



**AGENDA
BOARD MEETING
MOTOR VEHICLE CRIME PREVENTION AUTHORITY
HILTON HOUSTON POST OAK BY THE GALLERIA
2001 POST OAK BOULEVARD
HOUSTON, TEXAS 77056
JULY 19, 2024
9:00 AM**

The presiding officer of the Board of the Motor Vehicle Crime Prevention Authority (Committee) will be physically present in the Concorde room, 2001 Post Oak Boulevard, Houston, Texas 77056. Some Committee members may attend via videoconferencing.

Link to July 19, 2024, MVCPA Board Meeting Documents (under Calendar tab):
<https://www.txdmv.gov/about-us/MVCPA>

All agenda items are subject to possible discussion, questions, consideration, and action by the Board of the Motor Vehicle Crime Prevention Authority (Board). Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Board. Presentations may be made by the identified staff, Board member, or other personnel as needed. The Board reserves the right to discuss any items in closed session where authorized by the Open Meetings Act.

- 1. Roll Call and Establishment of Quorum**
- 2. Pledges of Allegiance – U.S. and Texas**
- 3. Chair's Reports – Mike Rodriguez, Chairman**
 - A. Approval of Transcript as Minutes (March 28, 2024) (ACTION ITEM)
 - B. Chair's Report
- 4. MVCPA Director's Report – William Diggs, Director (BRIEFINGS ONLY)**
 - A. Staffing Update
 - B. Grant Management Tracking System Update
 - C. FY24 & FY25 Budget Overview

BRIEFING AND ACTION ITEMS

- 5. Senate Bill 224 Plan of Operation – Sharon Jones, Major & William Diggs, Director (BRIEFING ITEMS)**
 - 5A. SB224 Partner Agency Inter-Agency Contract (IAC) update – William Diggs, Director**
 - 5B. Senate Bill 224 Advisory Committee update – Sharon Jones, Major**

6. **Grants, Budget, and Reporting Committee Update** – Sharon Jones, Major (BRIEFING ITEM)
 - 6A. **FY-24 SB224 Second Round Catalytic Converter Grant Award Recommendations** – Sharon Jones, Major (ACTION ITEM)
 - 6B. **FY-25 SB224 Catalytic Converter Grant Award Recommendations** – Sharon Jones, Major (ACTION ITEM)
 - 6C. **FY-25 Task Force Grant Award Recommendations** – Sharon Jones, Major (ACTION ITEM)
7. **Adoption of Amendments to 43 TAC § 57.36** – David Richards, MVCPA Lead Counsel (ACTION ITEM)
8. **Texas DMV Regional Service Center update** – Roland D. Luna, Sr, Deputy Executive Director (BRIEFING ONLY)
9. **MVCPA Logo Redesign review and selection** – Herman Adair, Lead Trainer (ACTION ITEM)
10. **MVCPA Training Section Update** – Earl Pence, Deputy Director, Herman Adair, Lead Trainer, Justin White, Trainer, Amber Ott, Trainer (BRIEFING ITEM)
11. **MVCPA 2025 Conference Venue recommendation and selection** – Sharon Jones, Major (ACTION ITEM)
12. **68A Inspection Proposed Statutory Change Awareness** – William Diggs, Director (BRIEFING ITEM)
13. **FY-24 Supplanting report conducted by MVCPA Audit Section** – Sterling Fielder, Auditor, Lauren Williams, Auditor (ACTION ITEM)

CLOSED SESSION

14. **The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code Chapter 551:**

Section 551.071 - Consultation with and advice from legal counsel regarding:

- pending or contemplated litigation, or a settlement offer.
- a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code Chapter 551; or
- any item on this agenda.

Section 551.074 - Personnel matters.

- Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline, and dismissal of personnel.

Section 551.076 - Deliberation Regarding Security Devices or Security Audits.

- the deployment, or specific occasions for implementation, of security personnel or devices; or
- a security audit.

Section 551.089 - Deliberation Regarding Security Devices or Security Audits.

- security assessments or deployments relating to information resources technology;
- network security information as described by Government Code Section 2059.055(b); or
- the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

15. Action Items from Closed Session

16. Public Comment

17. Adjournment

The Board will allow an open comment period to receive public comment on any agenda item or other matter that is under the jurisdiction of the Board. No action will be taken on matters that are not part of the agenda for the meeting. For subjects that are not otherwise part of the agenda for the meeting, Board members may respond in accordance with Government Code §551.042 and consider the feasibility of placing the matter on the agenda for a future meeting.

If you would like to comment on any agenda item (including an open comment under the agenda item for Public Comment), you must complete a speaker's form at the registration table prior to the agenda item being taken up by the Board.

Public comment will only be accepted in person. Each speaker will be limited to three minutes, and time allotted to one speaker may not be reassigned to another speaker.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact David Richards by telephone at (512) 465-1423.

I certify that I have reviewed this document and that it conforms to all applicable Texas

Register filing requirements.

CERTIFYING OFFICIAL: David Richards, General Counsel, (512) 465-1423.



Subject: Table of Contents

Agenda Item	Document	Page No.
	Agenda	i
1	Roll Call and Establishment of Quorum	1
2	Pledges of Allegiance – U.S. and Texas	2
3.A	Approval of Transcript as Minutes (March 28, 2024) (ACTION ITEM)	3
3.B	Chair’s Report	4
4.A	Staffing Update – William Diggs (BRIEFING ITEM)	5
4.B	Grant Management Tracking System Update – William Diggs (BRIEFING ITEM)	6
4.C	FY24 & FY25 Budget Overview – William Diggs (BRIEFING ITEM)	7
5.A	SB224 Partner Agency Inter-Agency Contract (IAC) update – William Diggs (BRIEFING ITEM)	14
5.B	Senate Bill 224 Advisory Committee future Meeting – Sharon Jones (BRIEFING ITEM)	15
6	Grants, Budget, and Reporting Committee Update	16
6.A	FY-24 SB224 Second Round Catalytic Converter Grant Award Recommendations – Sharon Jones, Major (ACTION ITEM)	17
6.B	FY-25 SB224 Catalytic Converter Grant Award Recommendations – Sharon Jones, Major (ACTION ITEM)	18
6.C	FY-25 Task Force Grant Award Recommendations – Sharon Jones, Major (ACTION ITEM)	20
7	Adoption of Amendments to 43 TAC § 57.36 – David Richards (ACTION ITEM)	22
8	Texas DMV Regional Service Center update- Roland Luna Sr. (BRIEFING ITEM)	28
9	MVCPA Logo Redesign review and selection – Herman Adair, Lead Trainer (ACTION ITEM)	30
10	MVCPA Training Section Update – Earl Pence, Deputy Director, Herman Adair, Lead Trainer, Justin White, Trainer, Amber Ott, Trainer (BRIEFING ITEM)	34
11	MVCPA 2025 Conference Venue recommendation and selection – Sharon Jones, Major (ACTION ITEM)	35
12	68A Inspection Proposed Statutory Change Awareness – William Diggs, Director (BRIEFING ITEM)	36
13	FY-24 Supplanting report conducted by MVCPA Audit Section – Sterling Fielder, Auditor, Lauren Williams, Auditor (ACTION ITEM)	37



Agenda Item: 1
Subject: Roll Call and Establishment of Quorum

	Present
Chief Mike Rodriguez – Governor Designated Presiding Officer Law Enforcement Representative – Laredo, TX	
Kit Whitehill – Governor Appointed Board Member Insurance Consumer Representative – Coppell, TX	
Rebecca Cantu-Serrano – Governor Appointed Board Member Insurance Consumer Representative – Brownsville, TX	
Charla Brotherton – Governor Appointed Board Member Insurance Writer Representative – Fort Worth, TX	
Vacant – Governor Appointed Board Member Insurance Writer Representative	
Vacant – Governor Appointed Board Member Law Enforcement Representative	
Major Sharon Jones – Ex Officio Member Designee for the Public Safety Director Texas Department of Public Safety	



Agenda Item: 2

Subject: Pledges of Allegiance – U.S. and Texas



"I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."



To: Motor Vehicle Crime Prevention Authority Board
From: MVCPA Staff
Agenda Item: 3. A
Subject: Approval of Transcript as Minutes (March 28, 2024)

RECOMMENDATION

Action Item. Motion to approve the transcript as minutes.

PURPOSE AND EXECUTIVE SUMMARY

MVCPA staff emailed the March 28, 2024, Board Meeting Transcript to all MVCPA board members on July 11, 2024 for review.



To: Motor Vehicle Crime Prevention Authority Board
From: MVCPA Staff
Agenda Item: 3. B
Subject: Chair's Report

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY



To: Motor Vehicle Crime Prevention Authority Board
From: William Diggs, Director
Agenda Item: 4A
Subject: MVCPA Staffing Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide the MVCPA staffing update.

FINANCIAL IMPACT

BACKGROUND AND DISCUSSION

MVCPA currently has a total of 14 of the 15 FTE's filled positions.

The below position is currently vacant:

Grant Specialist IV - Vacant

The application process is currently in its final stages of review by TXDMV Human Resources.



To: Motor Vehicle Crime Prevention Authority Board
From: William Diggs, Director
Agenda Item: 4B
Subject: Grant Management Tracking System Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an update related to the new Grant Management Tracking System (GMTS).

FINANCIAL IMPACT

To be determined.

BACKGROUND AND DISCUSSION

Efforts remain underway to replace the current GMTS. We have had multiple meetings with our project manager assigned by the Project Management Office (PMO) within the TxDMV. We received a total of 24 responses to the Request for Information (RFI) that was placed on the open market. We are reviewing the pros and cons of each company that provided a demo. We are working closely with our Project Manager, Business Analyst (BA), and selected Taskforce Commanders to further narrow the field of those systems under consideration. There are currently five companies under consideration:

We are waiting on additional responses from recent questions our review team posed below:

- Does your solution offer an electronic signature or some way to verify that what is being submitted can be attested?
- Does your solution offer post implementation support?
- Correspondence management, can the user email grantees from your solution?
- Can your solution send out reminders to the grantees for upcoming deadlines? Staggered reminders months to weeks?
- Can your solution send out reminders to the grantees when they are late, or time has expired to submit a grant?
- Can your solution track the application status for grantees?
- Can application information be rolled from one period to another at the option of the grant administration?
- Annual cost per user for your solution.
- Last log in information – can your solution auto un-assign users who have not logged into the application over a defined period?



To: Motor Vehicle Crime Prevention Authority Board
From: William Diggs, Director
Agenda Item: 4. C
Subject: FY2024 Budget Overview

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

Attached is the MVCPA fiscal year (FY) 2024 financial report for September 1, 2024–June 30, 2024. The report includes statistical and monetary information on the authority’s budget, actual expenditures, and outstanding obligations.

FINANCIAL IMPACT

MVCPA is self-supporting and is funded from motor vehicle insurer fees deposited to the General Revenue Fund.

Key highlights include:

- The Total Adjusted Budget for FY 2024 for all MVCPA programs is \$49.9 million, which includes:
 - \$24.1 million in motor vehicle crime prevention appropriations;
 - \$24.7 million in catalytic converter program appropriations; and
 - \$1.0 million in unexpended appropriations from FY 2023 motor vehicle crime prevention appropriations that are available for expenditure in FY 2024.
- Through the end of February, the major expenditures include:
 - Contract Services for Board meeting and workshop audio/video support services;
 - Travel; and
 - Rent, Buildings, which includes the rental of meeting spaces and equipment for the 2024 MVCPA Conference, as well as board meetings and workshops.
- Encumbrances include:
 - Grants
 - Contract Services for an Interagency Agreement with the Texas Comptroller of Public Accounts and a contract for reporting and transcription services.
 - Rent, Buildings, which includes the rental of meeting space and equipment for the 2024 MVCPA Conference and board meetings.

BACKGROUND AND DISCUSSION

See attached report.

(see next page)

MOTOR VEHICLE CRIME PREVENTION AUTHORITY



Strategy B.2.1. Motor Vehicle Crime Prevention

The Motor Vehicle Crime Prevention Authority (MVCPA) educates Texans on how to protect themselves from motor vehicle theft and awards financial grants to local law enforcement entities to curtail auto theft, auto burglary, and catalytic converter theft.

June 2024

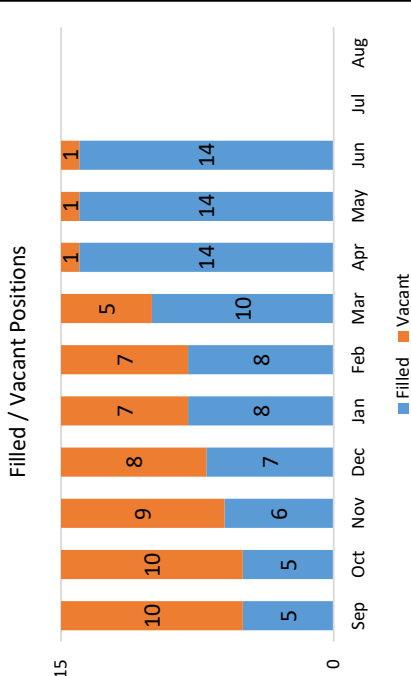
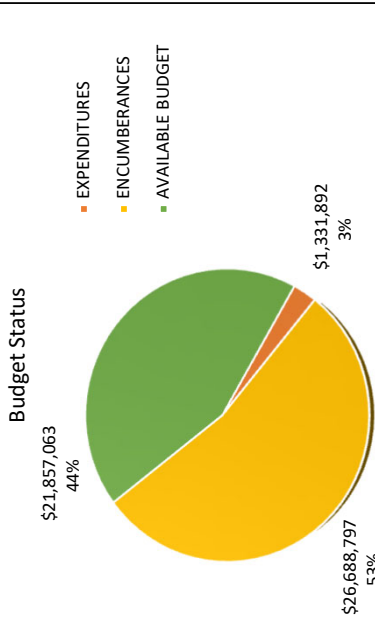
FINANCIAL HIGHLIGHTS

FY 2024 BUDGET	
Original Budget	\$ 48,857,762
Adjustments	\$ 1,019,991
Adjusted Budget	\$ 49,877,753

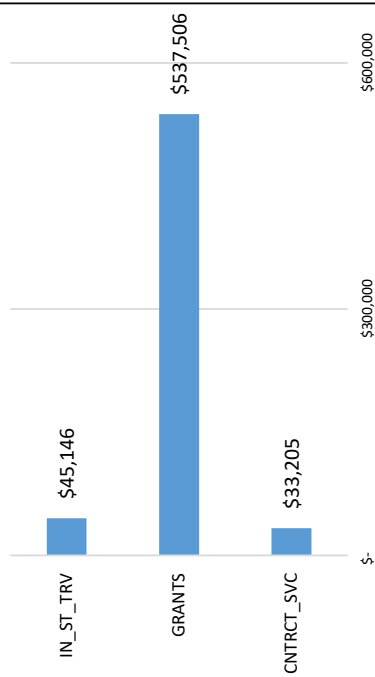
FY 2024 BUDGET STATISTICS	
% of Strategy Budget	99.96%
% of Agency Budget	11.05%
% Available Budget	43.82%

FY 2024 FTE & SALARY DATA	
FTE Allocation	15
Salary & Related Budget ¹	\$ 1,182,382
% of Division Budget	2.37%
YTD Lapsed Salary Budget ²	\$ 316,105
Division Salary Surplus ³	\$ -

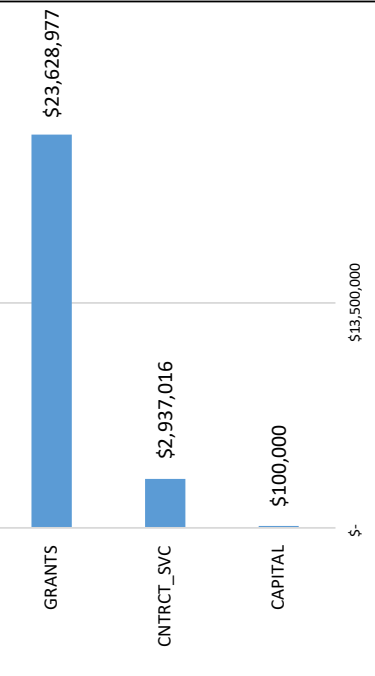
EXPENDITURE DATA	
YTD FY 2024 Expenditures	\$ 1,331,892
YTD FY 2023 Expenditures	\$ 6,922,741
Year-over-Year % variance	-80.76%



YTD Major Operating Expenditures



Major Encumbrances



OPERATIONAL HIGHLIGHTS

The 88th Legislature appropriated \$24,190,500 and an additional six FTEs to MVCPA for FY 2024-2025. In addition, the Legislature appropriated funds for Senate Bill 224 to detect and prevent catalytic converter theft in the amount of \$24,352,279, plus four FTEs and \$314,983 to implement the provisions of bill. 94% of the budget is made up of grant funds, which are distributed to law enforcement agencies throughout the state to fund educational and safety programs related to the prevention of motor vehicle theft. The division's operations primarily involve monitoring grants and assessing requests for reimbursement from grantees. Through the end of June, the major expenditures are Grants; in Travel; and in Contract Services for December meetings and Board workshop audio/video support services. Grants are the most significant encumbrance. Contract Services includes an Interagency Agreement with Texas Department of Public Safety for Catalytic Converter Theft Prevention; an Interagency Agreement with the Texas Department of Licensing and Regulation; and Capital include Truck and trailer purchases.

¹Includes Salary, BRP (benefit replacement pay), and Other Personnel accounts
²Salary budget not utilized due to vacancies
³Annual amount by which the division's salary budget exceed actual salary expense

MOTOR VEHICLE CRIME PREVENTION AUTHORITY



Strategy B.2.1. Motor Vehicle Crime Prevention, Crime Prevention Program

The Motor Vehicle Crime Prevention Authority (MVCPA) educates Texans on how to protect themselves from motor vehicle theft and awards financial grants to local law enforcement entities to curtail auto theft, auto burglary, and catalytic converter theft.

June 2024

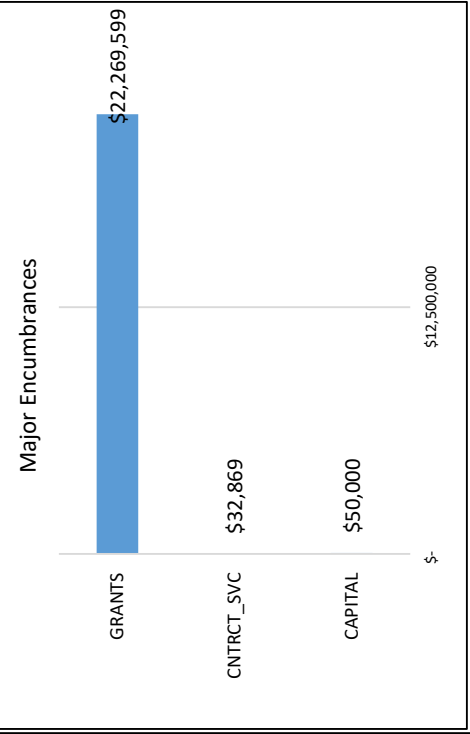
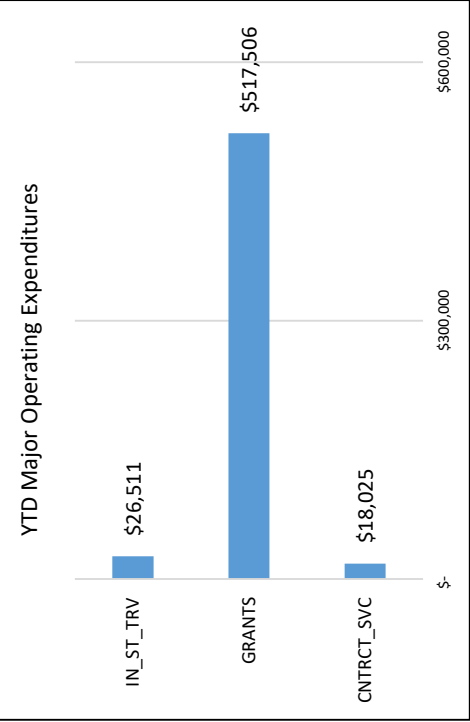
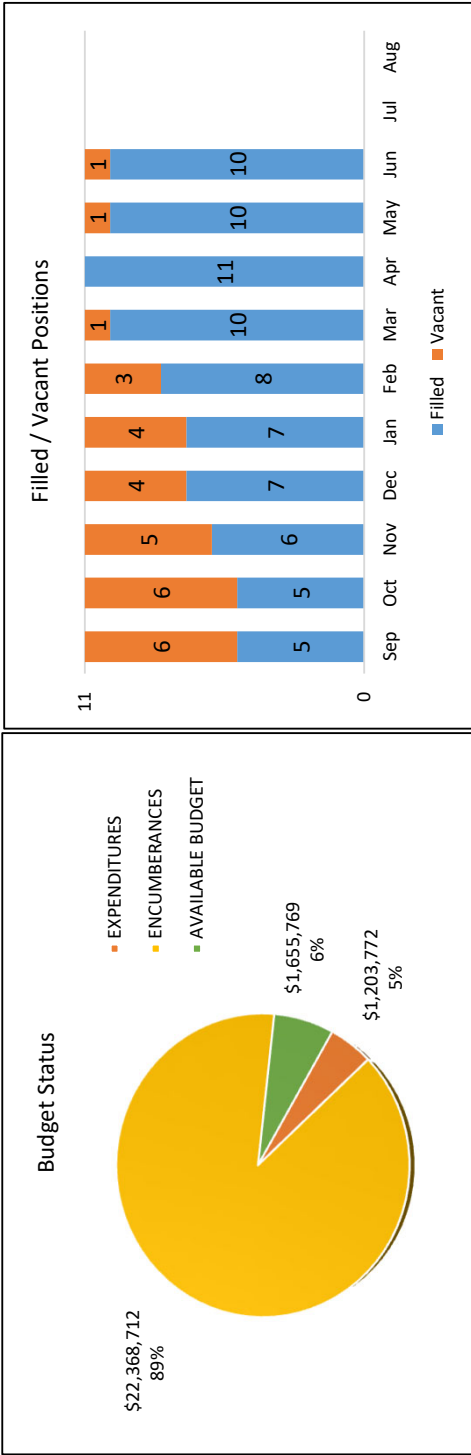
FINANCIAL HIGHLIGHTS

FY 2024 BUDGET		
Original Budget	\$	24,208,263
Adjustments	\$	1,019,991
Adjusted Budget	\$	25,228,253

FY 2024 BUDGET STATISTICS		
% of Strategy Budget		50.56%
% of Agency Budget		5.59%
% Available Budget		6.56%

FY 2024 FTE & SALARY DATA		
FTE Allocation		11
Salary & Related Budget ¹	\$	870,549
% of Division Budget		3.45%
YTD Lapsed Salary Budget ²	\$	118,369
Division Salary Surplus ³	\$	-

EXPENDITURE DATA		
YTD FY 2024 Expenditures	\$	1,203,772
YTD FY 2023 Expenditures	\$	6,922,741
Year-over-Year % variance		-82.61%



OPERATIONAL HIGHLIGHTS

The 88th Legislature appropriated \$24,190,500 and an additional six FTEs to the MVCPA Motor Vehicle Crime Prevention program for FY 2024-2025. The program's operations primarily involve monitoring grants and assessing requests for reimbursement from grantees. Through the end of June, the major expenditures are in Grants; travel expenses; and in Contract Services for December meetings and Board workshop audio/video support services. Grants are the most significant encumbrance; and Capital include truck and trailer purchases; and Contract Services includes an Interagency Agreement with the Texas Comptroller of Public Accounts, a contract with On the Record Reporting and Transcription services and Conference Coordinating & Planning Services for MVCPA July FY24 Conference.

¹Includes Salary, BRP (benefit replacement pay), and Other Personnel accounts
²Salary budget not utilized due to vacancies
³Annual amount by which the division's salary budget exceed actual salary expense

MOTOR VEHICLE CRIME PREVENTION AUTHORITY

Strategy B.2.1. Motor Vehicle Crime Prevention, Catalytic Converter Program



The Catalytic Converter program is tasked with detecting and preventing catalytic converter theft in the State of Texas, pursuant to SB 224, 88th Legislature, R.S.

June 2024

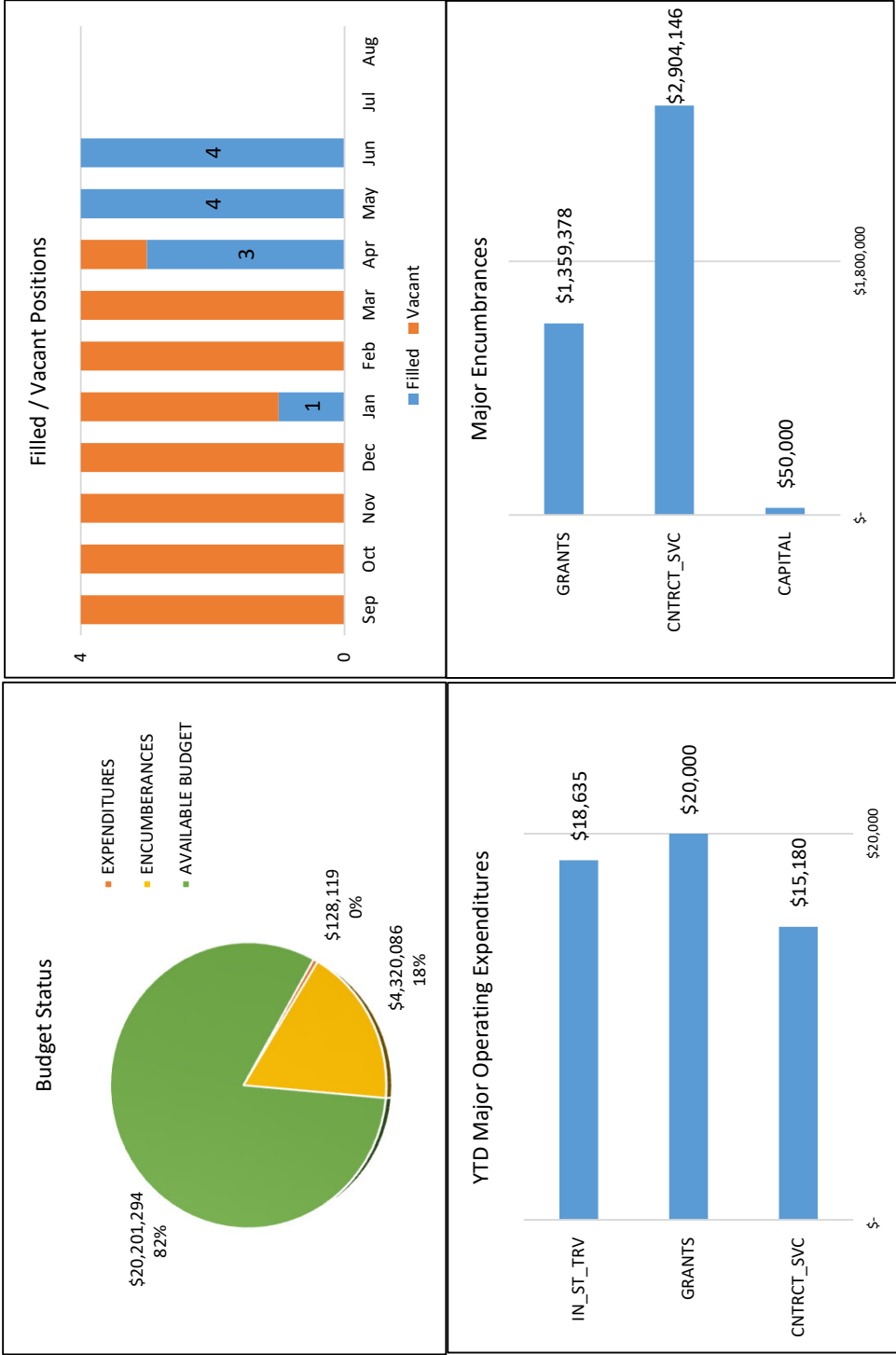
FINANCIAL HIGHLIGHTS

FY 2024 BUDGET		
Original Budget	\$ 24,649,500	
Adjustments	\$ -	
Adjusted Budget	\$ 24,649,500	

FY 2024 BUDGET STATISTICS		
% of Strategy Budget		49.40%
% of Agency Budget		5.46%
% Available Budget		81.95%

FY 2024 FTE & SALARY DATA		
FTE Allocation		4
Salary & Related Budget ¹	\$ 311,833	
% of Division Budget		1.27%
YTD Lapsed Salary Budget ²	\$ 197,736	
Division Salary Surplus ³	\$ -	

EXPENDITURE DATA		
YTD FY 2024 Expenditures	\$ 128,119	
YTD FY 2023 Expenditures	NA	
Year-over-Year % variance	NA	



OPERATIONAL HIGHLIGHTS

The 88th Legislature appropriated funds for Senate Bill 224 to detect and prevent catalytic converter theft in the amount of \$24,352,279, plus four FTEs and \$314,983 to implement the provisions of bill. Through the end of June, the major expenditures in the Catalytic Converter Program are in Grants; Contract Services for Transcription & Reporting Services for MVCPA SB224 Advisory Committee and Conference Coordinating & Planning Services; and Travel expenses. Major encumbrances are in Contract Services for an Interagency Agreement with Texas Department of Public Safety for Catalytic Converter Theft Prevention; an Interagency Agreement with the Texas Department of Licensing and Regulation; in Grants; and Capital include Truck and trailer purchases.

¹Includes Salary, BRP (benefit replacement pay), and Other Personnel accounts
²Salary budget not utilized due to vacancies
³Annual amount by which the division's salary budget exceed actual salary expense

MOTOR VEHICLE CRIME PREVENTION AUTHORITY



For both MVCPA Regular funding and SB224 funding combined, there is currently available \$21,857,063 remaining in FY- 24 as of June 2024.

- The total remaining available in the Regular MVCPA budget is currently \$1,655,769 as of June 2024.
- The total remaining available in SB224 budget is currently \$20,201,294 as of June 2024.

The following charts reflect FY-25 projected revenue in both MVCPA regular funding and SB224 funding as of June 2024:

MOTOR VEHICLE CRIME PREVENTION AUTHORITY

Strategy B.2.1. Motor Vehicle Crime Prevention

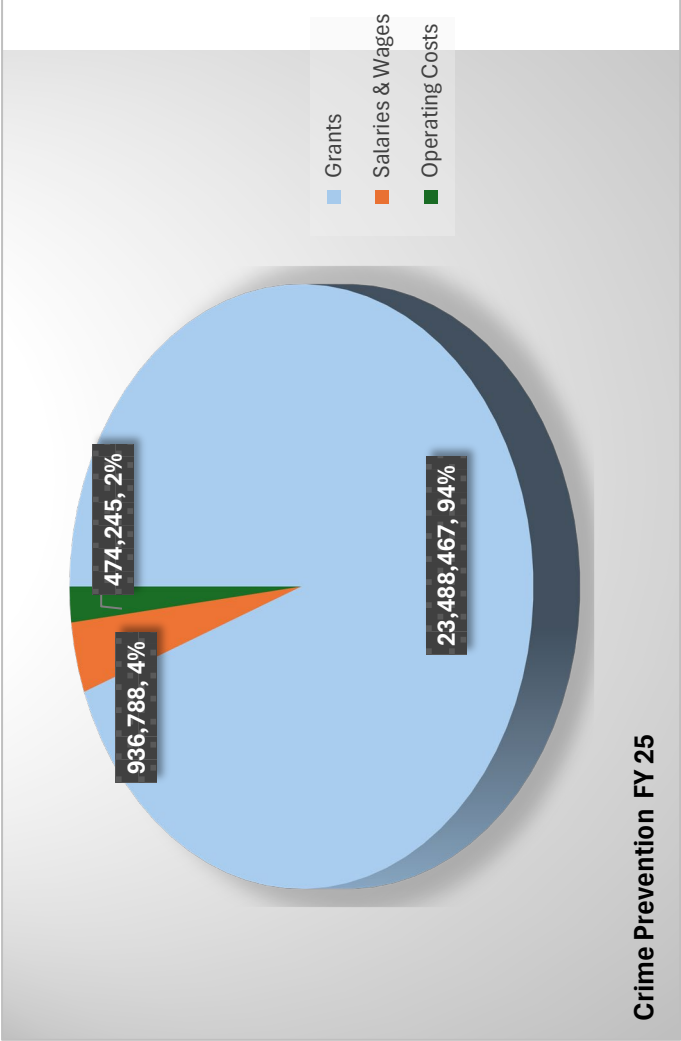


June 2024

The Motor Vehicle Crime Prevention Authority (MVCPA) educates Texans on how to protect themselves from motor vehicle theft and awards financial grants to local law enforcement entities to curtail auto theft, auto burglary, and catalytic converter theft.

Account Description	Budget	Percentage
Grants	23,488,467	94.33%
Salaries & Wages	936,788	3.76%
Operating Costs	474,245	1.90%

24,899,500



OPERATIONAL HIGHLIGHTS

The 88th Legislature appropriated funds for Senate Bill 224 to detect and prevent catalytic converter theft in the amount of \$24,352,279, plus four FTEs and \$314,983 to implement the provisions of bill. Through the end of May, the major expenditures in the Catalytic Converter Program are travel expenses; in Contract Services for Transcription & Reporting Services for Audio/Video Support Services for the MVCPA Advisory Committee Meeting Event held on January 18th, 2024; and. Major encumbrances are in Grants for Texas A&M University-Grant Management and Tracking System FY24 Grant Enhancements; in Contract Services for IAC between Motor Vehicle Crime Prevention Authority by and through the Texas Department of Motor Vehicles and the Texas Department of Public Safety; Conference Coordinating & Planning Services for MVCPA July FY24 Conference and for Transcription & Reporting Services - MVCPA Catalytic Converter Program Advisory Committee; and Advertising & Promotion include FY24 SB224 Promotional Material.

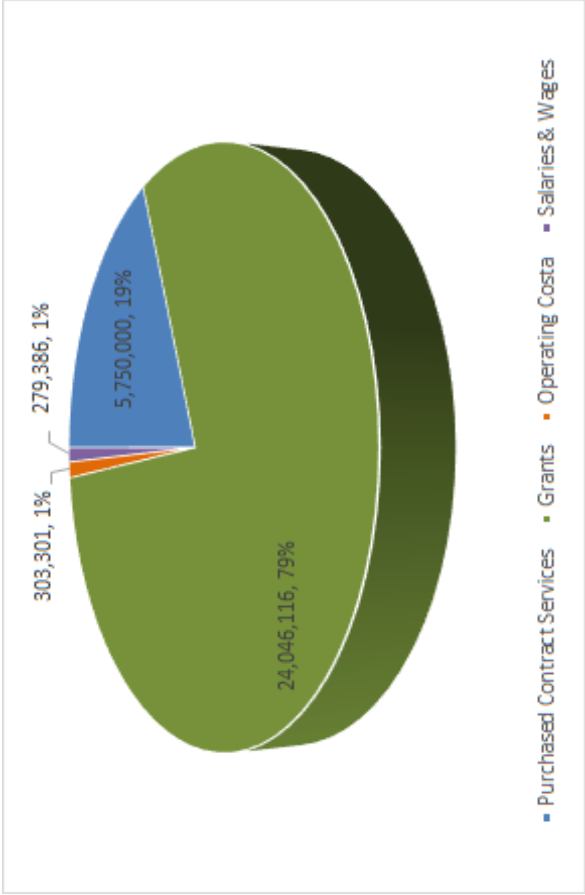
MOTOR VEHICLE CRIME PREVENTION AUTHORITY

Strategy B.2.1. Motor Vehicle Crime Prevention



The Catalytic Converter program is tasked with detecting and preventing catalytic converter theft in the State of Texas, pursuant to SB 224, 88th Legislature, R.S.

Account Description	Budget	Percentage
Purchased Contract Services	5,750,000	18.93%
Grants	24,046,116	79.15%
Operating Costs	303,301	0.25%
Salaries & Wages	279,386	0.92%
	30,378,803	



OPERATIONAL HIGHLIGHTS

The 88th Legislature appropriated funds for Senate Bill 224 to detect and prevent catalytic converter theft in the amount of \$24,352,279, plus four FTEs and \$314,983 to implement the provisions of bill. Through the end of May, the major expenditures in the Catalytic Converter Program are travel expenses; in Contract Services for Audio/Video Support Services for the MVCPA Advisory Committee Meeting Event held on January 18th, 2024; and, Major encumbrances are in Grants for Texas A&M University-Grant Management and Tracking System FY24 Grant Enhancements; in Contract Services for IAC between Motor Vehicle Crime Prevention Authority by and through the Texas Department of Motor Vehicles and the Texas Department of Public Safety; Conference Coordinating & Planning Services for MVCPA July FY24 Conference and for Transcription & Reporting Services - MVCPA Catalytic Converter Program Advisory Committee; and Advertising & Promotion include FY24 SB224 Promotional Material.



To: Motor Vehicle Crime Prevention Authority Board
From: William Diggs, Director
Agenda Item: 5. A
Subject: SB224 Partner Agency Inter-Agency Contract (IAC) Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an update on SB224 Partner Agency IAC's.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Both the TXDPS and TDLR have fully executed Inter-Agency Contracts with the MVCPA/TXDMV in the following amounts for FY-24:

TXDPS - \$2,367,166

TDLR - \$499,072



To: Motor Vehicle Crime Prevention Authority Board
From: Sharon Jones, Major
Agenda Item: 5. B
Subject: Senate Bill 224 Advisory Committee Future Meeting

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an update on future Senate Bill 224 (SB224) Advisory Committee Meeting.

FINANCIAL IMPACT

To be determined.

BACKGROUND AND DISCUSSION

Below is a schedule of the upcoming SB224 Advisory Committee Meetings and scheduled tours:

Senate Bill 224 Advisory Committee Meeting

Date: Thursday, October 3, 2024

Location: Laredo, TX

Time: 9:00 AM – 5:00 PM



To: Motor Vehicle Crime Prevention Authority
From: Sharon Jones, Major
Agenda Item: 6
Subject: Grants, Budget, and Reporting Committee Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an overview of the July 15, 2024, Grants, Budget, and Reporting Committee Meeting outcome.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The GBR Committee received updates from Director Diggs on the following topics:

- MVCPA Budget
- Grant Management Tracking System Replacement Progress
- SB224 FY-24 Second Round Grant Submissions and recommendations
- SB224 FY-25 Grant Submissions and recommendations
- FY25 TaskForce Grant Submissions and recommendations



To: MVCPA Board
From: Sharon Jones, Major
Agenda Item: 6A
Subject: FY24 SB224 Catalytic Converter Grant Second Solicitation Application Recommendations

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY

To provide a recommendation for prospective grantees request for FY24 SB 224 second round grant funding.

FINANCIAL IMPACT

TBD

BACKGROUND AND DISCUSSION

The following agencies have submitted their justification for FY24 SB224 Catalytic Converter Grant Second Solicitation funding request.

City of Andrews	FY24 SB224 Catalytic Converter 2nd Solicitation	\$16,850.00
City of Beaumont	FY24 SB224 Catalytic Converter 2nd Solicitation	\$527,700.00
City of Carrollton	FY24 SB224 Catalytic Converter 2nd Solicitation	\$221,00.00
City of Conroe	FY24 SB224 Catalytic Converter 2nd Solicitation	\$95,000.00
City of Converse	FY24 SB224 Catalytic Converter 2nd Solicitation	\$43,150.00
City of Corpus Christi	FY24 SB224 Catalytic Converter 2nd Solicitation	\$72,408.00
City of El Paso	FY24 SB224 Catalytic Converter 2nd Solicitation	\$1,391,615.00
City of Farmers Branch	FY24 SB224 Catalytic Converter 2nd Solicitation	\$50,000.00
City of Frisco	FY24 SB224 Catalytic Converter 2nd Solicitation	\$256,000.00
Johnson County	FY24 SB224 Catalytic Converter 2nd Solicitation	\$250,000.00
City of La Marque	FY24 SB224 Catalytic Converter 2nd Solicitation	\$748,665.00
Lubbock County	FY24 SB224 Catalytic Converter 2nd Solicitation	\$TBD
Maverick County	FY24 SB224 Catalytic Converter 2nd Solicitation	\$175,666.00
Montgomery County	FY24 SB224 Catalytic Converter 2nd Solicitation	\$397,574.00
Polk County	FY24 SB224 Catalytic Converter 2nd Solicitation	\$55,516.00
City of Refugio	FY24 SB224 Catalytic Converter 2nd Solicitation	\$38,250.00
City of Sulphur Springs	FY24 SB224 Catalytic Converter 2nd Solicitation	\$30,000.00
City of Sunset Valley	FY24 SB224 Catalytic Converter 2nd Solicitation	\$65,625.00
City of Texas City	FY24 SB224 Catalytic Converter 2nd Solicitation	\$37,500.00
Town of Prosper	FY24 SB224 Catalytic Converter 2nd Solicitation	\$99,166.00
City Wichita Falls	FY24 SB224 Catalytic Converter 2nd Solicitation	\$114,417.00

I recommend the MVCPA Board approve the above request for FY24 SB224 Catalytic Converter second solicitation funding.



To: MVCPA Board
From: Sharon Jones, Major
Agenda Item: 6B
Subject: FY25 SB224 Catalytic Converter Grant Application Recommendations

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY

To consider prospective grantees request for FY25 SB 224 grant funding.

FINANCIAL IMPACT

TBD

BACKGROUND AND DISCUSSION

The following agencies have submitted their justification for FY25 SB224 Catalytic Converter Grant funding.

City of Beaumont	FY25 SB224 Catalytic Converter	\$250,520.00
City of Brownsville	FY25 SB224 Catalytic Converter	\$565,765.00
City of Carrollton	FY25 SB224 Catalytic Converter	\$184,167.00
City of Dallas	FY25 SB224 Catalytic Converter	\$1,295,074.00
City of Eagle Pass	FY25 SB224 Catalytic Converter	\$521,056.00
Galveston County	FY25 SB224 Catalytic Converter	\$247,898.00
Harris County	FY25 SB224 Catalytic Converter	\$81,683.00
Hidalgo County	FY25 SB224 Catalytic Converter	\$49,797.00
City of Houston	FY25 SB224 Catalytic Converter	\$994,740.00
Johnson County	FY25 SB224 Catalytic Converter	\$208,333.00
City of Kyle	FY25 SB224 Catalytic Converter	\$54,709.00
City of Laredo	FY25 SB224 Catalytic Converter	\$1,725,392.00
Lubbock County	FY25 SB224 Catalytic Converter	\$377,517.00
Montgomery County	FY25 SB224 Catalytic Converter	\$22,720.00
Potter County	FY25 SB224 Catalytic Converter	\$276,400.00
City of Roman Forest	FY25 SB224 Catalytic Converter	\$18,250.00
City of San Marcos	FY25 SB224 Catalytic Converter	\$38,625.00
City of Schertz	FY25 SB224 Catalytic Converter	\$77,342.00
City of Seguin	FY25 SB224 Catalytic Converter	\$28,333.00
Smith County	FY25 SB224 Catalytic Converter	\$26,667.00
Town of Prosper	FY25 SB224 Catalytic Converter	\$70,600.00

City of Wallis

FY25 SB224 Catalytic Converter

\$23,100.00

I recommend the MVCPA Board approve the above request for FY25 SB224 Catalytic Converter Grant funding.



To: MVCPA Board
From: Sharon Jones, Major
Agenda Item: 6C
Subject: FY25 Taskforce Grant Application Recommendations

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY

To consider prospective grantees request for FY25 Taskforce grant funding.

FINANCIAL IMPACT

TBD

BACKGROUND AND DISCUSSION

The FY25 MVCPA Crime Prevention Program Strategy budget is estimated to be \$24,899,500. It is important for the MVCPA to be fiscally responsible. MVCPA Staff currently believe additional funds will become available from unspent FY24 funding and additional Insurance Collection deposits through the State Comptroller. The following agencies have submitted their justification for FY25 Taskforce Grant funding.

Tier One Request			FTE's	Equipment	Tier Two Request			FTE's	Equipment
City of Austin	FY25 T F	\$532,588	X	X	City of Cedar Hill	FY25 T F	\$14,250		X
City of Beaumont	FY25 T F	\$724,534	X	X	Hidalgo County	FY25 T F	\$1,114,348	X	X
City of Brownsville	FY25 T F	\$1,341,872	X	X	Maverick County	FY25 T F	\$642,623	X	X
Burnet County	FY25 T F	\$578,566	X	X	City of San Marcos	FY25 T F	\$177,401	X	X
City of Corpus Christi	FY25 T F	\$864,514	X	X	Town of Prosper	FY25 T F	\$286,400		X
City of Dallas	FY25 T F	\$1,582,029	X	X					
Dallas County	FY25 T F	\$1,208,574	X	X			\$2,235,022		
City of El Paso	FY25 T F	\$2,016,853	X	X					
Galveston County	FY25 T F	\$1,106,090	X	X					
Harris County	FY25 T F	\$1,102,216	X	X					
City of Houston	FY25 T F	\$1,949,349	X	X					
City of Laredo	FY25 T F	\$1,401,606	X	X					
Lubbock County	FY25 T F	\$1,008,481	X	X					
City of Mansfield	FY25 T F	\$821,953	X	X					
Montgomery County	FY25 T F	\$1,078,387	X	X					
City of Paris	FY25 T F	\$514,460	X	X					
City of Pasadena	FY25 T F	\$146,668	X	X					
Potter County	FY25 T F	\$411,279	X	X					
City of River Oaks	FY25 T F	\$18,042		X					
City of San Antonio	FY25 T F	\$1,411,929	X	X					
Smith County	FY25 T F	\$426,986	X	X					
Tarrant County	FY25 T F	\$2,089,417	X	X					
Travis County	FY25 T F	\$869,075	X	X					
City of Victoria	FY25 T F	\$275,894	X	X					
City Eagle Pass	FY25 T F	\$432,503	X	X					
		\$23,913,865							

Director Diggs encouraged the Grants Budget and Reporting Committee to recommend to the MVCPA Board to approve the Tier One Request above, and to wait until the October MVCPA Board Meeting to reconsider the Tier Two Request. MVCPA Staff believe they will have a clearer picture in October as it relates to the actual additional funding available for FY25.



To: Motor Vehicle Crime Prevention Authority Board
From: David Richards, General Counsel
Agenda Item: 7
Subject: Adoption of Amendment to 43 TAC §57.36

RECOMMENDATION

Action Item. Adoption of an amendment to 43 TAC §57.36 as previously published in the Texas Register.

PURPOSE AND EXECUTIVE SUMMARY

The amendment is designed to provide the MVCPA Board with flexibility in establishing grantee cash match requirements for each year of funding.

FINANCIAL IMPACT

There will be a positive impact to state or local governments as a result of the enforcement or administration of this proposal. The public benefits anticipated as a result of the proposal will include increased funding for the city and county governments of MVCPA taskforces to combat motor vehicle crimes, including catalytic converter theft in their communities.

BACKGROUND AND DISCUSSION

Transportation Code §§1006.151(a) and 1006.154 provide the Motor Vehicle Crime Prevention Authority (MVCPA) with authority to issue grants in its own name by providing funding to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams; to law enforcement agencies, local prosecutors, judicial agencies, and neighborhood, community, business and non-profit organizations for the programs designed to reduce the incidence of economic motor vehicle theft and fraud-related motor vehicle crime; for conducting educational programs designed to inform motor vehicle owners of methods of preventing motor vehicle burglary or theft and fraud-related motor vehicle crime; for equipment, for experimental purposes, to assist motor vehicle owners in preventing motor vehicle burglary or theft; and funding to establish a uniform program to prevent stolen motor vehicles from entering Mexico. Under current 43 Texas Administrative Code (TAC) §57.36, a grantee must contribute a cash match of 20% of the total MVCPA award for each year of funding to be eligible for MVCPA grant funds.

During the 88th Texas Legislature, Regular Session, Senate Bill (SB) 224 passed and was signed into law. The focus of SB 224 was the detection and prevention of catalytic converter theft in Texas. SB 224 appropriated funding for the coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter theft, and provided that the funding may be appropriated to the MVCPA for the activities described in SB 224. The MVCPA issued a Request for Applications (RFA) for SB 224 FY24 funding to solicit applications from law enforcement agencies and taskforces to apply for SB 224 FY24 grant funding. Prior to posting the SB 224 RFA, law enforcement agencies and taskforces informed the MVCPA that due to the timing of the SB 224 FY24 RFA posting and the current FY24 budgetary cycles in their cities and counties, the law enforcement agencies and taskforces would be unable to provide the twenty percent cash match required under 43 TAC §57.36. Many of the same law enforcement agencies and MVCPA taskforces had already provided a twenty percent cash match for MVCPA FY24 non-SB 224 grants. Lacking the ability to provide an additional twenty percent cash match for SB 224 FY24 grant funding, the law enforcement agencies and taskforces would not be able to be eligible for or secure SB 224 FY24 grant funding based on the rule as currently written.

Without the ability of law enforcement agencies and taskforces to secure such funding, the legislative intent behind SB 224 would be impeded and unfulfilled. SB 224 recognized that law enforcement agencies and taskforces are vital to the success of detecting and preventing catalytic converter theft in Texas. The current rule has the effect of preventing law enforcement agencies and taskforces from serving in this vital role due to budgetary constraints.

An amendment to 43 TAC §57.36 is proposed to provide the MVCPA board with authority to address unforeseen grantee budgetary shortfalls by providing the board with greater flexibility in adjusting the cash match percentage required of law enforcement grantees seeking MVCPA grant funding. The proposed amendment would allow the MVCPA board to exercise its discretion in setting the percentage of cash match in each grant funding cycle by considering grantee budgetary factors.

By providing the MVCPA board with discretion to set the percentage of cash match or waive the cash match requirement for a given fiscal year, the board can ensure that law enforcement agencies with decreased financial resources will have a realistic opportunity to apply for and secure MVCPA grant funding in furtherance of the MVCPA statutory mandates.

If the board adopts the amendment during its July 19, 2024, open meeting, staff anticipates:

- Publication in the August 2, 2024, issue of the *Texas Register*; and
- An effective date of August 12, 2024.

Texas Administrative Code

TITLE 43	TRANSPORTATION
PART 3	MOTOR VEHICLE CRIME PREVENTION AUTHORITY
CHAPTER 57	MOTOR VEHICLE CRIME PREVENTION AUTHORITY
RULE §57.36	Level of Funding for Grant Projects

For each grant, ~~[a grantee must contribute a cash match of 20% of]~~ the [total] MVCPA will determine whether to require grantees to contribute a cash match to be eligible [award,] for [each year of] funding. ~~[, in order to be eligible for]~~ If required, the cash match will be a percentage of the total MVCPA award, for each year of funding[s], not to exceed 20%. The cash match requirement for each grant will be stated in the grant application.

Source Note: The provisions of this §57.36 adopted to be effective January 21, 1993, 18 TexReg 159; amended to be effective October 13, 1995, 20 TexReg 7973; amended to be effective August 21, 1996, 21 TexReg 7655; transferred effective February 24, 1998, as published in the Texas Register March 6, 1998, 23 TexReg 2399; amended to be effective November 14, 1999, 24 TexReg 10146; amended to be effective August 29, 2006, 31 TexReg 6820; amended to be effective December 10, 2007, 32 TexReg 9132; amended to be effective April 12, 2012, 37 TexReg 2436; amended to be effective March 24, 2015, 40 TexReg 1713; amended to be effective March 1, 2020, 45 TexReg 1443

PROPOSED REVISION TO

43 TAC §57.36

INTRODUCTION. The Motor Vehicle Crime Prevention Authority (MVCPA) proposes an amendment to 43 TAC §57.36 concerning level of funding for grant projects. This amendment is necessary to implement Occupations Code §§1006.151 and 1006.154 by providing financial support to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams, and in lessening the financial burden on local city and county governments that may be unable to meet the current cash match requirements under 43 TAC §57.36.

EXPLANATION.

Transportation Code §§1006.151(a) and 1006.154 provide the Motor Vehicle Crime Prevention Authority (MVCPA) with authority to issue grants in its own name by providing funding to law enforcement agencies for economic motor vehicle theft and fraud-related motor vehicle crime enforcement teams; to law enforcement agencies, local prosecutors, judicial agencies, and neighborhood, community, business and non-profit organizations for the programs designed to reduce the incidence of economic motor vehicle theft and fraud-related motor vehicle crime; for conducting educational programs designed to inform motor vehicle owners of methods of preventing motor vehicle burglary or theft and fraud-related motor vehicle crime; for equipment, for experimental purposes, to assist motor vehicle owners in preventing motor vehicle burglary or theft; and funding to establish a uniform program to prevent stolen motor vehicles from entering Mexico. Under current 43 Texas Administrative Code (TAC) §57.36, a grantee must contribute a cash match of 20% of the total MVCPA award for each year of funding to be eligible for MVCPA grant funds.

1 During the 88th Texas Legislature, Regular Session, Senate Bill (SB) 224 passed and was signed into
2 law. The focus of SB 224 was the detection and prevention of catalytic converter theft in Texas. SB 224
3 appropriated funding for the coordinated regulatory and law enforcement activities intended to detect
4 and prevent catalytic converter theft, and provided that the funding may be appropriated to the MVCPA
5 for the activities described in SB 224.

6 The MVCPA issued a Request for Applications (RFA) for SB 224 FY24 funding to solicit applications from
7 law enforcement agencies and taskforces to apply for SB 224 FY24 grant funding. Prior to posting the SB
8 224 RFA, law enforcement agencies and taskforces informed the MVCPA that due to the timing of the SB
9 224 FY24 RFA posting and the current FY24 budgetary cycles in their cities and counties, the law
10 enforcement agencies and taskforces would be unable to provide the twenty percent cash match required
11 under 43 TAC §57.36. Many of the same law enforcement agencies and MVCPA taskforces had already
12 provided a twenty percent cash match for MVCPA FY24 non-SB 224 grants. Lacking the ability to provide
13 an additional twenty percent cash match for SB 224 FY24 grant funding, the law enforcement agencies
14 and taskforces would not be able to be eligible for or secure SB 224 FY24 grant funding based on the rule
15 as currently written. Without the ability of law enforcement agencies and taskforces to secure such
16 funding, the legislative intent behind SB 224 would be impeded and unfulfilled. SB 224 recognized that
17 law enforcement agencies and taskforces are vital to the success of detecting and preventing catalytic
18 converter theft in Texas. The current rule has the effect of preventing law enforcement agencies and
19 taskforces from serving in this vital role due to budgetary constraints.

20 An amendment to 43 TAC §57.36 is proposed to provide the MVCPA board with authority to
21 address unforeseen grantee budgetary shortfalls by providing the board with greater flexibility in
22 adjusting the cash match percentage required of law enforcement grantees seeking MVCPA grant funding.
23 The proposed amendment would allow the MVCPA board to exercise its discretion in setting the

percentage of cash match in each grant funding cycle by considering grantee budgetary factors. By providing the MVCPA board with discretion to set the percentage of cash match or waive the cash match requirement for a given fiscal year, the board can ensure that law enforcement agencies with decreased financial resources will have a realistic opportunity to apply for and secure MVCPA grant funding in furtherance of the MVCPA statutory mandates.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Glenna Bowman, Chief Financial Officer, Texas Department of Motor Vehicles has determined that for each year of the first five years the new section will be in effect, there will be a positive fiscal impact to state or local governments as a result of the enforcement or administration of the proposal. William Diggs, Director of the Motor Vehicle Crime Prevention Authority (MVCPA) Division, has determined that there will be no potential measurable effect on local employment or the local economy.

PUBLIC BENEFIT AND COST NOTE. Mr. Diggs has also determined that, for each year of the first five years the new section is in effect, the public benefits anticipated as a result of the proposal will include increased funding for the city and county governments of MVCPA taskforces to combat catalytic converter theft in their communities.

Anticipated Costs to Comply with The Proposal. Mr. Diggs anticipates there will be no significant fiscal costs for grantees to comply with this rule..

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. As required by the Government Code, §2006.002, the department has determined that the proposed amendment will not have an adverse economic effect on small businesses, micro-businesses, and rural communities because the new section does not require small businesses, micro businesses, or rural communities to comply. Therefore, the department is not required to prepare a regulatory flexibility analysis under Government Code, §2006.002.

TAKINGS IMPACT ASSESSMENT. The department has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking or require a takings impact assessment under the Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT STATEMENT. The department has determined that each year of the first five years the proposed new section is in effect, no government program would be created or eliminated. Implementation of the proposed amendments would not require the creation of new employee positions. The proposed amendment does not create a new regulation, or expand, or repeal an existing regulation. The proposed amendment may decrease the amount of cash match funding that an MVCPA grantee is required to provide in order to be eligible for MVCPA grant funding. Lastly, the proposed new section does not affect the number of individuals subject to the rule's applicability and will not affect this state's economy.

REQUEST FOR PUBLIC COMMENT.

If you want to comment on the proposal, submit your written comments by 5:00 p.m. CST on MM, DD, YYYY. A request for a public hearing must be sent separately from your written comments. Send written comments or hearing requests by email to rules@txdmv.gov or by mail to Office of General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731. If a hearing is held, the department will consider written comments and public testimony presented at the hearing.

STATUTORY AUTHORITY. The MVCPA proposes an amendment to 43 TAC §57.36 under Transportation Code §1006.101. Transportation Code §1006.101 authorizes the MVCPA to adopt rules that are necessary appropriate to implement the powers and the duties of the authority.

CROSS REFERENCE TO STATUTE. Art. 4413(37) §6.



To: MVCPA Board
From: Roland D. Luna Sr., Deputy Executive Director
Agenda Item: 8
Subject: Texas DMV Regional Service Center update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an update related to TXDMV Regional Service Centers.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Deputy Executive Director Luna will provide an update related to continued enhancements in the TXDMV Regional Service Centers in many geographic parts of Texas. The Texas DMV continues to work closely with the MVCPA in an effort to better serve Texas and the needs for 68A Inspections.



To: MVCPA Board
From: Herman Adair, MVCPA Senior Trainer
Agenda Item: 9
Subject: MVCPA Logo Redesign review and selection

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY

To provide an opportunity for the MVCPA Logo to be redesigned.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Below are seven recommendations for your consideration from MVCPA Staff and MVCPA Taskforces throughout the state.



1.



2.



3.



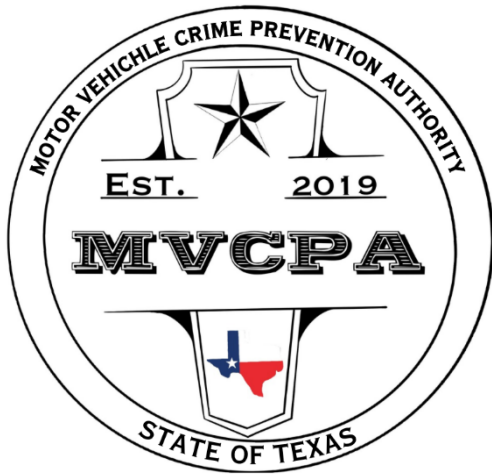
4.



5.



6.



7



To: MVCPA Board
From: Earl Pence, Deputy Director
Agenda Item: 10
Subject: MVCPA Training Section Update

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide awareness of all activities related to the MVCPA Training Section.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Deputy Director Pence and his training team will provide an update related to training, social media outreach, major purchase's, and advertising.



To: MVCPA Board
From: Sharon Jones, Major
Agenda Item: 11
Subject: MVCPA 2025 Conference Venue recommendation and selection

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY

To provide ability for the MVCPA Conference Venue to be recommended and a selection made for future planning.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

Major Sharon Jones will provide a venue recommendation for the MVCPA 2025 Conference.



To: MVCPA Board
From: William Diggs, Director
Agenda Item: 12
Subject: Proposed Statutory Change to Expand Required 68-A Inspections

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

To provide an overview of draft statutory amendments developed by staff for consideration by the 89th Texas Legislature. TXDMV, in consultation with the MVCPA Board Chairman, is considering a statutory change to the types of motor vehicle processes requiring a 68-A Inspection.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The 89th Texas Legislature convenes in regular session on January 14, 2025. Transportation Code Section 1001.025 authorizes the Texas Department of Motor Vehicles (TxDMV) Board to recommend to the legislature statutory changes that would improve department operations.

One of the proposed recommendations is to seek authorization for the potential expansion of situations in which the department requires a 68-A inspection. MVCPA Director William Diggs and Deputy Executive Director Roland D. Luna, Sr. met with Chief Rodriguez to explain the need to expand rulemaking authority for required 68-A Inspections. The proposed rule authority would address 68-A Inspection situations that are not clearly defined in statute but could help reduce fraudulent activities or identify cases of vehicle theft.

If the statutory recommendation to expand 68-A inspections becomes law, Chief Rodriguez will assign Director Diggs to chair a working group of MVCPA Staff and MVCPA Grantees to identify situations where a 68-A Inspection is required. Director Diggs will coordinate activities for rule proposal and adoption by the TxDMV Board. The proposed statutory change for 68-A Inspection would further prevent fraud and reduce auto theft in Texas.

See attached next page:

Title Act Items

New Proposal

Rulemaking Authorization to Expand Required 68A Inspections.

The department's authority to require vehicle identification number (aka 68A) inspections in cases other than those in statute is unclear. Clarifying in Section 501.032, Transportation Code, that the department clearly can adopt rules to require inspections in additional cases will ensure there is flexibility to better prevent fraudulent transactions and identify potentially stolen vehicles.

Sec. 501.032. IDENTIFICATION NUMBER INSPECTION REQUIRED. (a) ~~[In addition to any requirement established by department rule, a]~~ A motor vehicle, trailer, or semitrailer must have an identification number inspection under Section 501.0321 if:

(1) the department does not have a motor vehicle record for the motor vehicle, trailer, or semitrailer in the department's registration and title system, and the owner of the motor vehicle, trailer, or semitrailer is filing a bond with the department under Section 501.053;

(2) the motor vehicle, trailer, or semitrailer was last titled or registered outside of the United States and imported into the United States; or

(3) the owner or person claiming ownership requires an assigned or reassigned identification number under Section 501.033.

(a-1) The department may establish by rule additional categories of motor vehicles, trailers, or semitrailers requiring an identification number inspection under Section 501.0321 that are not specified in this section.

(b) An active duty member of a branch of the United States armed forces, or an immediate family member of such a member, returning to Texas with acceptable proof of the active duty status is exempt from an identification number inspection required under Subsection (a) (2).



To: MVCPA Board
From: Sterling Fielder, MVCPA Auditor and Lauren Williams, MVCPA Auditor
Agenda Item: 13
Subject: FY-24 Supplanting report conducted by MVCPA Audit Section

RECOMMENDATION

Action Item.

PURPOSE AND EXECUTIVE SUMMARY

To provide an overview of a Supplanting Audit conducted in the last few months by the MVCPA Audit Team which has determined that some MVCPA Grantees have supplanted.

FINANCIAL IMPACT

TBD

BACKGROUND AND DISCUSSION

Ms. Fielder and Ms. Williams will provide an overview of their findings and provide the MVCPA Board with possible remedies. The grantees determined to have supplanted have also been encouraged to attend today's meeting and provide any additional information or their solution to remedy the findings.



MVCPA FY2022 and FY2023 Supplanting Process

July 2024

Prepared by Lauren Williams

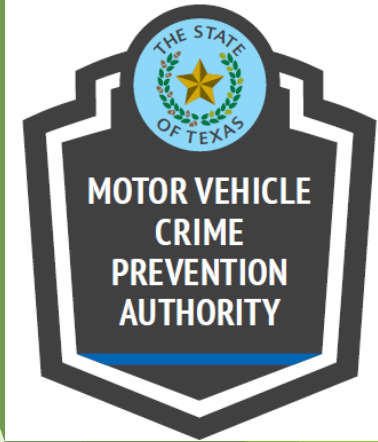
Supplanting Definition

Texas Administrative Code

<u>TITLE 43</u>	TRANSPORTATION
<u>PART 3</u>	MOTOR VEHICLE CRIME PREVENTION AUTHORITY
<u>CHAPTER 57</u>	MOTOR VEHICLE CRIME PREVENTION AUTHORITY
<u>RULE §57.9</u>	Nonsupplanting Requirement

-
- (a) State funds provided by this Act shall not be used to supplant state or local funds.
- (b) Supplanting means the replacement of other funds with Motor Vehicle Crime Prevention Authority (MVCPA) grant funds. It shall also include using existing resources already available to a program activity as cash match.
- (c) Positions which existed prior to new grant award approval and were funded from any source other than MVCPA grant funds are not eligible for grant funding or to be used as cash match.
- (d) If a grant program is reduced by 20% or more from the previous year, and as a result, grant funded or match positions are transferred to other duties for the grant year, they may be returned to grant funding in the subsequent grant year. This exception is not available for any positions that have not been grant funded or used as match for more than one grant year.
- (e) Each grantee shall certify that MVCPA funds have not been used to replace state or local funds that would have been available in the absence of MVCPA funds. The certification shall be incorporated in each grantee's expenditure report.
-

Source Note: The provisions of this §57.9 adopted to be effective January 21, 1993, 18 TexReg 159; transferred effective February 24, 1998, as published in the Texas Register March 6, 1998, 23 TexReg 2399; amended to be effective November 14, 1999, 24 TexReg 10146; amended to be effective December 10, 2007, 32 TexReg 9132; amended to be effective March 20, 2016, 41 TexReg 1977; amended to be effective March 1, 2020, 45 TexReg 1443





Background

- ▶ Through 2017, supplanting was a concern and was tested annually.
- ▶ After 2017, due in part to the implementation of GMTS and the requirement that cash match could not be reduced (more than 5% or proportionally to the amount of the state grant funds), the need to test for supplanting was eliminated.
- ▶ From FY2021 to FY2022, the MVCPA Board allowed a reduction in the match rate to 20%. At the time, it was mentioned that this could impact supplanting.
- ▶ Most grantees understood that the supplanting rules had not changed and moved the cash match “overage” to in-kind match. This demonstrated that the total local contribution made by the grantees was not reduced year over year.



Initial Supplanting Test



- ▶ In FY2022, the allowance of match rate reductions required supplanting testing to be resumed.
- ▶ Typically, year end financial statements are required to accurately determine expenditures. These financial statements are not available until Q2 of the following fiscal year (FY23). Because FY23 year end close out was delayed, we included FY23 in the supplanting test.
- ▶ It was determined during the initial review that 15 grantees were in the range of possibility for supplanting (see next slide).

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
		2023 Funds Requested	2023 Cash Match Requested	Cash Match % (YE actual Cash Match)	Change In Match % From PY	Change In Match Amount From PY			2022 Funds Requested	2022 Cash Match Requested	Cash Match % (YE actual Cash Match)	Change In Match % From PY	Change in Match Amount From PY			2021 Funds Requested	2021 Cash Match Requested	Cash Match % (YE actual Cash Match)	Change In Match % From PY	Change in Match Amount From PY
1																				
2	City of Austin	411,300	175,841	42.8%	0.000%	\$ -			411,300	175,841	42.8%	2.5%	\$ 9,240.00			414,319	166,601	40.2%	0.0%	\$ (6,581.00)
3	City of Beaumont	583,951	137,000	23.5%	0.000%	\$ -			583,951	137,000	23.5%	-44.9%	\$ (210,887.00)		1	508,623	347,887	68.4%	0.0%	\$ (13,739.00)
4	City of Brownsville	1,020,922	776,177	76.0%	0.000%	\$ -			1,020,922	776,177	76.0%	-33.0%	\$ (193,638.00)		2	889,225	969,815	109.1%	0.0%	\$ (38,309.00)
5	Burnet County	220,894	65,524	29.7%	0.001%	\$ 1.00			220,895	65,523	29.7%	-47.0%	\$ (82,003.00)		3	192,400	147,526	76.7%	11.4%	\$ 16,875.00
6	City of Corpus Christ	429,518	247,432	57.6%	0.000%	\$ -			429,518	247,432	57.6%	-123.3%	\$ (467,803.00)		4	395,356	715,235	180.9%	6.3%	\$ (2,161.00)
7	City of Dallas	797,339	176,785	22.2%	0.000%	\$ -			797,339	176,785	22.2%	0.1%	\$ 44,088.00			601,250	132,697	22.1%	0.0%	\$ (5,242.00)
8	Dallas County	544,454	230,797	42.4%	0.000%	\$ -			544,454	230,797	42.4%	4.6%	\$ 34,289.00			519,480	196,508	37.8%	-1.9%	\$ (18,235.00)
9	City of Eagle Pass	138,059	83,638	60.6%	0.000%	\$ -			138,059	83,638	60.6%	-98.0%	\$ (107,062.00)		5	120,250	190,700	158.6%	24.0%	\$ 22,482.00
10	City of El Paso	975,265	378,420	38.8%	0.000%	\$ -			975,265	378,420	38.8%	-3.5%	\$ -			894,145	378,420	42.3%	1.6%	\$ -
11	Galveston County	518,201	223,525	43.1%	0.000%	\$ -			518,201	223,525	43.1%	-9.3%	\$ (13,181.00)		6	451,354	236,706	52.4%	9.8%	\$ 36,438.00
12	Harris County	853,100	188,256	22.1%	0.000%	\$ -			853,100	188,256	22.1%	-159.5%	\$ (1,160,591.00)		7	743,052	1,348,847	181.5%	0.0%	\$ (53,281.00)
13	City of Houston	1,251,130	384,097	30.7%	0.000%	\$ -			1,251,130	384,097	30.7%	-108.8%	\$ (950,994.00)		8	957,190	1,335,091	139.5%	0.0%	\$ (52,737.00)
14	City of Laredo	756,565	441,969	58.4%	0.000%	\$ -			756,565	441,969	58.4%	-9.4%	\$ (4,731.00)			658,970	446,700	67.8%	6.4%	\$ 26,030.00
15	Lubbock County	446,785	288,568	64.6%	1.216%	\$ 5,432.00			446,785	283,136	63.4%	3.3%	\$ 49,452.00			389,151	233,684	60.0%	1.0%	\$ (5,245.00)
16	City of Mansfield	331,342	184,600	55.7%	0.000%	\$ -			331,342	184,600	55.7%	-20.8%	\$ (36,098.00)		9	288,600	220,698	76.5%	6.7%	\$ 11,400.00
17	Montgomery County	372,720	250,101	67.1%	0.000%	\$ -			372,720	250,101	67.1%	-22.9%	\$ (42,002.00)		10	324,640	292,103	90.0%	7.2%	\$ 12,824.00
18	City of Paris	117,857	40,573	34.4%	0.000%	\$ -			117,857	40,573	34.4%	-10.7%	\$ (5,800.00)		11	102,654	46,373	45.2%	3.6%	\$ 2,055.00
19	City of Pasadena	83,940	24,060	28.7%	0.000%	\$ -			83,940	24,060	28.7%	-802.9%	\$ (583,940.00)		12	73,112	608,000	831.6%	31.6%	\$ -
20	Potter County	399,494	194,090	48.6%	0.000%	\$ -			399,494	194,090	48.6%	-17.5%	\$ (35,819.00)		13	347,960	229,909	66.1%	2.5%	\$ -
21	City of San Antonio	815,785	581,881	71.3%	0.000%	\$ -			815,785	581,881	71.3%	-1.7%	\$ 20,135.00			769,600	561,746	73.0%	2.8%	\$ -
22	Smith County	357,474	71,497	20.0%	0.000%	\$ 1.00			357,474	71,496	20.0%	-38.4%	\$ (115,426.00)		14	320,146	186,922	58.4%	2.2%	\$ -
23	Tarrant County	1,332,593	543,667	40.8%	6.990%	\$ 93,149.00			1,332,593	450,518	33.8%	-5.6%	\$ 16,107.00			1,101,971	434,411	39.4%	0.9%	\$ (6,714.00)
24	Travis County	697,075	139,416	20.0%	0.000%	\$ -			697,075	139,416	20.0%	-46.0%	\$ (261,491.00)		15	607,154	400,907	66.0%	1.8%	\$ (4,167.00)
25	City of Victoria	144,236	28,848	20.0%	0.000%	\$ -			144,236	28,848	20.0%	0.5%	\$ (197.00)			148,840	29,045	19.5%	-0.5%	\$ (1,898.00)
26																				

Supplanting Testing

- ▶ The Audit Team then tested for supplanting in six different ways for each of the fifteen grantees:
 1. YOY cash match amount in budget
 2. YOY cash match percent in budget
 3. YOY cash match actual amount
 4. YOY cash match actual percent
 5. YOY Match and in-kind amount
 6. YOY Match and in-kind percent
- ▶ After testing the above calculations for the 15 grantees, 3 grantees were determined not to have supplanted.
- ▶ The Audit Team then contacted the remaining 12 grantees and asked them if there were previously undisclosed expenditures for the baseline and years in question. The grantees were encouraged to review our initial assessment and to present any documentation or rationale they felt was applicable.
- ▶ Based on the documentation provided, 5 grantees were eliminated from the possibility of supplanting.
- ▶ This left 7 grantees with supplanting concerns, of which 4 were able to reduce their supplanting amount by providing us with previously unreported expenditures.



Communication Timeline

3/15/2014: MVCPA sent initial request for additional information/unreported expenditures



3/18/2024: Communication with grantees began



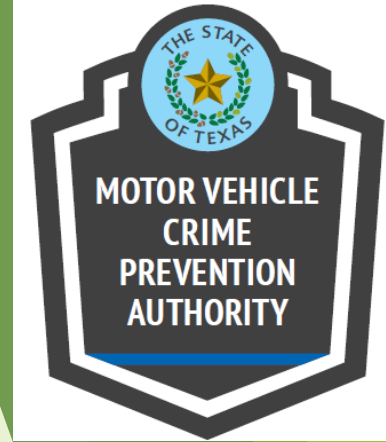
- ▶ Grantees providing ledgers and unreported expenditures, asking questions, requesting clarification, and providing explanations and/or proposing new calculations
- ▶ MVCPA responding to questions, emails, requests for phone calls, updating calculations, requesting new information and completing site visits

What we considered to be the “final” or most conclusive response was received from each of the grantees (varying dates; please see below)

- ▶ 4/10/2024: Galveston County responded via email with explanation of misunderstanding
- ▶ 4/11/2024: Burnet County provided Burnet County only calculations/backup via email (supplanting amount reduced)
- ▶ 4/18/2024: City of Pasadena provided new calculations via email (supplanting amount reduced)
- ▶ 5/3/2024: City of Brownsville provided final ledger to be analyzed via email
- ▶ 5/3/2024: City of Beaumont responded via email, confirming that amounts reported were correct
- ▶ 5/23/2024: Harris County issued official response via email along with additional unreported expenditures (supplanting amount reduced)
- ▶ 7/2/2024: Eagle Pass provided new calculations, reducing supplanting amount



Final Supplanting Calculations



- After reviewing all responses provided from the grantees, we determined the seven grantees below appear to have supplanted in the following amounts. Note: this is the smallest amount found, less a 5% materiality allowance.

	FY 2022	FY 2023	Total
City of Beaumont	\$ 140,770.03	\$ 84,972.59	\$ 225,742.62
City of Brownsville	\$ 141,035.66	\$ 142,346.46	\$ 283,382.12
Burnet County	\$ 69,027.86	\$ 63,690.04	\$ 132,717.90
City of Eagle Pass	\$ 10,637.52	\$ -	\$ 10,637.52
Galveston County	\$ 19,251.06	\$ 5,257.17	\$ 24,508.23
Harris County	\$ 473,859.82	\$ 450,489.43	\$ 924,349.25
City of Pasadena	\$ 5,341.98	\$ 120,207.68	\$ 125,549.66
Total			\$ 1,726,887.30

How to Document Compliance

Per Texas Education Agency

Any determination about supplanting is specific to the individual situation, and general guidelines cannot be provided to meet the particular details of any situation. Examples of the types of documentation auditors may request from an LEA to demonstrate that the expenditure is supplemental to other federal and/or nonfederal programs include the following:

- ▶ Fiscal or programmatic documentation to confirm that, in the absence of grant funds, the grantee would have eliminated staff or other services in question
- ▶ Board minutes/agendas with discussion of elimination of staff due to lack of state funds
- ▶ State or local legislative actions
- ▶ Itemized budget histories from one year to the next and supporting information
- ▶ Planning documents
- ▶ Actual reduction in state or local funds
- ▶ Decision to eliminate position or services was made without regard to the availability of grant funds, including the reason the decision was made
- ▶ Size data from previous years and upcoming year
- ▶ Specific policies and procedures related to supplement, not supplant requirements



What Other Agencies are Doing

Federal Office of Justice Programs

Supplanting Defeats the Purpose

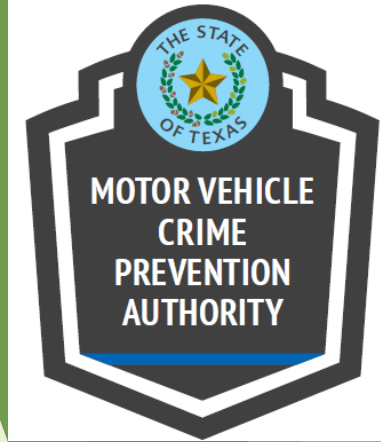
- ▶ The Office of Justice Programs provides the following example of illegal supplanting of federal grant funds: “State Y budgeted \$1 million in State funds to be used for renovation of a particular prison. ... In response to enactment of the Recovery Act, the State determines that it will use Recovery Act JAG formula funds for the prison renovation, and will use the funds the State had budgeted for the prison renovation instead to provide health services for infants and children. No additional State funds were added to the State budget in any other law enforcement category. Under these circumstances, supplanting would have occurred, as there would have been a decrease in “the amounts of ... funds that would, in the absence of Federal funds, be made available for law enforcement activities””

Supplementing Is the Point

- ▶ The Office of Justice Programs also provides examples of practices that are allowable, known as supplementing. For instance, a hypothetical city appropriates \$25 million for law enforcement activities in given fiscal year. In that same year, they were awarded Recovery Act JAG formula funds. They use the entire \$25 million for law enforcement as originally planned, then hire 5 new police officers and 2 new police cruisers with the additional money from the grant. Because the federal funds were used “to increase the amounts of such funds that would, in the absence of federal funds, be made available for law enforcement activities,” it is considered supplementing not supplanting. It stays true to the intention of the award.

Penalties

- ▶ The penalties for supplanting can include suspension of future funds for the particular program where the violation occurred, suspension or debarment from all grants, repaying the money awarded from the grant and along with further civil penalties. In some cases, there may even be criminal penalties. The Notification of Funding Availability (NOFA) states upfront whether or not the grant you are applying for prohibits supplanting. If something is not clear, it is always better to be safe than sorry and ask questions using the contact information provided.



What Other Agencies are Doing



Texas Education Agency

- ▶ Penalty for Violating the Provision Penalties for supplanting are often severe. All federal funds involved in a supplant normally must be returned to the federal government. Since audits are usually conducted after the grant period has ended, there is often no other alternative corrective action available other than returning the funds.

MVCPA Actions

- ▶ Standard practice would be to recoup the supplanted funds. If the MVCPA Board wishes to provide some relief or take other administrative action, they may hear discussion at a regularly scheduled board meeting and make a decision in open meeting.



End of Presentation

Calculation Format:

Net difference Between YTD Expenditures & YTD reimbursed expenditures (Cash Match)

+

In-Kind Expenditures Reported (TAMU)

=

Total Reported Local Spend

+ Any previously unreported expenditures

=

Total Local Spend

FY2022 Supplanting Calculation: **FY2021 total local spend - FY2022 total local spend**

FY2023 Supplanting Calculation: **FY2021 total local spend - FY2023 total local spend**

