,000	0	0	0	0	0.0%	0	15,000	(15,000)	0.0%
Non-Depository Supervision	2,802,379	3,347,565	624,536	19,281	605,255	3.1%	3,347,565	2,547,904	799,661	76.1%
Penalties - Non-Depository Supervision	648,360	404,900	89,300	309,724	(220,424)	346.8%	404,900	1,135,524	(730,624)	280.4%
Miscellaneous Revenues	123,425	206,000	76,250	1,721	74,529	2.3%	206,000	8,487	197,513	4.1%
TOTAL REVENUES	\$26,304,685	\$29,847,402	\$6,140,599	\$4,184,866	\$1,955,732	68.2%	\$29,847,402	\$28,005,806	\$1,841,596	93.8%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$17,356,529	\$19,557,429	\$5,194,872	\$4,610,318	\$584,554	88.7%	\$19,557,429	\$18,288,942	\$1,268,487	93.5%
Employee Benefits	4,998,458	5,707,592	1,583,745	1,332,157	251,587	84.1%	5,707,592	5,257,976	449,617	92.1%
Add'l Health/Retirement	248,089	290,645	75,207	65,079	10,128	86.5%	290,645	262,772	27,873	90.4%
Other Personnel Costs	350,095	570,194	360,851	388,225	(27,373)	107.6%	570,194	628,821	(58,627)	110.3%
Subtotal Personnel Costs	\$22,953,171	\$26,125,860	\$7,214,674	\$6,395,779	\$818,895	88.6%	\$26,125,860	\$24,438,511	1,687,349	93.5%
Travel										
In-State	\$791,009	\$968,704	\$401,131	\$29,594	\$371,537	7.4%	\$968,704	\$56,229	\$912,475	5.8%
Out-of-State	330,242	431,616	284,751	4,065	280,686	1.4%	431,616	4,065	427,551	0.9%
Subtotal Travel	\$1,121,250	\$1,400,320	\$685,882	\$33,660	\$652,223	4.9%	\$1,400,320	\$60,295	\$1,340,026	4.3%
Operating Costs										
Professional Fees	\$232,474	\$331,580	\$151,267	\$56,092	\$95,175	37.1%	\$331,580	\$136,197	\$195,383	41.1%
Consumables	19,871	40,100	27,680	7,700	19,980	27.8%	80,415	33,293	47,122	41.4%
Office Utilities	34,386	42,025	9,328	2,075	7,253	22.2%	42,025	28,604	13,421	68.1%
Rent - Building/Space	420,591	421,077	81,987	71,361	10,626	87.0%	421,077	401,134	19,943	95.3%
Rent - Equipment/Other	28,087	29,398	9,337	5,924	3,413	63.4%	29,398	23,656	5,742	80.5%
Communications	257,638	324,025	65,474	62,442	3,032	95.4%	273,165	274,364	(1,199)	100.4%
Information Technology	521,309	495,557	121,393	134,983	(13,590)	111.2%	498,057	394,470	103,587	79.2%
Employee Training	150,177	244,466	123,562	28,053	95,509	22.7%	244,466	109,377	135,089	44.7%
Misc. Operating Costs	452,211	392,994	174,466	155,629	18,837	89.2%	401,039	367,259	33,780	91.6%
Subtotal Operating Costs	\$2,116,742	\$2,321,222	\$764,494	\$524,260	\$240,235	68.6%	\$2,321,222	\$1,768,355	\$552,867	76.2%
TOTAL EXPENDITURES	\$26,191,164	\$29,847,402	\$8,665,051	\$6,953,698	\$1,711,353	80.2%	\$29,847,402	\$26,267,161	\$3,580,241	88.0%
EXPENDITURES (OVER) / UNDER REVENUES	\$113,522	\$0	(\$2,524,452)	(\$2,768,832)	\$244,380		(\$0)	\$1,738,645	(\$1,738,645)	

Texas Department of Banking

Overview of Budget Variances for the Fourth Quarter of Fiscal Year 2021 - (Variances in excess of \$1,000 and 5% from budget are reported).

Bank & Trust Regulation – Actual revenues were less than budgeted due to the reduction in the fourth quarter bank assessments of approximately \$3.1 million. Year to date Bank & Trust Regulation revenue is at 93.9% of budget and was adequate to cover all direct and indirect costs of the Bank & Trust area.

Non-Depository Supervision – The variance for the quarter is related to no assessment collections due to the higher collection of penalties than were anticipated. Year to date Non-Depository Supervision revenue is at 76.1% of budget and was adequate to cover all direct and indirect costs of this area.

Penalties - Non-Depository Supervision – The variance is due to the higher than anticipated collected penalties primarily from unlicensed money service businesses.

Miscellaneous Revenues – The variance for the quarter relates to lower than budgeted interest payments from the Texas Treasury Safekeeping Trust Company (TTSTC). Due to current market conditions, funds on deposit with TTSTC that are invested in repurchase agreements (repos) may not be fully invested due to negative repo interest rates.

Employee Compensation and Benefits – The positive variance relates to vacant staff positions. Vacancies in terms of FTEs as of August 31, 2021 are listed below:

Administrative	13
Examiners	20

Other Personnel Costs – The negative variance is due to several unanticipated resignations.

Travel Breakdown

	In-State Travel	Out-of-State Travel
Regulatory Supervision	\$18,589	\$0
Development and Training	7,834	4,065
Other Regulatory Activities	478	0
Non-Employee	2,693	0
Total	\$29,594	\$4,065

In-State Travel – The positive variance is due to the COVID-19 pandemic and its effect on travel.

Out-of-State Travel – The positive variance is due to the COVID-19 pandemic and its effect on travel.

Professional Fees – The positive variance is due to: (1) lower than budgeted investigator fees; (2) unincurred expenditures for a financial literacy services contract; (3) architectural services that were not used; (4) lower expenditures than budgeted for building related outside counsel fees, administrative law judge fees, and Office of the Attorney General fees; and (5) an Information Technology contractor that was not hired as quickly as anticipated.

Consumables – The positive variance is due to less supplies being needed as fewer employees were physically at the Headquarters and regional offices.

Office Utilities – The positive variance is due to lower expenditures than estimated as based on a three-year history and adjustment for inflation.

Rent – Building/Space – The positive variance is related to townhall and in-person meetings that did not occur.

Rent – Equipment/Other – The positive variance is due to townhall and in-person meetings that did not occur; and boom lift rentals that were not needed for Headquarters building management.

Information Technology – The negative variance is due to needed network switch refreshes that were not budgeted for.

Employee Training – The positive variance is due to a combination of classes attended virtually and cancelled training.

Misc. Operating Costs – The positive variance is due to unexpended deferred maintenance funds and lower furnishings and equipment than anticipated. This variance was offset by a paid unemployment claim that was not budgeted for.

TEXAS DEPARTMENT OF BANKING
Liquidity Report
For the Period Ending August 31, 2021

	Actual
Cash at Beginning of Period	\$ 19,543,543
Revenues Over (Under) Expenditures	\$ (2,767,883)
Increase (Decrease) in Payables/Encumbrances	\$ 398,966
(Increase) Decrease in Receivables	\$ (152,046)
Cash at End of Period	<u>\$ 17,022,580</u>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	\$ 6,278,172
Payables (net of receivables)	\$ 2,253,396
Lump Sums for Retirements	\$ 601,298
Program Funds	\$ -
Other	\$ -
Total Reserved Cash Balance	<u>\$ 9,132,866</u>
Unreserved Cash Balance:	
Future Operations	<u>\$ 7,889,714</u>
Total Unreserved Cash Balance	<u>\$ 7,889,714</u>
Total Cash Balance	<u>\$ 17,022,580</u>
Unreserved Cash/FY2021 Monthly Budget	3.17 months

Office of Consumer Credit Commissioner
Operating Statement and Budget Analysis
For the Quarter Ending August 31, 2021

	FY 2020 ACTUAL	FY 2021 BUDGET	QUARTER PERFORMANCE				FY 2021 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Industry										
Consumer Lending Industry	\$ 2,182,094	\$ 2,230,185	\$ 28,065	\$ 68,500	\$ 40,435	244.1%	\$ 2,230,185	\$ 2,101,206	\$ (128,979)	94.2%
Credit Access Industry	1,116,650	1,084,540	41,279	6,750	(34,529)	16.4%	1,084,540	1,044,545	(39,995)	96.3%
MVSF Industry	1,140,179	3,987,339	278,368	207,693	(70,675)	74.6%	3,987,339	4,141,299	153,960	103.9%
Pawn	848,860	738,158	672,891	511,982	(160,909)	76.1%	738,157	703,744	(34,413)	95.3%
Registered Industry of Entities	339,875	314,070	46,697	47,300	603	101.3%	314,070	359,250	45,180	114.4%
Penalties	68,900	0	0	500	500	0.00%	0	26,600	26,600	0.00%
Miscellaneous Revenue	115,626	58,000	13,204	860	(12,344)	6.5%	58,000	4,634	(53,366)	8.0%
TOTAL REVENUES	\$ 5,812,183	\$ 8,412,292	\$ 1,080,504	\$ 843,585	\$ (236,920)	78.1%	\$ 8,412,292	\$ 8,381,278	\$ (31,013)	99.6%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$ 4,702,643	\$ 5,121,433	\$ 1,280,358	\$ 1,118,637	\$ 161,722	87.4%	\$ 5,121,433	\$ 4,527,625	\$ 593,808	88.4%
Employee Benefits	1,688,213	1,807,730	451,933	380,692	71,240	84.2%	1,807,730	1,571,060	236,670	86.9%
Add'l Health/Retirement	72,429	76,821	19,205	17,058	2,148	88.8%	76,821	70,687	6,134	92.0%
Other Personnel Costs	117,163	71,911	17,978	16,097	1,881	89.5%	71,911	67,741	4,170	94.2%
Subtotal Personnel Costs	\$ 6,580,449	\$ 7,077,896	\$ 1,769,474	\$ 1,532,484	\$ 236,990	86.6%	\$ 7,077,896	\$ 6,237,113	\$ 840,783	88.1%
In-State Travel	\$ 401,900	\$ 633,045	\$ 158,261	\$ 128,034	\$ 30,227	80.9%	\$ 633,045	\$ 245,526	\$ 387,519	38.8%
Out of State - Travel	11,724	2,000	2,500	0	2,500	0.00%	2,000	0	2,000	0.00%
Subtotal Travel	\$ 413,624	\$ 635,045	\$ 160,761	\$ 128,034	\$ 32,727	79.6%	\$ 635,045	\$ 245,526	\$ 389,519	38.7%
Operating Costs										
Professional Services & Fees	\$ 159,436	\$ 263,351	\$ 65,838	\$ 31,951	\$ 33,886	48.5%	\$ 263,351	\$ 104,545	\$ 158,806	39.7%
Consumables	9,905	13,000	3,250	2,891	359	88.9%	13,000	8,474	4,526	65.2%
Office Utilities	16,202	18,500	4,625	4,167	458	90.1%	18,500	14,012	4,488	75.7%
Rent - Building/Space	25,391	26,829	6,707	4,529	2,179	67.5%	26,829	26,389	440	98.4%
Rent - Equipment/Other	3,106	3,500	875	450	425	51.4%	3,500	2,882	618	82.3%
Communications	70,266	85,405	21,351	15,354	5,997	71.9%	85,400	73,650	11,750	86.2%
Information Technology	166,120	373,016	93,254	36,272	56,982	38.9%	373,016	206,170	166,846	55.3%
Employee Training	3,348	15,000	3,750	938	2,812	25.0%	15,000	4,253	10,747	28.4%
Misc. Operating Costs	225,052	332,140	83,035	44,405	38,630	53.5%	332,141	243,679	88,462	73.4%
Subtotal Operating Costs	\$ 678,827	\$ 1,130,741	\$ 282,685	\$ 140,957	\$ 141,729	49.9%	\$ 1,130,737	\$ 684,054	\$ 446,683	60.5%
TOTAL EXPENDITURES	\$ 7,672,899	\$ 8,843,682	\$ 2,212,920	\$ 1,801,475	\$ 411,446	81.4%	\$ 8,843,678	\$ 7,166,692	\$ 1,676,986	81.0%
EXPENDITURES (OVER) / UNDER REVENUES	\$ (1,860,716)	\$ (431,390)	\$ (1,132,416)	\$ (957,890)	\$ 174,526		\$ (431,387)	\$ 1,214,586	\$ 1,645,973	

Office of Consumer Credit Commissioner

Budget Variance Analysis

For the Quarter Ending August 31, 2021

Revenues: Overall revenues are on target.

Consumer Lending- The negative variance (~6%) is due to slightly lower rate of renewal for regulated lenders.

Registered entities- The positive variance (14% over budget) is due to increases in registered creditor applications.

Misc Revenue- The negative variance (92% under budget) is due to decreased interest earnings.

Expenditures: Overall expenditures are 19% under budget.

Personnel- These expenditures are ~12% under budget primarily due to delays in filling vacant positions.

Travel- Due to travel restrictions in response to covid-19, these expenditures are significantly under budget.

	In- State	Out of State	
	FY21	FY21	TOTAL
Regulatory Supervision	\$ 198,304.80	0.00	\$ 198,304.80
Development & Training	46,155.68	0.00	46,155.68
Other Reg Activities			0.00
Non-Employee	1,065.14		1,065.14
	\$ 245,525.62	-	\$ 245,525.62

Professional Services & Fees – This category is currently ~ 60% under budget due to lower than anticipated costs for computer programming services for ALECS upgrades & enhancements, legal services, or financial and accounting services.

Communications – This category is ~14% under budget due to expenditures for certain agency services and some telephone services being lower than initially projected.

Information Technology – This category is ~45% under budget due to timing of projects and expenses.

Employee Training – This category is ~72% under budget due to attendance at trainings being limited due to Covid-19.

Misc Operating Costs - This category is ~27% under budget due to lower building maintenance fees than expected and no longer utilizing temporary employment agencies.

Office of Consumer Credit Commissioner
Liquidity Report
For the Quarter Ending August 31, 2021

	Actual
Cash at Beginning of Period	\$ 13,641,938.75
Revenues Over (Under) Expenditures	(957,889.99)
Increase (Decrease) in Payables/Encumbrances	41,363.90
(Increase) Decrease in Receivables	20,229.83
Prior period correction	5,045.00
Cash at End of Period	<u><u>\$ 12,750,687.49</u></u>

Reserved Cash Balance:	
Building Maintenance/IT	\$ -
Long-term facilities planning	6,277,675.86
Payables (net of receivables)	645,752.17
Lump sums for Retirements	216,670.00
Program Funds	-
Other	-
Total Reserved Cash Balance	<u>7,140,098.03</u>
Unreserved Cash Balance:	
Future Operations	5,610,589.46
Total Unreserved Cash Balance	<u>5,610,589.46</u>
 Total Cash Balance	 <u><u>\$ 12,750,687.49</u></u>
 Unreserved Cash / FY 2021 Monthly Budget	 7.6

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Department of Savings and Mortgage Lending
Operating Statement and Budget Analysis
For the Quarter Ending August 31, 2021

	FY2020 ACTUAL	FY2021 BUDGET	QUARTER PERFORMANCE				FY2021 PERFORMANCE			
			4th Quarter BUDGET	4th Quarter ACTUAL	(Over)/Under BUDGET	Percent BUDGET	YTD BUDGET	YTD ACTUAL	(Over)/Under BUDGET	Percent BUDGET
REVENUES										
Thrift Industry										
Assessments	\$ 2,765,352	\$ 3,770,930	\$ 937,502	\$ -	\$ 937,502	0.0%	\$ 3,770,930	\$ 2,047,590	\$ 1,723,340	54.3%
Application Fees	60,600	20,000	5,000	8,750	(3,750)	175.0%	20,000	38,100	(18,100)	190.5%
Mortgage Industry										
Licensing Fees	3,877,988	3,229,865	365,435	250,285	115,150	68.5%	3,229,865	3,985,594	(755,729)	123.4%
Administrative Penalties	320,731	-	-	36,519	(36,519)		-	168,953	(168,953)	
Misc. Revenues	101,144	49,000	14,200	2,611	11,589	18.4%	49,000	10,629	38,371	21.7%
TOTAL REVENUES	\$ 7,125,814	\$ 7,069,795	\$ 1,322,137	\$ 298,165	\$ 1,023,972	22.6%	\$ 7,069,795	\$ 6,250,866	\$ 818,929	88.4%
EXPENDITURES										
Personnel Costs										
Employee Compensation	\$ 3,819,912	\$ 5,235,338	\$ 1,324,210	\$ 1,226,681	\$ 97,529	92.6%	\$ 5,235,338	\$ 4,521,409	\$ 713,929	86.4%
Employee Benefits	1,245,107	1,608,639	407,865	368,855	39,010	90.4%	1,608,639	1,397,533	211,106	86.9%
Add'l Health/Retirement	55,464	78,507	19,851	16,177	3,674	81.5%	78,507	61,967	16,540	78.9%
Other Personnel Costs	145,849	88,174	23,460	74,507	(51,047)	317.6%	88,174	193,943	(105,769)	220.0%
Subtotal Personnel Costs	\$ 5,266,331	\$ 7,010,658	\$ 1,775,386	\$ 1,686,220	\$ 89,166	95.0%	\$ 7,010,658	\$ 6,174,852	\$ 835,806	88.1%
Travel										
In-State	\$ 102,237	\$ 131,691	\$ 52,677	\$ 4,541	\$ 48,136	8.6%	\$ 131,691	\$ 4,722	\$ 126,969	3.6%
Out-of-State	40,712	45,500	18,200	-	18,200	0.0%	45,500	-	45,500	0.0%
Subtotal Travel	\$ 142,949	\$ 177,191	\$ 70,877	\$ 4,541	\$ 66,336	6.4%	\$ 177,191	\$ 4,722	\$ 172,469	2.7%
Operating Costs										
Professional Fees	\$ 49,923	\$ 110,196	\$ 77,300	\$ 14,552	\$ 62,748	18.8%	\$ 110,196	\$ 38,607	\$ 71,589	35.0%
Consumables	7,213	12,000	3,000	2,480	520	82.7%	12,000	7,042	4,958	58.7%
Office Utilities	13,197	14,244	4,151	3,628	523	87.4%	14,244	11,787	2,457	82.8%
Rent - Space & Equipment	4,336	2,800	1,250	273	977	21.8%	2,800	1,434	1,366	51.2%
Communications	75,186	94,726	16,300	14,360	1,940	88.1%	94,726	86,811	7,915	91.6%
Information Technology	188,375	126,537	37,605	163,650	(126,045)	435.2%	126,537	288,447	(161,910)	228.0%
Employee Training	23,025	69,820	22,455	8,878	13,577	39.5%	69,820	44,895	24,925	64.3%
Misc. Operating Costs	108,370	142,023	58,785	34,694	24,091	59.0%	142,023	113,902	28,121	80.2%
Subtotal Operating Costs	\$ 469,624	\$ 572,346	\$ 220,846	\$ 242,515	\$ (21,669)	109.8%	\$ 572,346	\$ 592,925	\$ (20,579)	103.6%
TOTAL EXPENDITURES	\$ 5,878,903	\$ 7,760,195	\$ 2,067,109	\$ 1,933,276	\$ 133,833	93.5%	\$ 7,760,195	\$ 6,772,500	\$ 987,695	87.3%
EXPENDITURES (OVER)/ UNDER REVENUES										
	\$ 1,246,911	\$ (690,400)	\$ (744,972)	\$ (1,635,110)	\$ 890,138		\$ (690,400)	\$ (521,634)	\$ (168,766)	

Department of Savings and Mortgage Lending

Budget Variance Analysis

For the Quarter Ending August 31, 2021

Revenues: Overall revenues are at 11.6% under budget.

Thrift Industry:

Assessments – This category is 45.7% under budget due to waiving the third and fourth quarter assessments.

Application Fees – This category is significantly over budget due to application activity exceeding budgeted amounts.

Mortgage Industry:

Licensing Revenues – Overall licensing revenues are 23.4% over budget, the majority of which is attributable to higher than expected new RMLO license applications received.

Fines and Penalties – No amount was budgeted.

Miscellaneous Revenues – This category is under budget, due to lower than budgeted depository interest received.

Expenditures: Overall expenditures are at 12.7% under budget.

Personnel Costs – This category is 11.9% under budget due to unfilled vacancies. Other Personnel Costs subcategory is over budget due to lump sums paid to separating employees.

Travel – Due to the travel restrictions imposed in response to COVID-19 pandemic, travel costs incurred were significantly under budget.

Travel Breakdown 4th Qtr FY21			
Category	In-State	Out-of-State	Total
Regulation and Supervision	\$1,182.55	\$0	\$1,182.55
Development and Training	2,586.91	0	2,586.91
Other Regulatory Activities	0	0	0
Non-Employee Travel	953.01	0	953.01
Total	\$4,722.47	\$0	\$4,722.47

Professional Fees – This category is 65% under budget, due to consulting fees related to CAPPS implementation and professional fees for the Sunset Review that were not

Department of Savings and Mortgage Lending

utilized. The Department also expended lower than budgeted amounts for Office of Attorney General legal fees.

Information Technology – The category is over budget due to implementation costs of a cybersecurity project and costs related to transition of the Department's network to the Data Center, managed by DIR.

Employee Training – Multiple training events were cancelled or held virtually free of charge causing this category to be 35.7% under budget.

Misc. Operating Costs – This category is 19.8% under budget due to lower amounts expended for temporary workers, statewide cost allocation (SWCAP), fees for electronic payments, and bank fees.

Department of Savings and Mortgage Lending

Liquidity Report For the Quarter Ending August 31, 2021

	ACTUAL
Cash at Beginning of Period	\$ 12,619,025
Revenues Over (Under) Expenditures CY	(1,635,110)
Increase (Decrease) in Payables	99,686
(Increase) Decrease in Receivables	531
Cash at End of Period	<u>\$ 11,084,132</u>
Reserved Cash Balance:	
Bldg. maintenance/IT	\$ -
Long-term facilities planning	6,278,685
Payables (net of receivables)	710,565
Lump Sums for Retirements	156,087
Program Funds	-
Other	-
Total Reserved Cash Balance	<u>\$ 7,145,337</u>
Unreserved Cash Balance:	
Future Operations	<u>\$ 3,938,795</u>
Total Unreserved Cash Balance	<u>\$ 3,938,795</u>
Total Cash Balance	<u>\$ 11,084,132</u>
Unreserved Cash/FY2022 Monthly Budget	5.87 months



Texas Financial Education Endowment (TFEE)

TFEE Report – October 15, 2021

E. ACTIVITIES RELATING TO THE TEXAS FINANCIAL ENDOWMENT FUND

Semi-annual grant reports and reimbursement requests for the 2020-2021 TFEE Grant cycle were submitted at the end of July. A summary of the reports is included in the audit committee packet. During the third semi-annual reporting period a total of \$98,602.72 has been requested and reimbursed. The 4th and final semi-annual reports and reimbursement requests for the 2020-2021 grant cycle are due January 30, 2022.

F. DISCUSSION OF AND POSSIBLE VOTE TO RECOMMEND THAT THE FINANCE COMMISSION TAKE ACTION TO AMEND THE AMOUNT OF GRANT AWARDS FOR THE 2022-2023 GRANT CYCLE FOR THE TEXAS FINANCIAL EDUCATION ENDOWMENT

G. DISCUSSION OF AND POSSIBLE VOTE TO RECOMMEND THAT THE FINANCE COMMISSION TAKE ACTION ON THE FINAL SELECTION OF ORGANIZATIONS TO RECEIVE GRANT FUNDS FROM THE TEXAS FINANCIAL EDUCATION ENDOWMENT FUND

The agency received 27 TFEE grant applications for the 2022-2023 grant cycle. These applications were solicited through social media, direct email, and direct calls. The Grant Advisory Committee has reviewed the applications and has submitted its recommendations for grant award recipients.



**2020-21 GRANT CYCLE
SEMI-ANNUAL REPORT No. 3**

JANUARY 1, 2021 – JUNE 30, 2021

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Grant Advisory Committee

Laura Nassri Warren, Finance Commission Representative
Eric Norrington, Credit Access Business Industry Representative
Laura Rosen, Consumer Advocate Representative
Roy Lopez, Financial Education Consultant
Justin Accola, Department of Savings and Mortgage Lending
Larry Long, Finance Commission Representative

Grant Coordinator

Andrea Johnson, Office of Consumer Credit Commissioner

2020-21 TFEE Grant Recipients

Building Financial Capacity Coalition	K-12 Financial Education & Capability
Center for Transforming Lives	Financial Coaching
Easter Seals of Greater Houston	Financial Coaching
Family Eldercare	Adult Financial Education & Capability
Family Services Association of San Antonio	Financial Coaching
FirstLight Community Foundation	K-12 Financial Education & Capability
Foundation Communities	Financial Coaching
Girl Scouts of Northeast Texas	K-12 Financial Education & Capability
Texas State Affordable Housing Corp.	Financial Coaching
Women's Resource of Greater Houston	Adult Financial Education & Capability

Summary

The Texas Financial Education Endowment awarded ten organizations an aggregate amount of \$300,000 in funds for program activities related to the 2020-21 grant cycle. These organizations promote and strengthen financial education and capability across Texas.

During the third reporting period (January 1, 2021 – June 30, 2021), grant funds provided 4,539 hours of direct financial education training to 19,789 Texas consumers through group presentations, one-on-one financial coaching sessions, and virtually. Thanks to one organization's efforts to move to a virtual platform TFEF funded programs were available to students throughout their community and beyond.

Funds Disbursement to Date

Amount Awarded	\$300,000.00
Total Requested Amount for Reimbursement Request No. 1:	\$39,876.27
Total Requested Amount for Reimbursement Request No. 2:	\$64,636.77
Reimbursement Requests (No. 3 January 1, 2021 – June 30, 2021)	
Building Financial Capacity Coalition	\$10,199.90
Center for Transforming Lives	\$12,501.28
Easter Seals of Greater Houston	\$10,000.00
Family Eldercare	\$28,789.50
Family Service Association of San Antonio	\$0.00
FirstLight Community Foundation	\$0.00
Foundation Communities	\$10,040.99
Girl Scouts of Northeast Texas	\$15,454.11
Texas State Affordable Housing Corporation	\$0.00
Women's Resource of Greater Houston	\$11,616.94
Total Requested Amount for Reimbursement Request No. 3:	\$98,602.72
Total Requested Amount to Date:	\$203,115.76
% of Funds Expended to Date:	67.71%
Amount Of Funds Remaining	\$96,884.24

Building Financial Capacity Coalition

The Building Financial Capacity Coalition's mission is to foster community prosperity for the Rio Grande Valley by enhancing the knowledge and skills needed for improved financial decision making.

The Money Smart Ambassador Program was created to teach young adults the importance and the basics of personal finances. Building Financial Capacity Coalition partners with local high schools to embed the curriculum into required classes and holds an Annual Financial Literacy Summit in partnership with Congressmen from the area.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEAR | AMOUNT AWARDED: \$27,000

FUNDS REQUESTED THIS PERIOD: \$10,199.90 | TOTAL REIMBURSED YTD: \$26,838.40

Program Update

During the third reporting period Building Financial Capacity Coalition far exceeded program expectations by moving to an online platform. The organization was able to reach more than 16,000 teachers and students using their Money Smart Ambassador program.

Turning the pandemic from a problem into a platform helped the organization see that it could reach out to more students than ever before. In conclusion, the Money Smart Program was made available to more than 16,000 High School Students at the 9- 12 grade levels.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- Meet and exceeded program goals by moving to a virtual option encompassing the whole school district reaching students at these schools
 - Hanna High School 2,603
 - Lopez High School 2,013
 - Porter High School 1,995
 - Veterans High School 1,988
 - HCISD 4,405
 - La Feria 1,000
 - Santa Rosa 1,998

Major Achievements

- Updates to the organization's website
- Established BFCC Zoom Account to conduct meetings and trainings with students and teachers
- Successfully conducted the Train the Trainer training for students and teachers

Biggest Challenges

- Economic instability in the community due to COVID-19 leading to sponsorship declines
- Reliable access to the internet for students and teachers

Center for Transforming Lives

Center for Transforming Lives helps homeless and impoverished women, children, and families move from poverty to independence through homeless services (an emergency shelter for women and housing assistance for families), Early Childhood Development (providing free or subsidized early childhood education to impoverished and homeless families), and Financial Empowerment Services (individual financial coaching and other programs to promote financial self-sufficiency).

The goal for this program is to empower participants to develop financial self-sufficiency, credit improvement, and asset building through one-on-one, long term financial coaching.

PROGRAM TYPE: FINANCIAL COACHING

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$35,000

FUNDS REQUESTED THIS PERIOD: \$12,501.28 | TOTAL REIMBURSED YTD: \$30,027.28

Program Status to Date

Despite the pandemic creating ongoing problems for participants, coaches have provided comprehensive services to assist with rental assistance, food resources, and technology support.

Center for Transforming Lives continues to host monthly Asset Builder Clinics, promote the Save2Build credit improvement program, and conduct virtual one on one coaching sessions. Through the expanded small business services, coaches have also had an increase in coaching low-income entrepreneurs.

Center for Transforming Lives is on track to exceed program goals, having already successfully met the number of participants needed to reach their projected goal.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- Center for Transforming Lives is seeking accreditation with the Council on Accreditation to improve the agency's uniform standards

Major Achievements

- 34 participants were reached through financial coaching
- 170 Direct contact hours with participants
- Seven participants established or increased their savings
- There was an average increase in savings of \$326 by participants

Biggest Challenges

- Online participation is a challenge due to many of the clients not having access to a computer during their scheduled time
 - Moved to over the phone to help those individuals meet their goals

Easter Seals of Greater Houston

For over 70 years, Easter Seals of Greater Houston has been offering help, hope, and answers to people of all ages with disabilities and their families. Through therapy, training education, and support services, Easter Seals creates life-changing solutions so that people with disabilities can live, learn, work, and play in our community.

The goal of the organization's adult financial education and capability program is to provide financial coaching to low income families, especially veterans and people with disabilities, to help them meet their goals of creating a budget, reducing debt, increasing savings, improving credit scores, becoming banked and saving for a specific purpose such as the purchase of a new home.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$35,000

FUNDS REQUESTED THIS PERIOD: \$10,000.00 | TOTAL REIMBURSED YTD: \$26,666.67

Program Status to Date

During the third reporting period, Easter Seals of Greater Houston continued to meet with the client one-on-one to assess financial status and goals despite COVID restrictions. Follow-up counseling was provided via email and phone as they worked toward their goals.

Debt was the main factor for most clients as they worked to qualify for a mortgage loan. A debt payoff schedule was frequently used in the savings and debt reduction plan to prioritize counseling sessions and monitor progress.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- Counselors now use multiple applications and maintain hard files as a means to monitor the clients progress
- More efficient tracking measures allow more counselor/client time to deliver the homebuyer education necessary for first-time home buyers

Major Achievements

- 29 unduplicated individuals directly served
- 180 direct contact hours with participants
- 27 participants established or raised their credit scores with an average increase of 10%
- 25 individuals established or increased their savings

Biggest Challenges

- Serving clients virtually made it harder to educate them on the most advantageous mortgage products and the costs of the loan
 - Second lien documents were read, reviewed and discussed over the phone to insure the home buyer understood their responsibilities associated with the grant
 - Meeting in-person for signatures during a pre-closing meeting to emphasize the home owner's responsibilities

Family Eldercare

Family Eldercare was founded in 1982 by a group of professionals concerned with supporting the family's role as caregiver for frail elders through training and information. The agency expanded to include services to prevent abuse, neglect, and financial exploitation of elders and adults with disabilities.

The purpose of their program is to develop and pilot a curriculum to support the capacity of Family Eldercare's case managers to promote the financial capability of aging Texans, especially those who have experienced homelessness. The goal is to offer a continuum of services to empower more of our clients to become financially independent and secure, while also enabling case managers to focus their attention on the clients requiring more intensive money management services.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$30,000

FUNDS REQUESTED THIS PERIOD: \$28,789.50 | TOTAL REIMBURSED YTD: \$30,000

Program Status to Date

Family Eldercare is pleased to have new curriculum that has been undergone a peer review and approval process. The organization is now testing the curriculum with clients.

The key indicator will be client feedback and official assessment through the pre-post survey. As outlined in the organization's original project plan performance measurements, it hopes to pilot the curriculum with at least 20 clients by the end of 2021 and have at least 80% of participating clients report feeling more financially stable.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- The program curriculum has been finalized under a peer review and approval process
 - Now in the testing phase
- Now that the organization is able to have in-person meetings project activities have resumed

Major Achievements

- The curriculum has been completed and is currently in the testing phase

Biggest Challenges

- Implementation of the project has been significantly slower than anticipated
- As everyone experienced, COVID-19 added an extra layer of complications and requiring the organization to stop any non-essential face to face interactions, which are necessary for disseminating a financial literacy curriculum
- The staff member who was part of the rollout team of this program left the agency, further creating a setback to its projected time line

Family Service Association of San Antonio

Family Service Association of San Antonio seeks to increase economic opportunities for low-income families and individuals. The Financial Empowerment Services program provides San Antonio residents financial education and capability services through one-on-one financial counseling. The focus is on reducing debt, increasing credit scores, savings, banking, and wealth building.

Family Service Association of San Antonio has provided financial empowerment consisting of one-on-one financial counseling and coaching for over six years in an effort to effect low-income family's economic stability and sustainability in impactful and measurable ways.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$30,000

FUNDS REQUESTED THIS PERIOD: \$0.00 | TOTAL REIMBURSED YTD: \$5,439.17

Program Status to Date

During the third reporting period, Family Service Association of San Antonio provided 1,161 participants with 3,815 direct contact hours of one-on-one financial coaching sessions. In addition, the organization helped 249 individuals increase their credit scores by an average of 10% and 434 participants reduced their debt.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- Family Association Service of San Antonio expanded its ability to provide emergency assistance to participants to help stabilize their household income and continue to provide benefit enrollment and emergency assistance
 - Increased the number of individuals served by more than 50%

Major Achievements

- The organization continues to have strong programmatic achievements and participants achieve high outcomes in a relatively short period of time
- 85 participants counseled on pre-homeownership
- 11 participants purchased homes

Biggest Challenges

- More demand for the program than the organization staff can assist
 - Increased funding to add an additional financial counselor
- In 2020, COVID 19 created barriers for participants which lead to the need for emergency assistance

FirstLight Community Foundation

FirstLight Community Foundation strives to help youth and families in the El Paso and Las Cruces communities improve their lives by achieving financial independence. The FirstLight Community Foundation charitable foundation was founded in 2015. Through strategic analysis, the decision was made to incorporate financial literacy and scholarships as focus for the foundation, in order to help youth and families achieve financial independence.

FirstLight Community Foundation believes that it has a social responsibility to play a vital role in the overall financial capability of the communities it serves. The focus is to incorporate social change in the community, find new ways to get vulnerable people access to capital, and to be part of the framework and driving force behind community financial literacy efforts.

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: ONE YEAR | AMOUNT AWARDED: \$13,000

FUNDS REQUESTED THIS PERIOD: \$0.00 | TOTAL REIMBURSED YTD: \$0.00

Program Status to Date

FirstLight Community Foundation focuses on the Brighter U Financial Literacy Program providing implementation of financial education into El Paso Independent School District High Schools. Brighter U is an engaging, online resource that uses video, animations, and interactive activities to bring complex financial concepts to life for students.

The program is typically implemented in the spring semester. The financial literacy program was hit hard by the pandemic delaying the organization's program activities.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- No program activities to date

Major Achievements

- No achievements to date

Biggest Challenges

- Pandemic caused major restructuring of the financial literacy program, postponing it until the 2020-2021 school year
- Staffing changes have led to unexpected challenges

Foundation Communities

Foundation Communities provides affordable, attractive homes and free on-site support services for thousands of families with kids, as well as veterans, seniors, and individuals with disabilities. The organization offers an innovative, proven model that empowers residents and neighbors to achieve educational success, financial stability, and healthier lifestyles. The organization owns and operates 23 communities all over Austin and in North Texas. The organization's programs are made possible in large part by more than 2,500 volunteers each year.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$30,000

FUNDS REQUESTED THIS PERIOD: \$10,040.99 | TOTAL REIMBURSED YTD: \$27,563.50

Program Status to Date:

During the third reporting period, Foundation Communities provided financial education services to 219 individuals. Two participants were able to raise or establish their credit scores by an average of 4% and five participants established or increased their savings by an average of \$3,680.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- Continued to provide all Financial Coaching virtually in order to safely meet the needs of our community
- In April, Foundation Communities welcomed two new staff members to the Prosper Centers whose focus it has been to meet with renters and help them complete both Foundation Community's internal rent and utility assistance applications, and the City of Austin's RENT program application
- In May, Foundation Communities opened virtual training for new Financial Coaches to increase the capacity of our program.

Major Achievements

- Assisting 275 Foundation Communities (FC) residents access rent assistance from FC, as well as 302 community members (some FC residents, some not) access rent and utility assistance through the City of Austin
- Increasing the capacity of the Financial Coaching program by recruiting and training a new cohort of Financial Coach volunteers
 - As of July, 2021, 12 volunteers have completed training, and 7 are in the process of completing training.

Biggest Challenges

- One of Foundation Community's biggest challenges was being able to continue to serve a higher number of people who need emergency assistance while at the same time training and on-boarding new volunteers and new staff

Girl Scouts of Northeast Texas

Girl Scouts of Northeast Texas inspires girls everywhere to stand up and make a difference. By nurturing innovation and developing leadership skills, they prepare girls to overcome challenges and advocate for their ideas, now and later. Girl Scouts of Northeast Texas is more than 25,000 girls and 12,500 adult members strong.

Girl Scouts of Northeast Texas covers 32 counties beginning just North of Waco extending to the Oklahoma state line and from Irving to the Louisiana border.

The organization's financial literacy program is geared toward girls in grades K-8 and will run in tandem with the Girl Scout Cookie program which teaches entrepreneurship skills. The curriculum offers interactive, hands-on activities to engage girls while they learn about financial education. It is designed to support Girl Scout program levels and school grade levels: Daisy (K-1); Brownie (2-3); Junior (4-5); and Cadette (6-8).

PROGRAM TYPE: K-12 FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$35,000

FUNDS REQUESTED THIS PERIOD: \$15,454.11 | TOTAL REIMBURSED YTD: \$20,112.00

Program Status to Date:

During the third reporting period, the program has currently exceeded the planned number of girls to be served.

For this reporting period, 1,129 girls in grades K-8 registered for the financial literacy sessions. Girl Scouts of Northeast Texas is delivering the programs in collaboration with 19 program partners that include 16 schools and 3 nonprofit organizations.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- 12 program facilitators were trained to deliver the programming, which included AmeriCorps members who serve in GSNETX Community Programs

Major Achievements

- Girl Scouts of Northeast Texas exceeded the number of girls estimated to be served through the expansion to the East Texas partners in Tyler and Longview.
- An increase in direct contact hours from 30 to 60 this reporting period

Biggest Challenges

- Adjusting the program to meet COVID-19 protocols and shifting, in some cases, to virtual programming in 2020-2021

Texas State Affordable Housing Corporation

Texas State Affordable Housing Corporation is a nonprofit organization incorporated in 1994. Texas State Affordable Housing Corporation was created at the direction of the Texas Legislature to serve as a self-sustaining, statewide affordable housing provider. It operates under the belief that every Texan deserves the opportunity to live in safe, decent, and affordable housing. As the population of our state continues to grow at a record rate, the need for affordable housing in Texas has only increased.

The organization's programs target the housing needs of low-income families and other underserved populations who do not have acceptable housing options through conventional financial channels. Texas State Affordable Housing Corporation's mission is to address this critical and expanding need with initiatives such as first time home buyer grants and other down payment assistance programs.

PROGRAM TYPE: FINANCIAL COACHING

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$30,000

FUNDS REQUESTED THIS PERIOD: \$0.00 | TOTAL REIMBURSED YTD: \$12,000.00

Program Status to Date:

Due to ongoing concerns surrounding the COVID-19 pandemic, the organization made the decision to postpone returning to in-person training.

The 2021 Housing Connection training workshop is taking place virtually. While transitioning the program to a virtual format presented some logistical challenges, the cost savings associated with offering the courses virtually also presented new opportunities to expand course offerings.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- The organization has partnered with Habitat for Humanity Texas to offer education codes for their Lone Star Academy to its nonprofit network
 - A total of 64 nonprofit staff benefitted the additional training opportunities

Major Achievements

- The ability to offer more online training opportunities helped the organization adjust its Housing Connection training program to the restrictions created by COVID-19 and allowed it to continue serving and supporting Texas housing nonprofits and housing counselors through this crisis when their services are so greatly needed

Biggest Challenges

- COVID-19 pandemic continues to affect the time line of the program
 - The 2021 Housing Connection training will take place virtually in July 2021 and two instructor-led courses will be offered

Women's Resource of Greater Houston

Women's Resource of Greater Houston helps women and girls make choices toward becoming independent, productive and financially stable. In the organization's programs, women acquire the essential financial knowledge, skills, and confidence they need to make sound decisions and improve their lives – for themselves and for generations to come.

For 2.8 million Houstonians who are experiencing financial distress, Women's Resource trains and coaches' women and girls, meeting them where they are. The organization inspires financial change, improving financial health, and overall individual and family wellbeing.

PROGRAM TYPE: ADULT FINANCIAL EDUCATION & CAPABILITY

GRANT TERM: TWO YEARS | AMOUNT AWARDED: \$35,000.00

FUNDS REQUESTED THIS PERIOD: \$11,616.94 | TOTAL REIMBURSED YTD: \$24,468.74

Program Status to Date

This grant has allowed the organization to increase its presence and quality on social media and with online marketing. This allowed the organization to reach new populations within the greater Houston Area and advertise services effectively to women who otherwise may not have known about the Women's Resource of Greater Houston.

The organization's long-term plan before the pandemic involved offering public classes outside of its partner model. Now it has had to evaluate potential for serving women independent of its partnerships, and have found the ability to operate in this manner. Women's Resource of Greater Houston anticipates being able to serve even more women outside of the financial mainstream for year to come.

Reporting Period Update (January 1, 2021 – June 30, 2021)

Program Activities

- 1,100 individuals directly served through 147 courses
- Facilitated eight Possibility Groups and enrolled 120 women in the program
 - Hosted two groups with 18 total women enrolled

Major Achievements

- Roll out of the organization's On-Demand YourLife Finance Classes
- Women's Resource of Greater Houston has been selected by the United Way of Greater Houston to serve as the lead facilitator for the Financial Coaching certification program
- One of the organization's greatest achievements during this reporting period is its ability to reach participants outside of its partner agencies and capability to provide public classes virtually

Biggest Challenges

- Technology divide continues to play a role in the decrease in regular participation rates