



# STATE OF TEXAS



Federal Portion of  
Statewide Single  
Audit Report

For the Year Ended August 31, 2003

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**Independent Auditors' Reports**

Federal Portion of  
Statewide Single Audit Report

For the Year Ended August 31, 2003

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**Independent Auditors' Report on the  
Schedule of Expenditures of Federal Awards**

The Honorable Rick Perry, Governor,  
and Members of the Texas State Legislature  
State of Texas:

We have audited the accompanying Schedule of Expenditures of Federal Awards of the State of Texas (the "Schedule") for the year ended August 31, 2003. This Schedule is the responsibility of the State of Texas' management. Our responsibility is to express an opinion on the Schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1 to the Schedule of Expenditures of Federal Awards, the Schedule does not include expenditures of Federal awards for four component units of the State of Texas. Each of those component units has their own independent audit in compliance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

In our opinion, the Schedule of Expenditures of Federal Awards referred to above presents fairly, in all material respects, the expenditures of Federal awards of the State of Texas, as described above, for the year ended August 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

February 23, 2004



**Independent Auditors' Report  
on Compliance With Requirements Applicable to  
Each Major Program and on Internal Control Over Compliance  
in Accordance With OMB Circular A-133**

The Honorable Rick Perry, Governor,  
and Members of the Texas State Legislature  
State of Texas:

**Compliance**

We have audited the compliance of the State of Texas (the State) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended August 31, 2003, except those requirements discussed in the seventh following paragraph. We also did not audit the State's compliance with compliance requirements applicable to CFDA 93.283, Centers for Disease Control and Prevention – Investigations and Technical Assistance (CDC program), which is approximately .13% of total federal assistance received by the State. The State's major Federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. The CDC program is identified in the accompanying Schedule of Findings and Questioned Costs as a major Federal program and was audited by another auditor whose report has been furnished to us. Our opinion, insofar as it relates to the CDC program, is based solely on the report of the other auditor. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

The Schedule of Expenditures of Federal Awards and our audit described below does not include expenditures of Federal awards for the four component units of the State of Texas for financial statement purposes. Each of those agencies has their own independent audit in compliance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

Except as discussed in the following paragraph, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State's compliance with those requirements.

We were unable to obtain sufficient documentation supporting the compliance of the State for the program compliance requirements listed below nor were we able to satisfy ourselves as to the State's compliance with those requirements by other auditing procedures. These program's compliance requirements were:

<u>Agency/University</u>	<u>Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Health	CFDA 93.917 - HIV Care Formula Grants	Earmarking	04-10
Department of Housing and Community Affairs	CFDA 14.871 - Section 8 Housing Choice Vouchers	Special Tests and Provisions	04-24

As identified below and described in the accompanying Schedule of Findings and Questioned Costs, the State did not comply with certain compliance requirements that are applicable to certain of its major Federal programs. Based on our audit and the report of other auditors, compliance with such requirements is necessary, in our opinion, for the State to comply with requirements applicable to the identified major Federal programs. The results of the auditing procedures are described in the accompanying schedule of findings and questioned costs as items:

<u>Agency/University</u>	<u>Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Health	CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children CFDA 93.217 - Family Planning Services CFDA 93.268 - Immunization Grants CFDA 93.917 - HIV Care Formula Grants CFDA 93.940 - HIV Prevention Activities-Health Department Based CFDA 93.994 - Maternal and Child Health Services Block Grant to the States	Subrecipient Monitoring	04-07
Department of Health	CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children CFDA 93.217 - Family Planning Services CFDA 93.268 - Immunization Grants CFDA 93.917 - HIV Care Formula Grants CFDA 93.940 - HIV Prevention Activities-Health Department Based CFDA 93.994 - Maternal and Child Health Services Block Grant to the States Medicaid Cluster	Cash Management Allowable Costs/Cost Principles	04-11 04-08



<b>Agency/University</b>	<b>Program</b>	<b>Compliance Requirement</b>	<b>Finding Number</b>
Department of Health	CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	Special Tests and Provisions	04-12
	CFDA 93.283 - Center for Disease Control and Prevention - Investigations and Technical Assistance	Subrecipient Monitoring	04-27
Department of Housing and Community Affairs	CFDA 14.239 - HOME Investment Partnerships Program	Reporting	04-16
	CFDA 14.871 - Section 8 Housing Choice Vouchers	Reporting Special Tests and Provisions	04-18 04-23
	CFDA 14.239 - HOME Investment Partnership Program	Allowable Costs/Cost Principles	04-25 04-26
	CFDA 14.871 - Section 8 Housing Choice Vouchers CFDA 93.568 - Low-Income Home Energy Assistance		
Department of Human Services	CFDA 93.558 - Temporary Assistance for Needy Families Food Stamps Cluster	Procurement, Suspension, and Debarment	04-28
Department of Mental Health and Mental Retardation	CFDA 93.958 - Block Grants for Community Mental Health Services Medicaid Cluster	Allowable Costs/Cost Principles	04-30
	CFDA 93.958 - Block Grants for Community Mental Health Services	Special Tests and Provisions	04-31
Department of Protective and Regulatory Services	CFDA 93.658 - Foster Care - Title IV - E	Eligibility	04-38
	CFDA 93.556 - Promoting Safe and Stable Families CFDA 93.558 - Temporary Assistance for Needy Families CFDA - 93.658 - Foster Care - Title IV - E	Allowable Costs/Cost Principles	04-39
	CFDA 93.658 - Foster Care - Title IV - E Medicaid Cluster	Allowable Costs/ Cost Principles	04-32

<u>Agency/University</u>	<u>Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Texas A&M University - College Station	Student Financial Assistance Cluster	Special Tests and Provisions	04-40
Texas A&M University - Corpus Christi			04-42
Texas Southern University			04-44
			04-45
Texas Tech University			04-46
University of North Texas			04-51
University of Texas at Austin			04-57
University of Texas at El Paso			04-59
West Texas A&M University			04-60
University of Houston			Student Financial Assistance Cluster
University of Texas at Austin	Research and Development Cluster	Subrecipient Monitoring	04-54

In our opinion, based on our audit and the report of other auditors, because of the effects of the noncompliance described in the preceding paragraph, the State did not comply in all material respects, with the requirements referred to above that are applicable to:

- CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- CFDA 93.217 - Family Planning Services
- CFDA 93.268 - Immunization Grants
- CFDA 93.917 - HIV Care Formula Grants
- CFDA 93.940 - HIV Prevention Activities-Health Department Based
- CFDA 93.994 - Maternal and Child Health Services Block Grant to the States

In our opinion, based on our audit and the report of other auditors, except for the noncompliance described in the preceding two paragraphs and except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding compliance with the requirements described in the third preceding paragraph, the State complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended August 31, 2003, other than those requirements discussed in the following paragraph. The results of our auditing procedures and the report of other auditors also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items:

<u>Agency/University</u>	<u>Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Higher Education Coordinating Board	Student Financial Assistance Cluster-Loan Servicing of FFEL	Special Tests and Provisions	04-02
	CFDA 84.048 - Vocational Education-Basic Grants to States	Reporting	04-03
Texas Education Agency	CFDA 84.002 - Adult Education	Reporting	04-04

<b>Agency/University</b>	<b>Program</b>	<b>Compliance Requirement</b>	<b>Finding Number</b>
Health and Human Services Commission	Medicaid Cluster	Special Tests and Provisions	04-05
Department of Health	CFDA 93.917 - HIV Care Formula Grants	Allowable Costs/Cost Principles	04-09
	CFDA 93.940 - HIV Prevention Activities-Health Department Based	Allowable Costs/Cost Principles	04-14
	CFDA 93.268 - Immunization Grants	Special Tests and Provisions	04-15
Department of Housing and Community Affairs	CFDA 14.239 - HOME Investment Partnerships Program	Allowable Costs/Cost Principles	04-17
	CFDA 14.871 - Section 8 Housing Choice Vouchers	Reporting	04-19
		Eligibility	04-20
		Special Tests and Provisions	04-21 04-22
Department of Human Services	CFDA 93.566 - Refugee and Entrant Assistance - State Administered Programs	Allowable Costs/Cost Principles	04-29
Department of Mental Health and Mental Retardation	Medicaid Cluster	Cash Management	04-34
Department of Protective and Regulatory Services	CFDA 93.659 - Adoption Assistance	Eligibility	04-37
		Allowable Costs/Cost Principles	04-36
Texas A&M University - College Station	Student Financial Assistance Cluster	Reporting	04-41
Texas A&M University - Corpus Christi			04-43
Texas Tech University			04-47
University of Texas at Austin			04-55
University of Houston			04-49
University of Texas at Austin	Student Financial Assistance Cluster	Special Tests and Provisions	04-50
			04-56
			04-58
University of Texas at Austin	Research and Development Cluster	Cash Management	04-52

We did not audit compliance with requirements governing billing and collection of Perkins loans for certain portions of the State. Those requirements govern functions that are performed by Affiliated Computer Services, Inc. (ACS) and AMS Servicing Group. Since we did not apply auditing procedures to satisfy ourselves as to compliance with those requirements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements.

The service organizations' compliance with the requirements governing the functions that they perform was examined by other accountants whose reports have been furnished to us. The reports of the other accountants indicate that compliance with those requirements was examined in accordance with the Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Based on our review of the service organization accountants' reports, we have determined that all of the compliance requirements included in the *Compliance Supplement* that are applicable to the Student Financial Aid Cluster major program are addressed in either our report or the report of the respective service organization's accountants. Further, based on our review of the service organization accountants' reports, we have determined that they do not contain any findings of noncompliance that would have a direct and material effect on the Student Financial Aid Cluster major program.

### **Internal Control Over Compliance**

The management of the State is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the State's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Requirements governing billing and collection of Perkins loans are performed by the service organizations noted above. Internal control over compliance relating to such functions was reported on by other accountants in accordance with the Department of Education's Audit Guide, *Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers*. Copies of the service organizations accountants' reports have been furnished to us. However, the scope of our work did not extend to internal control maintained at the respective service organizations as noted above.

We and the other auditors noted certain matters involving the internal control over compliance and its operation that we and the other auditors consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State's ability to administer a major Federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants.

Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs, and are listed below excluding those reportable conditions we also consider to be material weaknesses:

<b>Agency/University</b>	<b>Program</b>	<b>Compliance Requirement</b>	<b>Finding Number</b>
Higher Education Coordinating Board	Student Financial Assistance Cluster - Loan Servicing of FFEL	Special Tests and Provisions	04-01 04-02
Health and Human Services Commission	Medicaid Cluster	Special Tests and Provisions	04-05
Department of Health	CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	Special Tests and Provisions	04-12

<b>Agency/University</b>	<b>Program</b>	<b>Compliance Requirement</b>	<b>Finding Number</b>		
Department of Health	CFDA 93.940 - HIV Prevention Activities-Health Department Based	Allowable Costs/Cost Principles	04-14		
	CFDA 93.283 - Center for Disease Control and Prevention-Investigations and Technical Assistance	Reporting	04-61		
Department of Housing and Community Affairs	CFDA 14.871 - Section 8 Housing Choice Vouchers	Special Tests and Provisions	04-23		
		Reporting	04-18		
Department of Human Services	CFDA 93.566- Refugee and Entrant Assistance - State Administered Programs	Allowable Costs/Cost Principles	04-29		
Department of Mental Health and Mental Retardation	Medicaid Cluster	Cash Management	04-34		
Department of Protective and Regulatory Services	CFDA 93.556 - Promoting Safe and Stable Families	Cash Management	04-35		
	CFDA 93.558 - Temporary Assistance for Needy Families				
	CFDA 93.658 - Foster Care - Title IV - E				
	CFDA 93.659 - Adoption Assistance				
	CFDA 93.667 - Social Services Block Grant				
	CFDA 93.659 - Adoption Assistance			Eligibility	04-37
	CFDA 93.658 - Foster Care - Title IV - E			Eligibility	04-38
	CFDA 93.556 - Promoting Safe and Stable Families CFDA 93.558 - Temporary Assistance for Needy Families CFDA - 93.658 - Foster Care - Title IV - E			Allowable Costs/Cost Principles	04-39
Texas A&M University - College Station	Student Financial Assistance Cluster	Special Tests and Provisions	04-40		
Texas Southern University			04-44		
			04-45		
Texas Tech University			04-46		

<u>Agency/University</u>	<u>Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
University of Houston	Student Financial Assistance Cluster	Special Tests and Provisions	04-49
University of North Texas			04-51
University of Texas at Austin			04-58
University of Texas at El Paso			04-59
Texas A&M University - Corpus Christi	Student Financial Assistance Cluster	Reporting	04-43
Texas A&M University - College Station			04-41
University of Houston			04-48
University of Texas at Austin	Research and Development Cluster	Cash Management	04-52
		Matching and Program Income	04-53
		Subrecipient Monitoring	04-54

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the following reportable conditions we and the other auditors also consider to be material weaknesses:

<u>Agency/University</u>	<u>Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Health	CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children CFDA 93.217 - Family Planning Services CFDA 93.268 - Immunization Grants CFDA 93.917 - HIV Care Formula Grants CFDA 93.940 - HIV Prevention Activities-Health Department Based CFDA 93.994 - Maternal and Child Health Services Block Grant to the States	Subrecipient Monitoring	04-07

<b>Agency/University</b>	<b>Program</b>	<b>Compliance Requirement</b>	<b>Finding Number</b>
Department of Health	CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	Cash Management	04-11
		Allowable Costs/Cost Principles	04-08
	CFDA 93.217 - Family Planning Services		
	CFDA 93.268 - Immunization Grants		
	CFDA 93.917 - HIV Care Formula Grants		
	CFDA 93.940 - HIV Prevention Activities-Health Department Based		
	CFDA 93.994 - Maternal and Child Health Services Block Grant to the States Medicaid Cluster		
	CFDA 93.917 - HIV Care Formula Grants	Earmarking	04-10
	CFDA 93.283 - Center for Disease Control and Prevention-Investigations and Technical Assistance	Subrecipient Monitoring	04-27
		Allowable Costs/Cost Principles	04-06
Cash Management		04-13	
Department of Housing and Community Affairs	CFDA 14.871 - Section 8 Housing Choice Vouchers	Special Tests and Provisions	04-24
	CFDA 14.239 - HOME Investment Partnership Program	Allowable Costs/Cost Principles	04-25
	CFDA 14.871 - Section 8 Housing Choice Vouchers		
	CFDA 93.568 - Low-Income Home Energy Assistance		
Department of Human Services	CFDA 93.558 - Temporary Assistance for Needy Families Food Stamps Cluster	Procurement, Suspension, and Debarment	04-28
Department of Mental Health and Mental Retardation	CFDA 93.958 - Block Grants for Community Mental Health Services Medicaid Cluster	Allowable Costs/Cost Principles	04-30
	CFDA 93.958 - Block Grants for Community Mental Health Services	Special Tests and Provisions	04-31

<u>Agency/University</u>	<u>Program</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Department of Mental Health and Mental Retardation	Medicaid Cluster	Special Tests and Provisions	04-33
Texas A&M University - Corpus Christi	Student Financial Assistance Cluster	Special Tests and Provisions	04-42
West Texas A&M University			04-60

This report is intended solely for the information and use of the Governor, the Members of the Texas State Legislature, Legislative Audit Committee, management of State agencies and universities, and all Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 23, 2004



**STATE OF TEXAS**

Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>Agency for International Development</b>					
Agency for International Development					
<i>Pass-through from Association Liaison Office/</i>					
<i>American Council On Education</i>					
	02.XXX	HNEA009700059	\$	\$ 32,295	\$ 32,295
<i>Pass-through from United Negro College Fund</i>					
	02.XXX	HNEA0098001560		17,770	17,770
Total - Agency for International Development					
			—	50,065	50,065
<b>Office of National Drug Control Policy</b>					
Office of National Drug Control Policy	07.XXX	I2PSWP561		15,489	15,489
Office of National Drug Control Policy	07.XXX	PHNP506		202,712	202,712
Office of National Drug Control Policy	07.XXX	PSWP562		209,369	209,369
Office of National Drug Control Policy	07.XXX	I1PSSP604		21,560	21,560
Office of National Drug Control Policy	07.XXX	I2PSSP604		168,453	168,453
Office of National Drug Control Policy	07.XXX	I1PSSP568		14,285	14,285
Office of National Drug Control Policy	07.XXX	I0PHNP519		7,162	7,162
Office of National Drug Control Policy	07.XXX	I1PHNP519		73,907	73,907
Office of National Drug Control Policy	07.XXX	I9PHNP519		4,490	4,490
Office of National Drug Control Policy	07.XXX	I2PHNP519		42,100	42,100
Office of National Drug Control Policy	07.XXX	I1PHNP525		2,688	2,688
Office of National Drug Control Policy	07.XXX	I2PHNP531		109,086	109,086
Office of National Drug Control Policy	07.XXX	I2PSWP579		14,960	14,960
Office of National Drug Control Policy	07.XXX	I3PSWP579		5,594	5,594
Office of National Drug Control Policy	07.XXX	I1PHNP507		111,948	111,948
Office of National Drug Control Policy	07.XXX	I0PSWP560		17,811	17,811
Office of National Drug Control Policy	07.XXX	I1PSWP559		2,565	2,565
Office of National Drug Control Policy	07.XXX	I2PSWP559		6,514	6,514
Office of National Drug Control Policy	07.XXX	I1PSSP575		1,184	1,184
Office of National Drug Control Policy	07.XXX	I2PSSP575		178,027	178,027
Office of National Drug Control Policy	07.XXX	I0PSWP567		2,143	2,143
Office of National Drug Control Policy	07.XXX	I2PSWP567		5,120	5,120
Office of National Drug Control Policy	07.XXX	I3PSWP567		1,033	1,033
Office of National Drug Control Policy	07.XXX	I2PSSP578		223,797	223,797
Office of National Drug Control Policy	07.XXX	I3PSWP567		554,318	554,318
Office of National Drug Control Policy	07.XXX	I1PSSP608		4,393	4,393
Total - Office of National Drug Control Policy					
			—	2,000,708	2,000,708
<b>Peace Corps</b>					
Strategy Contract for Peace Corps Recruitment	08.XXX	01-187-2019		14,944	14,944
Total - Peace Corps					
			—	14,944	14,944
<b>U.S. Department of Agriculture</b>					
U.S. Department of Agriculture	10.XXX	4		51,225	51,225
U.S. Department of Agriculture	10.XXX	491344		1,424	1,424
U.S. Department of Agriculture	10.XXX	SRS-03-CR-11330128-178		853	853
U.S. Department of Agriculture	10.XXX	03-CS-11081301-020		8,812	8,812
<i>Pass-through from Southern U.S.</i>					
<i>Trade Association</i>					
Agricultural Research--Basic and Applied Research	10.XXX	10301		62,663	62,663
Plant and Animal Disease, Pest Control,	10.001			385,501	385,501
and Animal Care	10.025		39,287	4,050,228	4,089,515
Emergency Conservation Program	10.054			125,695	125,695
Forestry Incentives Program	10.064			87	87
Conservation Reserve Program	10.069			9,339	9,339

# STATE OF TEXAS

## Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Agriculture (continued)</b>					
Market News	10.153			21,000	21,000
Market Protection and Promotion	10.163			806,487	806,487
Grants for Agricultural Research, Special Research Grants	10.200			20,364	20,364
<i>Pass-through from Southern Regional     Aquaculture Center</i>	10.200	2001-38500-10307		746	746
<i>Pass-through from University of Florida</i>	10.200	L86847		8,146	8,146
<i>Pass-through from University of Georgia</i>	10.200	RD309-040/3581347		16,263	16,263
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205			2,705,577	2,705,577
Grants for Agricultural Research--Competitive Research Grants	10.206			26,273	26,273
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210			(1,417)	(1,417)
Sustainable Agriculture Research and Education	10.215			304	304
Higher Education Challenge Grants	10.217			74,243	74,243
Hispanic Serving Institutions Education Grants	10.223			552,803	552,803
<i>Pass-through from St Edwards University</i>	10.223	SEU 00-01		19,635	19,635
Fund for Rural America--Research, Education, and Extension Activities	10.224			19,765	19,765
<i>Pass-through from New Mexico State University</i>	10.224	2001-36201		2,787	2,787
<i>Pass-through from North Carolina     State University</i>	10.224	00-1320-2-7A		32,560	32,560
<i>Pass-through from Purdue University</i>	10.224	593-0344-02		4,733	4,733
Community Food Projects					
<i>Pass-through from South Plains Food Bank</i>	10.225	13541273		(66)	(66)
Initiative for Future Agriculture and Food Systems					
<i>Pass-through from University of Wisconsin</i>	10.302	593A342		45,926	45,926
Integrated Programs	10.303			334,501	334,501
<i>Pass-through from North Carolina     State University</i>	10.303	2000-1728-04		105,839	589,238
<i>Pass-through from University of Florida</i>	10.303	SC000453-1-6	483,399	98,589	98,589
<i>Pass-through from University of     Nebraska Lincoln</i>	10.303	25-6326-0105002/ 25-6231-0078003		93,706	93,706
Homeland Security - Agriculture	10.304		66,734	463,315	530,049
Interest Assistance Program	10.437			100	100
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443			76,145	76,145
Crop Insurance	10.450			13,857	13,857
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			4,069,271	4,069,271
Cooperative Extension Service	10.500		568,448	21,128,686	21,697,134
<i>Pass-through from Alabama     Cooperative Extension</i>	10.500	ACES/ASATP-YD-7-03		71,312	71,312
<i>Pass-through from American Distance     Education Consortium</i>	10.500	2002-45055-01425		20,272	20,272
<i>Pass-through from Auburn University</i>	10.500	ACES/ASATP-YD-7		6,125	6,125
<i>Pass-through from Kansas State University</i>	10.500	S01034		4,840	4,840
<i>Pass-through from Kansas State University</i>	10.500	S03046		48	48
<i>Pass-through from Missouri Department     of Conservation</i>	10.500	01105711-2		1,709	1,709
<i>Pass-through from National 4-H Council</i>	10.500	2002-45201-01528		4,086	4,086
<i>Pass-through from North Carolina     Cooperative Extension</i>	10.500	2000-0352-18		19,076	19,076

# STATE OF TEXAS

## Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Agriculture (continued)</b>					
Cooperative Extension Service (continued)					
<i>Pass-through from North Carolina</i>					
Cooperative Service	10.500	2000-0352-13		4,434	4,434
<i>Pass-through from North Carolina</i>					
State University	10.500	1999-0415-10		75	75
<i>Pass-through from North Carolina</i>					
State University	10.500	2002-0783-04		5,000	5,000
Pass-through from University of Arkansas	10.500	2001-110		37,552	37,552
Pass-through from University of Georgia	10.500	RE675-108/5814197		11,586	11,586
Food Donation	10.550		74,914,958	688,138	75,603,096
Special Supplemental Nutrition Program for					
Women, Infants, and Children	10.557		87,137,901	323,616,346	410,754,247
Child and Adult Care Food Program	10.558		151,005,796	5,302,959	156,308,755
State Administrative Expenses for Child Nutrition	10.560		3,068,183	8,308,486	11,376,669
Commodity Supplemental Food Program	10.565		1,712,142	408,406	2,120,548
Nutrition Services Incentive	10.570		4,777,960	668,806	5,446,766
WIC Farmers' Market Nutrition Program	10.572		233,677	1,225,975	1,459,652
Team Nutrition Grants	10.574			(3,234)	(3,234)
Foreign Market Development Cooperator Program	10.600		30,044	101,575	131,619
Forest Land Enhancement Program	10.663			63,011	63,011
Cooperative Forestry Assistance	10.664			5,446,838	5,446,838
Rural Development, Forestry, and Communities	10.672			343,046	343,046
Rural Cooperative Development Grants	10.771		15,000	459,231	474,231
Distance Learning and Telemedicine					
Loans and Grants	10.855		56,514	41,022	97,536
Environmental Quality Incentives Program	10.912			14,727	14,727
Wildlife Habitat Incentive Program	10.914			103	103
Scientific Cooperation and Research	10.961			33,438	33,438
International Training--Foreign Participant	10.962			47,431	47,431
<i>Pass-through from University of</i>					
Nebraska Lincoln	10.962	CK 490802290		2,629	2,629
Assist Agriculture Producers	10.990			20,000,000	20,000,000
Total - U.S. Department of Agriculture			344,110,043	382,391,013	726,501,056
<b>U.S. Department of Commerce</b>					
U.S. Department of Commerce					
<i>Pass-through from S. C. Sea Grant Consortium</i>					
Economic Development--Technical Assistance	11.303	NA86R0052		19,075	19,075
Research and Evaluation Program	11.312			99,773	99,773
Trade Adjustment Assistance	11.313			1,101,700	1,101,700
Sea Grant Support	11.417			19,834	19,834
Coastal Zone Management Administration Awards	11.419		4,658,861	1,654,406	6,313,267
Office of Oceanic and Atmospheric Research					
Joint and Cooperative Institutes	11.432			500,000	500,000
Regional Fishery Management Councils	11.441			123,762	123,762
Coastal Services Center	11.473			16,154	16,154
Center for Sponsored Coastal Ocean Research--					
Coastal Ocean Program	11.478			68,221	68,221
Educational Partnership Program	11.481			73,894	73,894
<i>Pass-through from Howard University</i>					
Public Telecommunications Facilities--	11.481	634554-159		176,376	176,376
Planning and Construction	11.550		1,234,030	388,980	1,623,010
Technology Opportunities	11.552		296,898	418,657	715,555
Manufacturing Extension Partnership	11.611		638,057	2,091,633	2,729,690

# STATE OF TEXAS

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For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Commerce (continued)</b>					
Minority Business Development Centers	11.800			249,433	249,433
Minority Business Opportunity Committee	11.803			161,370	161,370
Total - U.S. Department of Commerce			6,827,846	8,198,929	15,026,775
<b>U.S. Department of Defense</b>					
U.S. Department of Defense	12.XXX	2102		40,562	40,562
U.S. Department of Defense	12.XXX	AFROTCCR170-1MU		47,810	47,810
U.S. Department of Defense	12.XXX	DATM05-02-C0046		187,198	187,198
U.S. Department of Defense	12.XXX	115206		31,896	31,896
U.S. Department of Defense	12.XXX	DADA09-03-P0568		29,989	29,989
U.S. Department of Defense	12.XXX	MDA904-02-1-0221		213,700	213,700
U.S. Department of Defense	12.XXX	DAAD19-00-1-0547		100,149	100,149
U.S. Department of Defense	12.XXX	95-Lubbock		91,105	91,105
U.S. Department of Defense	12.XXX	02-Lubbock		401,358	401,358
U.S. Department of Defense	12.XXX	56003	232,652		232,652
U.S. Department of Defense	12.XXX	W45MA20171591		4,655	4,655
<i>Pass-through from Geomedia Research &amp; Development</i>	12.XXX	DACA42-02-C-003		42,939	42,939
<i>Pass-through from High Performance Technologies Inc.</i>	12.XXX	GS04501BFC		16,592	16,592
<i>Pass-through from State of Arizona</i>	12.XXX	KR95-0979 AL		1,572	1,572
<i>Pass-through from Weston Solutions, Inc.</i>	12.XXX	34143		6,357	6,357
Procurement Technical Assistance for Business Firms	12.002		1,636	578,022	579,658
Aquatic Plant Control	12.100			54,327	54,327
Flood Control Projects	12.106			66,190	66,190
Planning Assistance to States <i>Pass-through from TRW, Inc</i>	12.110	340575430		927,850	927,850
Payments to States in Lieu of Real Estate Taxes	12.112			1,409,281	1,409,281
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			868,346	868,346
Collaborative Research and Development	12.114			12,220	12,220
Basic and Applied Scientific Research <i>Pass-through from Consortium for Oceanographic Research</i>	12.300	603600		15,030	15,030
Military Construction, National Guard	12.400			9,595,155	9,595,155
National Guard Military Operations and Maintenance (O&M) Projects	12.401			25,015,028	25,015,028
Readiness Sustainment Maintenance Program	12.402			5,294,516	5,294,516
National Guard Civilian Youth Opportunities	12.404			2,027,830	2,027,830
Military Medical Research and Development	12.420			1,072,712	1,072,712
Basic Scientific Research <i>Pass-through from Academy of Applied Science</i>	12.431	DAAD19-99-1-0006		4,538	4,538
<i>Pass-through from University of Illinois- Champaign Urban</i>	12.431	398571 / DAAD19-01-1-0676	27,244		27,244
<i>Pass-through from University of Washington</i>	12.431	398571 / DAAD19-01-1-0676		105,127	105,127
Community Economic Adjustment	12.600			152,177	152,177
Basic, Applied, and Advanced Research in Science and Engineering	12.630			10,487	10,487
Air Force Defense Research Sciences Program	12.800			493,409	493,409
<i>Pass-through from Systems and Materials Research</i>	12.800	SMRC039-1		36,986	36,986
Research and Technology Development	12.910			191,825	191,825
Total - U.S. Department of Defense			261,532	49,330,468	49,592,000

# STATE OF TEXAS

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For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Housing and Urban Development</b>					
U.S. Department of Housing and Urban Development	14.XXX	DAL-VI-160		17,916	17,916
U.S. Department of Housing and Urban Development	14.XXX	251		95,642	95,642
U.S. Department of Housing and Urban Development	14.XXX	H-502-5514		269,758	269,758
U.S. Department of Housing and Urban Development	14.XXX	SA-265-1000 (S)		48,802	48,802
U.S. Department of Housing and Urban Development	14.XXX	CH-TEX-275		14,908	14,908
U.S. Department of Housing and Urban Development	14.XXX	CH-TEX-2925		43,275	43,275
U.S. Department of Housing and Urban Development	14.XXX	CH TEX 293		84,004	84,004
U.S. Department of Housing and Urban Development	14.XXX	CH-TEX-250D-300630		93,330	93,330
U.S. Department of Housing and Urban Development	14.XXX	HBCU-TX-01-019		188,492	188,492
Community Development Block Grants/ State's Program	14.228		84,595,059	2,411,972	87,007,031
Emergency Shelter Grants Program	14.231		4,504,602	351,610	4,856,212
Supportive Housing Program					
<i>Pass-through from Harris County</i>					
<i>Housing and Community</i>	14.235	27243		371,571	371,571
<i>Pass-through from Harris County</i>					
<i>Housing and Community</i>	14.235	58618		431,020	431,020
<i>Pass-through from Harris County</i>					
<i>Housing and Community</i>	14.235	58634		158,413	158,413
<i>Pass-through from Harris County</i>					
<i>Housing and Community</i>	14.235	60430		84,485	84,485
Historically Black Colleges and Universities Program	14.237			92,141	92,141
HOME Investment Partnerships Program	14.239		28,579,747	2,486,627	31,066,374
Housing Opportunities for Persons with AIDS	14.241		2,226,221		2,226,221
Community Development Block Grants/ Economic Development Initiative	14.246			206,041	206,041
Rural Housing and Economic Development	14.250			144,389	144,389
Fair Housing Assistance Program--State and Local	14.401			952,751	952,751
Community Outreach Partnership Center Program	14.511			180,189	180,189
Community Development Work-Study Program	14.512			97,113	97,113
Hispanic-Serving Institutions Assisting Communities	14.514			324,350	324,350
Doctoral Dissertation Research Grants	14.516			20,856	20,856
Public and Indian Housing					
<i>Pass-through from Lubbock Housing Authority</i>	14.850	1352A654/13524582		76,832	76,832
Section 8 Housing Choice Vouchers	14.871			10,233,953	10,233,953
Total - U.S. Department of Housing and Urban Development				119,905,629	139,386,069
<b>U.S. Department of the Interior</b>					
U.S. Department of the Interior	15.XXX	02FC601639		1,754	1,754
U.S. Department of the Interior	15.XXX	GDA000012		124,951	124,951
U.S. Department of the Interior	15.XXX	1448-20181-01-G944		9,936	9,936
U.S. Department of the Interior	15.XXX	1448-20181-99-G959		5,557	5,557
U.S. Department of the Interior	15.XXX	H174002001		3,296	3,296
U.S. Department of the Interior	15.XXX	BBO		50,000	50,000
U.S. Department of the Interior	15.XXX	00-FC-40-3950		5,020	5,020
U.S. Department of the Interior	15.XXX	FFA		49,737	49,737
U.S. Department of the Interior	15.XXX	FFB		20,914	20,914
Wildland Urban Interface Community and Rural Fire Assistance	15.228			107,165	107,165
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250			1,428,592	1,428,592
Abandoned Mine Land Reclamation Program	15.252			2,446,090	2,446,090

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For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of the Interior (continued)</b>					
Irrigation System Rehabilitation and Betterment	15.502			15,000	15,000
Water Reclamation and Reuse Program	15.504			4,575	4,575
Fish and Wildlife Management Assistance	15.608			33,078	33,078
<i>Pass-through from Urs Group, Inc.</i>	15.608	DACA56-01-G-0001		2,886	2,886
Coastal Wetlands Planning, Protection and Restoration Act	15.614			647,307	647,307
Cooperative Endangered Species Conservation Fund <i>Pass-through from Boy Scouts of America</i>	15.615	BSACAC 1-4 6		82,323	82,323
Clean Vessel Act	15.616			77,315	77,315
Sportfishing and Boating Safety Act	15.622			35,486	35,486
Wildlife Conservation and Restoration	15.625			638,160	638,160
Hunter Education and Safety Program	15.626			791,842	791,842
State Wildlife Grants	15.634			2,168,904	2,168,904
Earthquake Hazards Reduction Program	15.807			44,412	44,412
U.S. Geological Survey--Research and Data Acquisition	15.808			1,082,089	1,082,089
National Spatial Data Infrastructure Cooperative Agreements Program	15.809			159,199	159,199
Historic Preservation Fund Grants-In-Aid	15.904		139,050	924,485	1,063,535
National Natural Landmarks Program	15.910			1,231	1,231
Outdoor Recreation--Acquisition, Development and Planning	15.916			2,232,909	2,232,909
Native American Graves Protection and Repatriation Act	15.922			15,586	15,586
Total - U.S. Department of the Interior			<u>139,050</u>	<u>13,209,799</u>	<u>13,348,849</u>
<b>U.S. Department of Justice</b>					
U.S. Department of Justice	16.XXX	I3PHNP509		55,172	55,172
U.S. Department of Justice	16.XXX	I1PHNP522		44,045	44,045
U.S. Department of Justice	16.XXX	I2PHNP522		339,202	339,202
U.S. Department of Justice	16.XXX	I2PHNP530		24,906	24,906
U.S. Department of Justice	16.XXX	I3PHNP522		147,924	147,924
State Domestic Preparedness Equipment Support Program	16.007			25,197,681	25,197,681
State and Local Domestic Preparedness Training Programs	16.008			3,006	3,006
State and Local Domestic Preparedness Exercise Support	16.009			578,773	578,773
Offender Reentry Program	16.202			41,005	41,005
Juvenile Accountability Incentive Block Grants <i>Pass-through from Houston/ Galveston Area Council</i>	16.523		12,230,694	2,895,844	15,126,538
Juvenile Justice and Delinquency Prevention-- Allocation to States <i>Pass-through from Houston/ Galveston Area Council</i>	16.523	JB-00-J20-13383-04		13,648	13,648
Juvenile Justice and Delinquency Prevention-- Allocation to States <i>Pass-through from Houston/ Galveston Area Council</i>	16.540		5,724,507	324,369	6,048,876
Juvenile Justice and Delinquency Prevention-- Allocation to States <i>Pass-through from Houston- Galveston Area Council</i>	16.540	JB-00-J20-13383-04		38,401	38,401
Juvenile Justice and Delinquency Prevention Special Emphasis <i>Pass-through from Houston- Galveston Area Council</i>	16.540	JA-013-201-03		63,514	63,514
Juvenile Justice and Delinquency Prevention Special Emphasis	16.541			13,519	13,519
Title V--Delinquency Prevention Program	16.548		3,150,089		3,150,089
Part E--State Challenge Activities	16.549		682,262		682,262
State Justice Statistics Program for Statistical Analysis Centers	16.550			48,398	48,398

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Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Justice (continued)</b>					
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			3,951,988	3,951,988
Crime Laboratory Improvement--Combined Offender DNA Index System Backlog Reduction	16.564			1,184,676	1,184,676
Crime Victim Assistance	16.575		24,790,418	525,609	25,316,027
Crime Victim Compensation	16.576			1,705,000	1,705,000
Byrne Formula Grant Program	16.579		28,771,867	6,112,852	34,884,719
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580			887,431	887,431
Crime Victim Assistance/Discretionary Grants	16.582			174,252	174,252
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586			12,451,822	12,451,822
Violence Against Women Formula Grants	16.588		9,434,338	284,123	9,718,461
Comprehensive Approaches to Sex Offender Management	16.591			161,509	161,509
Local Law Enforcement Block Grants Program	16.592		110,953	1,710,019	1,820,972
Residential Substance Abuse Treatment for State Prisoners	16.593		6,319,432	684,076	7,003,508
Corrections--Technical Assistance/Clearinghouse	16.603			90,770	90,770
State Criminal Alien Assistance Program	16.606			154,889	154,889
Bulletproof Vest Partnership Program	16.607			55,323	55,323
Community Prosecution and Project Safe Neighborhoods	16.609			29,826	29,826
Public Safety Partnership and Community Policing Grants	16.710			350,909	350,909
Troops to COPS	16.711			101,781	101,781
Police Corps	16.712			202,317	202,317
Enforcing Underage Drinking Laws Program	16.727		45,405	356,455	401,860
National Incident Based Reporting System	16.733			306,335	306,335
Total - U.S. Department of Justice			<u>91,259,965</u>	<u>61,311,369</u>	<u>152,571,334</u>
<b>U.S. Department of Labor</b>					
U.S. Department of Labor					
<i>Pass-through from South TX Community College</i>	17.XXX	AH-121-88-0260		74,184	74,184
Labor Force Statistics	17.002			3,886,869	3,886,869
Compensation and Working Conditions	17.005			248,824	248,824
Labor Certification for Alien Workers	17.203			1,659,770	1,659,770
Unemployment Insurance	17.225		65,005	3,059,050,066	3,059,115,071
Senior Community Service Employment Program	17.235		5,015,469	27,597	5,043,066
Trade Adjustment Assistance--Workers	17.245			38,625,023	38,625,023
Employment and Training Assistance - Dislocated Workers					
<i>Pass-through from Hispanic Association of Colleges</i>	17.246	602520		29,001	29,001
Employment and Training Assistance - Pilot Project	17.249		972,337	324,396	1,296,733
<i>Pass-through from Houston Galveston Area Council</i>	17.249	219-01/AH108510060		5,352	5,352
Job Training Partnership Act	17.250			10,771	10,771
<i>Pass-through from Cameron Works</i>	17.250	00-IIB-018		(501)	(501)
<i>Pass-through from Cameron Works</i>	17.250	01-IIB-018		(1,428)	(1,428)
<i>Pass-through from Deep Eastex Cog</i>	17.250	P97-0R97		(35)	(35)
<i>Pass-through from Heart of Texas Council</i>	17.250	c8-10840		60	60
<i>Pass-through from Hildalgo Dept of Community</i>	17.250	00-WIASYP08		22,749	22,749

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For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Labor (continued)</b>					
Job Training Partnership Act (continued)					
<i>Pass-through from Lower Rio Grande</i>					
Valley Workforce Development Board	17.250	22-WIA2002-SWTS-01		95,140	95,140
<i>Pass-through from Middle Rio Grande Development Council</i>					
Grande Development Council	17.250	04cy99-IIB,03CY99-IIB		65,020	65,020
<i>Pass-through from South Texas</i>					
Workforce Development Board	17.250	013-2002		19,767	19,767
<i>Pass-through from South Texas</i>					
Workforce Development Board	17.250	74-2328157		130,866	130,866
Welfare-to-Work Grants to States and Localities	17.253		17,470,163	2,000,320	19,470,483
<i>Pass-through from South Plains</i>					
Regional Workforce Development Board	17.253	WTW01PY2002		129,651	129,651
Employment and Training Pilots	17.261		414,073	53,341	467,414
<i>Pass-through from South Plains</i>					
Workforce Board					
Employment and Training Administration	17.261	AH-12465-02-06	532,854	930,791	1,463,645
<i>Pass-through from South Texas</i>					
Community College	17.261	AH1218802		159,490	159,490
WIA Incentive Grants--Section 503 Grants to States	17.267		1,424,829	713,321	2,138,150
Occupational Safety and Health--					
Susan Harwood Training Grants	17.502			330,890	330,890
Consultation Agreements	17.504			2,617,111	2,617,111
Mine Health and Safety Grants	17.600			58,906	58,906
Veterans' Employment Program	17.802		854,367	3,799	858,166
Total - U.S. Department of Labor			<u>26,749,097</u>	<u>3,111,271,111</u>	<u>3,138,020,208</u>
<b>U.S. Department of State</b>					
U.S. Department of State	19.XXX	1311A612		39,414	39,414
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union					
<i>Pass-through from Nat'l Council for Eurasian and E Eu</i>					
Eurasian and E Eu	19.300	394917		30,000	30,000
Educational Partnerships Program	19.424			110,259	110,259
Total - U.S. Department of State			<u>—</u>	<u>179,673</u>	<u>179,673</u>
<b>U.S. Department of Transportation</b>					
U.S. Department of Transportation	20.XXX	DDEHBC-03X-00154		25,911	25,911
U.S. Department of Transportation	20.XXX	DTFH61-02-X00098		15,331	15,331
<i>Pass-through from New Mexico State University</i>					
Pass-through from Penn State University	20.XXX	DTFH61-00-X00098		241	241
<i>Pass-through from South Carolina State University</i>					
State University	20.XXX	02-4479419-NST-TS-TX		36,355	36,355
Boating Safety Financial Assistance	20.005			2,017,327	2,017,327
Airport Improvement Program	20.106			26,156,937	26,156,937
Highway Training and Education	20.215			19,069	19,069
National Motor Carrier Safety	20.218			21,540,110	21,540,110
Recreational Trails Program	20.219			645,135	645,135
Federal Transit Grants for University					
Research and Training	20.502			39,826	39,826
Federal Transit--Metropolitan Planning Grants	20.505		3,296,571		3,296,571
Formula Grants for Other Than Urbanized Areas	20.509		24,487,373		24,487,373
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		4,636,502		4,636,502
State Planning and Research	20.515		720,256		720,256



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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Transportation (continued)</b>					
Job Access--Reverse Commute	20.516		239,083		239,083
Pipeline Safety	20.700			1,955,921	1,955,921
University Transportation Centers Program <i>Pass-through from TX AandM Research Foundation</i>	20.701	S900159, AMD 4, Task 9		149,249	149,249
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		123,415	324,059	447,474
National Pipeline Mapping System	20.714			10,647	10,647
U.S. Merchant Marine Academy	20.807			258,170	258,170
Hispanic Serving Institutions--Entrepreneurial Training and Technical Assistance	20.906			30,435	30,435
Total - U.S. Department of Transportation			<u>33,503,200</u>	<u>53,286,009</u>	<u>86,789,209</u>
<b>U.S. Department of Treasury</b>					
U.S. Department of Treasury	21.XXX	CAIP#2000-048-TA		56,541	56,541
State Fiscal Relief Block Grant	21.000	463600001		354,535,282	354,535,282
Low-Income Taxpayer Clinics	21.008			74,873	74,873
Gang Resistance Education and Training	21.053			88,758	88,758
Total - U.S. Department of Treasury			<u>—</u>	<u>354,755,454</u>	<u>354,755,454</u>
<b>Office of Personnel Management</b>					
Intergovernmental Personnel Act (IPA) Mobility Program	27.011			405,519	405,519
Total - Office of Personnel Management			<u>—</u>	<u>405,519</u>	<u>405,519</u>
<b>Equal Employment Opportunity Commission</b>					
Employment Discrimination--State and Local Fair Employment Practices Agency Contracts	30.002			641,100	641,100
Employment Discrimination--Title I of The Americans with Disabilities Act	30.011			3,913	3,913
Total - Equal Employment Opportunity Commission			<u>—</u>	<u>645,013</u>	<u>645,013</u>
<b>Federal Mediation and Conciliation Service</b>					
Labor Mediation and Conciliation	34.001			48,495	48,495
Total - Federal Mediation and Conciliation Service			<u>—</u>	<u>48,495</u>	<u>48,495</u>
<b>General Services Administration</b>					
Donation of Federal Surplus Personal Property	39.003			6,112,825	6,466,157
Total - General Services Administration			<u>6,112,825</u>	<u>353,332</u>	<u>6,466,157</u>
<b>National Aeronautics and Space Administration</b>					
National Aeronautics and Space Administration	43.XXX	NAG9-1064		1,277	1,277
National Aeronautics and Space Administration	43.XXX	NAG5-11070		24,600	24,600
National Aeronautics and Space Administration	43.XXX	NCC5-13396		365,631	365,631
National Aeronautics and Space Administration	43.XXX	416075-6		10,467	10,467
National Aeronautics and Space Administration	43.XXX	NAG9-1496		46,258	46,258
National Aeronautics and Space Administration	43.XXX	NAG-1304		4,349	4,349
National Aeronautics and Space Administration	43.XXX	NAG9-1406		23,737	23,737
National Aeronautics and Space Administration	43.XXX	STS-107		5,812	5,812
National Aeronautics and Space Administration	43.XXX	NCC5-438		111,432	111,432
<i>Pass-through from Iges, Inc.</i>	43.XXX	01HO12		10,000	10,000
Aerospace Education Services Program <i>Pass-through from Nat'l Action Council for Minorities</i>	43.001	748749	899,096	915,707	1,814,803
	43.001			29,267	29,267

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>National Aeronautics and Space Administration (continued)</b>					
Aerospace Education Services Program (continued)					
<i>Pass-through from Society of Hispanic     Professional Engineers</i>	43.001	NAG3-2299		935	935
<i>Pass-through from Society of Mexican     American Engineers</i>	43.001	NASA/MAES		3,213	3,213
<i>Pass-through from University of Alabama</i>	43.001	NAG5-9388		1,759	1,759
Technology Transfer	43.002		291,309	815,766	1,107,075
Total - National Aeronautics and Space Administration			<u>1,190,405</u>	<u>2,370,210</u>	<u>3,560,615</u>
<b>National Foundation on the Arts and the Humanities</b>					
National Foundation on the Arts and the Humanities	45.XXX	278181282		(720)	(720)
Promotion of the Arts--Grants to Organizations and Individuals	45.024			37,153	37,153
<i>Pass-through from Cultural Arts     Council of Houston</i>	45.024	GAPO2003-125		64,647	64,647
Promotion of the Arts--Partnership Agreements	45.025			760,500	760,500
Promotion of the Humanities--Federal/ State Partnership	45.129			55,262	55,262
<i>Pass-through from Texas Council     for the Humanities</i>	45.129	#2002-2827		(93)	(93)
<i>Pass-through from Texas Council     for the Humanities</i>	45.129	2003-2910		4,640	4,640
<i>Pass-through from Texas Council     for The Humanities</i>	45.129	TCH #2003-2906		4,160	4,160
<i>Pass-through from Texas Council     for The Humanities</i>	45.129	2002-2837		27,006	27,006
<i>Pass-through from United Negro College Fund</i>	45.129	2001-2777		2,428	2,428
Promotion of the Humanities--Challenge Grants	45.130			18,393	18,393
Promotion of the Humanities--Division of Preservation and Access	45.149			534,538	534,538
Promotion of the Humanities-- Fellowships and Stipends	45.160			116	116
Promotion of the Humanities--Seminars and Institutes	45.163			136,470	136,470
Promotion of the Humanities--Public Programs	45.164			65,678	65,678
Promotion of the Humanities--Extending the Reach Grants to Underserved Areas	45.166			1,350	1,350
Promotion of the Humanities--Extending the Reach Grants to Presidentially-Designated Minority Institutions	45.167			24,354	24,354
Institute of Museum and Library Services	45.301			54,221	54,221
State Library Program	45.310			8,940,951	8,940,951
<i>Pass-through from Houston Academy of Med-     TX Medical Center Library</i>	45.310	479-03032		8,668	8,668
Institute of Museum and Library Services-- National Leadership Grants	45.312			56,897	56,897
Total - National Foundation on the Arts and the Humanities			<u>—</u>	<u>10,796,619</u>	<u>10,796,619</u>
<b>National Science Foundation</b>					
National Science Foundation	47.XXX	115247		4,146	4,146
National Science Foundation	47.XXX	NOYCE SCHO		133,031	133,031
<i>Pass-through from Brownsville Independent     School District</i>	47.XXX	ESR-9908000		27,564	27,564
<i>Pass-through from Comap</i>	47.XXX	DUE-9555414		66,750	66,750

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<b>National Science Foundation (continued)</b>					
National Science Foundation (continued)					
<i>Pass-through from Houston Independent</i>					
<i>School District</i>	47.XXX	HU-LNC-2003		18,560	18,560
<i>Pass-through from Tennessee State University</i>	47.XXX	HRD-0206028		57,590	57,590
<i>Pass-through from University of Florida</i>	47.XXX	ACI-0086044		88,687	88,687
Engineering Grants	47.041			109,040	109,040
Mathematical and Physical Sciences	47.049			381,435	381,435
<i>Pass-through from Brownsville Independent</i>					
<i>School District</i>	47.049	ESR-9908000		67,919	67,919
<i>Pass-through from Rice University</i>	47.049	R37131-84600001		23,015	23,015
<i>Pass-through from University of Florida</i>	47.049	UF01076		23,484	23,484
<i>Pass-through from University of Notre Dame</i>	47.049	13541783		4,928	4,928
Geosciences	47.050			33,829	33,829
Computer and Information Science and Engineering					
<i>Pass-through from United States</i>					
<i>Military Academy</i>	47.070	DUE9455980		3,431	3,431
Biological Sciences	47.074			7,247	7,247
Social, Behavioral, and Economic Sciences	47.075			122,165	122,165
<i>Pass-through from Ohio State University</i>					
<i>Research Foundation</i>	47.075	740750		2,000	2,000
Education and Human Resources	47.076		166,554	5,068,155	5,234,709
<i>Pass-through from Baylor College of Medicine</i>	47.076	HRD-0080662		5,226	5,226
<i>Pass-through from Collin County</i>					
<i>Community College District</i>	47.076	752037156		18,434	18,434
<i>Pass-through from Houston Independent</i>					
<i>School District</i>	47.076	ESR-9816227		961	961
<i>Pass-through from Houston Independent</i>					
<i>School District</i>	47.076	HU-LINC		1,531	1,531
<i>Pass-through from New Mexico State University</i>	47.076	Q00792		2,397	2,397
Total - National Science Foundation			166,554	6,271,525	6,438,079
<b>Small Business Administration</b>					
Small Business Administration	59.XXX	SBA-HQ-01-J-0026		134,447	134,447
Small Business Administration	59.XXX	1322/A280-02		12,000	12,000
Small Business Administration	59.XXX	SBAHQ-02-R-0008		63,083	63,083
Small Business Administration	59.XXX	1322		30,345	30,345
Business Development Assistance to Small Business	59.005			177,478	177,478
Small Business Development Center	59.037		1,564,071	3,056,357	4,620,428
<i>Pass-through from American Liaison Office</i>					
<i>Pass-through from Dallas County</i>	59.037	732678		16,071	16,071
<i>Community College</i>					
<i>Pass-through from Occupational Safety Systems</i>	59.037	02-7620-0046-16		77,951	77,951
<i>Pass-through from Science/Engineering Alliance</i>	59.037	DFWP1		2,501	2,501
<i>Pass-through from The University of Iowa</i>	59.037	SEA/EPA0014		5,066	5,066
<i>Pass-through from The University of Iowa</i>	59.037	3900-75		376,023	376,023
Women's Business Ownership Assistance	59.043			98,610	98,610
Veterans Entrepreneurial Training and Counseling	59.044			138,256	138,256
Total - Small Business Administration			1,564,071	4,188,188	5,752,259
<b>Department of Veterans Affairs</b>					
Department of Veterans Affairs	64.XXX	100812		964,682	964,682
<i>Pass-through from Datatrac Information Service</i>	64.XXX	30010721568		55,389	55,389
Grants to States for Construction of					
State Home Facilities	64.005			802,397	802,397
Veterans Prosthetic Appliances	64.013			19,714	19,714

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<b>Department of Veterans Affairs (continued)</b>					
All-Volunteer Force Educational Assistance	64.124			768,021	768,021
Vocational and Educational Counseling for Servicemembers and Veterans	64.125			11,369	11,369
Total - Department of Veterans Affairs			—	2,621,572	2,621,572
<b>Environmental Protection Agency</b>					
Environmental Protection Agency	66.XXX	CS-48000101 C480001-04, C480001-06,	109,664		109,664
Environmental Protection Agency	66.XXX	C480001-07	19,147,393	1,153,821	20,301,214
Environmental Protection Agency	66.XXX	HG-98623601	906,181		906,181
Air Pollution Control Program Support	66.001		34,906	344,095	379,001
Air Information Center					
<i>Pass-through from National Air Toxics     Research Center</i>	66.009	CX820454		484,340	484,340
State Indoor Radon Grants	66.032			4,001	4,001
Surveys, Studies Investigations, Demonstrations and Special Purpose Activities Relating to Clean Air Act					
<i>Pass-through from University of Utah</i>	66.034	2301012-S4		32,656	32,656
Water Pollution Control--State and Interstate Program Support	66.419			1,443,586	1,443,586
<i>Pass-through from Booz, Allen &amp; Hamilton</i>	66.419	59844IN204 / GS-10F-0090J		(4)	(4)
State Underground Water Source Protection	66.433			693,978	693,978
Water Quality Management Planning	66.454			540,854	540,854
National Estuary Program	66.456		4,000	3,628,732	3,632,732
Capitalization Grants for State Revolving Funds	66.458		5,230,236	53,732,346	58,962,582
Nonpoint Source Implementation Grant	66.460			5,656,767	5,656,767
Wetlands Grants	66.461			13,122	13,122
Wastewater Operator Training Grant Program (Technical Assistance)	66.467			72,919	72,919
Capitalization Grants for Drinking Water State Revolving Fund	66.468		33,593,335	7,157,985	40,751,320
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	66.471			49,786	49,786
Gulf of Mexico Program	66.475			43,671	43,671
Environmental Protection Consolidated Research	66.500			58,932	58,932
Performance Partnership Grants	66.605			26,510,741	26,510,741
Surveys, Studies, Investigations and Special Purpose Grants	66.606		155,891	4,437,092	4,592,983
<i>Pass-through from Mississippi Water     Resource Institute</i>	66.606	00110331-16		8,230	8,230
Training and Fellowships for the Environmental Protection Agency	66.607		48,114	33,851	81,965
State Information Grants	66.608			362,874	362,874
Children's Health Protection	66.609			4,688	4,688
Consolidated Pesticide Enforcement Cooperative Agreements	66.700			1,350,705	1,350,705
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701			75,877	75,877
TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	66.707			240,188	240,188
Pollution Prevention Grants Program	66.708			133,649	133,649
Capacity Building Grants and Cooperative Agreements for States and Tribes	66.709			3,232	3,232

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>Environmental Protection Agency (continued)</b>					
Pesticide Environmental Stewardship-- Regional Grants	66.714			16,167	16,167
Superfund State Political Subdivision, and Indian Tribe Site--Specific Cooperative Agreements	66.802			(336,969)	(336,969)
Leaking Underground Storage Tank--Trust Fund	66.805			1,607,922	1,607,922
Solid Waste Management Assistance	66.808			11,282	11,282
Superfund State and Indian Tribe Core Program-- Cooperative Agreements	66.809			458,177	458,177
Pesticide Poisoning - Child Prevention	66.930			11,737	11,737
Environmental Education Grants	66.951			43,745	43,745
Total - Environmental Protection Agency			59,229,720	110,084,775	169,314,495
<b>U.S. Department of Energy</b>					
U.S. Department of Energy					
Pass-through from Howard University	81.XXX	633224		70	70
Pass-through from New Mexico State University	81.XXX	W-7405-ENG-36		13,131	13,131
Pass-through from S.E. Universities Research Assoc. Inc.	81.XXX	SURA-02C000073		26,368	26,368
Pass-through from Stanford University/ Linear Accelerator Lab	81.XXX	DE-AC03-76-SF-00515		265,958	265,958
Pass-through from U of CA Los Alamos Nat'l Lab	81.XXX	46099-001-02		108,201	108,201
Pass-through from U of CA Los Alamos Nat'l Lab	81.XXX	40138-001-02		45,941	45,941
Pass-through from UT-Battelle LLC	81.XXX	4000024018		1,515	1,515
State Energy Program	81.041		1,261,115	927,145	2,188,260
Weatherization Assistance for Low-Income Persons	81.042		4,199,704	809,566	5,009,270
Office of Science Financial Assistance Program	81.049			47,026	47,026
Pass-through from Department of Energy	81.049	DE-AP26-02		15,260	15,260
Nuclear Energy Research Initiative	81.092		154,124	929,803	1,083,927
Academic Partnerships					
Pass-through from Clark-Atlanta University	81.102	OSP90668022		208,788	208,788
Office of Science and Technology for Environmental Management	81.104			820,030	820,030
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106			358,826	358,826
Epidemiology and Other Health Studies Financial Assistance Program					
Pass-through from Drexel University	81.108	231352630		19,564	19,564
University Nuclear Science and Reactor Support	81.114			345,465	345,465
State Energy Program Special Projects	81.119			271,943	271,943
Total - U.S. Department of Energy			5,614,943	5,214,600	10,829,543
<b>United States Information Agency</b>					
United States Information Agency					
Pass-through from Louis Berger Group, Inc.	82.XXX	G2002-015-VN		8,942	8,942
Total - United States Information Agency			—	8,942	8,942
<b>Federal Emergency Management Agency</b>					
Federal Emergency Management Agency					
Federal Emergency Management Agency	83.XXX	FEMA 1257, 1274 UNEMT-2002-GR-0019		4,774,799	4,774,799
Federal Emergency Management Agency	83.XXX			15,770	15,770
National Fire Academy Training Assistance	83.009			118,526	118,526
Community Assistance Program--State Support Services Element	83.105			392,899	392,899

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<b>Federal Emergency Management Agency (continued)</b>					
National Urban Search and Rescue					
Response System	83.526			22,989	22,989
Hurricane Evacuation Study	83.535			194,527	194,527
Flood Mitigation Assistance	83.536		529,665	50,679	580,344
Crisis Counseling	83.539		1,154,038	136,630	1,290,668
Disaster Unemployment Assistance	83.541			242,023	242,023
Individual and Family Grants	83.543			16,469,609	16,469,609
Public Assistance Grants	83.544		106,753,935	41,656,086	148,410,021
First Responder Counter-Terrorism					
Training Assistance	83.547			24,073	24,073
Hazard Mitigation Grant	83.548		25,466,342	560,222	26,026,564
National Dam Safety Program	83.550			234,668	234,668
Emergency Management Performance Grants	83.552		3,989,005	5,042,511	9,031,516
Assistance to Firefighters Grant	83.554			135,000	135,000
Pre-Disaster Mitigation	83.557		191,683	38,638	230,321
Federal Assistance to Individuals and					
Households-Other Needs	83.560			20,412,391	20,412,391
State and Local All Hazards Emergency					
Operations Planning	83.562		4,530,747	116,527	4,647,274
Citizens Corp	83.564			872,073	113,036
Total - Federal Emergency Management Agency			148,278,057	85,961,034	234,239,091
<b>U.S. Department of Education</b>					
U.S. Department of Education	84.XXX	42-3J46-6-0597A		27,744	27,744
U.S. Department of Education	84.XXX	58002	42,809		42,809
U.S. Department of Education	84.XXX	H029D970014-00		(4,730)	(4,730)
<i>Pass-through from American</i>					
<i>Council on Education</i>	84.XXX	UTA02-228		195,103	195,103
<i>Pass-through from National Writing Corporation</i>	84.XXX	00-TX09		37,517	37,517
<i>Pass-through from San Antonio</i>					
<i>Independent School District</i>	84.XXX	3901-16		17,238	17,238
<i>Pass-through from University of California</i>	84.XXX	98-TX08		55,940	55,940
<i>Pass-through from University of</i>					
<i>California at Berkley</i>	84.XXX	12/92-TX03		38,000	38,000
Adult Education--State Grant Program	84.002		39,694,263	2,283,783	41,978,046
Bilingual Education	84.003			89,483	89,483
Title I Grants to Local Educational Agencies	84.010		754,558,394	7,075,218	761,633,612
Migrant Education--State Grant Program	84.011		58,897,515	714,314	59,611,829
<i>Pass-through from Region Ii Esc/tea</i>	84.011	161600212002		(509)	(509)
Title I Program for Neglected and					
Delinquent Children	84.013		(1,206,242)	2,146,515	940,273
National Resource Centers and Fellowships					
Program for Language and Area or					
Language and International Studies	84.015			29,025	29,025
Undergraduate International Studies and					
Foreign Language Programs	84.016			85,974	85,974
Special Education-Personnel Development					
and Parent Training	84.029			15,085	15,085
Higher Education--Institutional Aid	84.031			11,560,255	11,560,255
Vocational Education--Basic Grants to States	84.048		79,665,931	12,783,563	92,449,494
<i>Pass-through from Texas Southmost College</i>	84.048	34246		533,031	533,031
Leveraging Educational Assistance Partnership	84.069			5,833,679	5,833,679

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<b>U.S. Department of Education (continued)</b>					
Women's Educational Equity Act Program	84.083			108,731	108,731
Fund for the Improvement of					
Postsecondary Education	84.116		32,862	1,001,202	1,034,064
<i>Pass-through from American String Teachers</i>	84.116	32002676115		10,554	10,554
<i>Pass-through from American String</i>					
<i>Teachers Association</i>	84.116	13541068		6,739	6,739
<i>Pass-through from Baylor College of Medicine</i>	84.116	03LM030001FHN		7,316	7,316
<i>Pass-through from Canisius College</i>	84.116	P116J990057		16,950	16,950
<i>Pass-through from University of Colorado</i>	84.116	TXUC-2002		4,740	4,740
<i>Pass-through from University of Maryland</i>	84.116	P116JB0013181		14,931	14,931
Minority Science and Engineering Improvement	84.120			212,368	212,368
Rehabilitation Services--Vocational					
Rehabilitation Grants to States	84.126			176,813,540	176,813,540
Rehabilitation Long-Term Training	84.129			1,049,692	1,049,692
National Institute on Disability and					
Rehabilitation Research	84.133			247,207	247,207
<i>Pass-through from Cerebral Palsy</i>					
<i>Research Foundation of Kansas</i>	84.133	H133B010901		103,424	103,424
Migrant Education--High School					
Equivalency Program	84.141		31,028	2,805,416	2,836,444
College Housing and Academic Facilities Loans	84.142			143,890	143,890
Migrant Education--College Assistance					
Migrant Program	84.149			1,923,124	1,923,124
<i>Pass-through from Illinois Migrant Council</i>	84.149	#S-144A970022		5,521	5,521
Business and International Education Projects	84.153			204,561	204,561
Immigrant Education	84.162		2,277,485	(707)	2,276,778
Eisenhower Professional Development--					
Federal Activities	84.168			39,996	39,996
Independent Living--State Grants	84.169			1,168,389	1,168,389
Rehabilitation Services--Independent Living Services					
for Older Individuals Who are Blind	84.177			1,692,757	1,692,757
Special Education--Grants for Infants and					
Families with Disabilities	84.181		35,532,356	1,569,833	37,102,189
Safe and Drug-Free Schools and Communities--					
National Programs	84.184		398,104		398,104
Byrd Honors Scholarships	84.185			2,898,563	2,898,563
Safe and Drug-Free Schools and Communities--					
State Grants	84.186		31,396,923	1,296,680	32,693,603
<i>Pass-through from Houston-Galveston</i>					
<i>Area Council</i>	84.186	ED-017-201-03		39,092	39,092
Supported Employment Services for Individuals					
with Severe Disabilities	84.187			2,509,297	2,509,297
Bilingual Education Support Services	84.194		56,830	1,820	58,650
Bilingual Education--Professional Development	84.195		22,002	5,609,383	5,631,385
<i>Pass-through from Aldine Independent</i>					
<i>School District</i>	84.195	T290U70027		6,494	6,494
Education for Homeless Children and Youth	84.196		2,727,606	689,917	3,417,523
Javits Gifted and Talented Students					
Education Grant Program	84.206			181,048	181,048
Even Start--State Educational Agencies	84.213		11,790,203	987,602	12,777,805
<i>Pass-through from Beaumont Independent</i>					
<i>School District</i>	84.213	214287		109,465	109,465
Fund for the Improvement of Education	84.215			558,371	558,371
<i>Pass-through from Education</i>					
<i>Servicecenter Region 2</i>	84.215	MOA		6,833	6,833
<i>Pass-through from Region V</i>	84.215	32120A482		50,981	50,981

# STATE OF TEXAS

## Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Education (continued)</b>					
Capital Expenses	84.216		(24,333)		(24,333)
Centers for International Business Education	84.220			348,032	348,032
Tech-Prep Education	84.243		7,512,575	1,513,114	9,025,689
Rehabilitation Training--Continuing Education	84.264			484,888	484,888
Rehabilitation Training--State Vocational Rehabilitation Unit In-Service Training	84.265			413,063	413,063
Goals 2000-State and Local Education Systemic Improvement Grants	84.276		(501,275)	3	(501,272)
<i>Pass-through from Alamo Workforce Development, Inc.</i>	84.276	3908-15/16		23,232	23,232
Goals 2000	84.278		3,905,384	473,595	4,378,979
Eisenhower Professional Development State Grants	84.281		5,016,284	1,341,117	6,357,401
<i>Pass-through from Galveston College</i>	84.281	UTA-02-176-424003-4		3,469	3,469
Charter Schools	84.282		11,429,590	394,793	11,824,383
Comprehensive Regional Assistance Centers <i>Pass-through from University of Oklahoma</i>	84.283	1996-40 502230BP		100,299	100,299
Twenty-First Century Community Learning Centers	84.287		744,797	98,363	843,160
Ready-To-Learn Television <i>Pass-through from Corporation for Public Broadcasting</i>	84.295	13691443/13691903		35,977	35,977
<i>Pass-through from Corporation for Public Broadcasting</i>	84.295	R295A00002		33,300	33,300
Innovative Education Program Strategies	84.298		22,630,896	1,422,388	24,053,284
<i>Pass-through from National Writing Project</i>	84.298	03-TX12		18,140	18,140
<i>Pass-through from Temple University</i>	84.298	V191A000058A		44,415	44,415
<i>Pass-through from University of California at Berkeley</i>	84.298	92-TX06		28,946	28,946
Regional Technology in Education Consortia <i>Pass-through from Southwest Educational Development Lab</i>	84.302	48487-49279		190,878	190,878
Technology Innovation Challenge Grants <i>Pass-through from San Antonio Independent School District</i>	84.303	SATEC		11,598	11,598
Education Research, Development and Dissemination	84.305			520,503	520,503
National Institute on Postsecondary Education, Libraries, and Lifelong Learning	84.309			7,199	7,199
Parental Assistance Centers	84.310			(338)	(338)
Capacity Building for Traditionally Underserved Populations	84.315			200,401	200,401
Technology Literacy Challenge Fund Grants	84.318		32,617,839	1,343,506	33,961,345
Eisenhower Regional Mathematics and Science Education Consortia <i>Pass-through from Southwest Educational Development Lab.</i>	84.319	425060		3,791	3,791
Special Education--Research and Innovation to Improve Services and Results for Children with Disabilities	84.324			14,225	14,225
Special Education--Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325		35,661	3,867,177	3,902,838
<i>Pass-through from University of North Carolina Chapel Hill</i>	84.325	UNC NO 5-54370		602	602
Special Education--Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		5,455	573,594	579,049



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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Education (continued)</b>					
Special Education--Technology and Media Services for Individuals with Disabilities	84.327			191,214	191,214
Advanced Placement Program	84.330			588,800	588,800
<i>Pass-through from State of Maryland</i>	84.330	51033	997,449	1,154,900	2,152,349
Grants to States for Incarcerated Youth Offenders	84.331			1,292,498	1,292,498
Comprehensive School Reform Demonstration	84.332		20,634,142	958,777	21,592,919
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		3,748,341	12,030,338	15,778,679
<i>Pass-through from Baylor University</i>	84.334	P334A990387		114,627	114,627
<i>Pass-through from Houston Independent School District</i>	84.334	5-55112		12,012	12,012
<i>Pass-through from Region Edu Service Center</i>	84.334	302246		12,350	12,350
<i>Pass-through from Region One</i>	84.334	R304006		77,633	77,633
<i>Pass-through from The University of South Florida</i>	84.334	P344A000003		16,000	16,000
Child Care Access Means Parents in School	84.335			260,082	260,082
Teacher Quality Enhancement Grants	84.336			2,147,442	2,147,442
Reading Excellence	84.338		10,176,520	(4,761)	10,171,759
<i>Pass-through from Austin Independent School District</i>	84.338	DC-AM012		214,414	214,414
Learning Anytime Anywhere Partnerships	84.339			458,703	458,703
<i>Pass-through from University of Puerto Rico</i>	84.339	LAAP#4008761		15,983	15,983
Class Size Reduction	84.340		1,032,183		1,032,183
Preparing Tomorrow's Teachers to Use Technology	84.342			1,345,244	1,345,244
<i>Pass-through from Thinkquest</i>	84.342	6182002		1,080	1,080
Occupational and Employment Information State Grants	84.346			427,718	427,718
Title I Accountability Grants	84.348		9,343,747		9,343,747
Transition to Teaching	84.350		70,409	373,932	444,341
School Renovation Grants	84.352		63,905,104	331,737	64,236,841
Reading First State Grants	84.357		53,181	112,064	165,245
Rural Education Achievement Program	84.358		6,569,024	322,118	6,891,142
Early Reading First <i>Pass-through from Tehama Independent School District</i>	84.359	S359B030606		3,389	3,389
English Language Acquisition State Formula Grant	84.365		38,914,738	1,273,652	40,188,390
Improving Teacher Quality State Grants	84.367		173,525,588	3,696,033	177,221,621
<i>Pass-through from Galveston College</i>	84.367	UTA03-241-424005-6		6,412	6,412
Total - U.S. Department of Education			1,428,261,368	288,556,609	1,716,817,977
<b>National Archives and Records Administration</b>					
National Historical Publications and Records Grants	89.003			1,716,031	1,716,031
Total - National Archives and Records Administration			—	1,716,031	1,716,031
<b>U.S. Department of Health and Human Services</b>					
U.S. Department of Health and Human Services	93.XXX	N02 CO-01112	16,097	1,184,649	1,200,746
U.S. Department of Health and Human Services	93.XXX	021PA24672/70		26,518	26,518
U.S. Department of Health and Human Services	93.XXX	Synectics		203,601	203,601
U.S. Department of Health and Human Services	93.XXX	CSAT		100,000	100,000
U.S. Department of Health and Human Services	93.XXX	100065		10,000	10,000
U.S. Department of Health and Human Services	93.XXX	114412	(27,961)		(27,961)
U.S. Department of Health and Human Services	93.XXX	115546	2,926		2,926
U.S. Department of Health and Human Services	93.XXX	115547	311		311
U.S. Department of Health and Human Services	93.XXX	115548	8,951		8,951

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Health and Human Services (continued)</b>					
U.S. Department of Health and Human Services	93.XXX	104503		(8,371)	(8,371)
U.S. Department of Health and Human Services	93.XXX	467-MZ-002051	8,624	1,035	9,659
U.S. Department of Health and Human Services	93.XXX	CMS-01-00345		43,394	43,394
U.S. Department of Health and Human Services	93.XXX	1 F31 DA14746-01		1,651	1,651
U.S. Department of Health and Human Services	93.XXX	115856		1,288	1,288
U.S. Department of Health and Human Services	93.XXX	061480050 79		16,334	16,334
U.S. Department of Health and Human Services	93.XXX	6 P09 OA 00030-01		80,980	80,980
U.S. Department of Health and Human Services	93.XXX	114247		(9,088)	(9,088)
<i>Pass-through from Alliance Community Health Plans</i>	93.XXX	102076		90,285	90,285
<i>Pass-through from Centro De Salud Salud Familia La Fe, Inc.</i>	93.XXX	CCU619553-01		1,012	1,012
<i>Pass-through from Courtesy Associates</i>	93.XXX	115710116196		52,536	52,536
<i>Pass-through from Dartmouth College</i>	93.XXX	104668		48,064	48,064
<i>Pass-through from Henry M Jackson Foundation</i>	93.XXX	115207		25,290	25,290
<i>Pass-through from Migrant Health Promotion, Inc.</i>	93.XXX	2003-426010		(4)	(4)
<i>Pass-through from National Network Libraries of Medicine</i>	93.XXX	114513117302		4,632	4,632
<i>Pass-through from Social and Health Services, Ltd.</i>	93.XXX	116927		535	535
<i>Pass-through from Texas Medical Center Library</i>	93.XXX	104802		93,693	93,693
<i>Pass-through from University Health System</i>	93.XXX	116769		1,000,000	1,000,000
<i>Pass-through from University of Alabama</i>	93.XXX	102293		1,582	1,582
<i>Pass-through from University of Pittsburgh</i>	93.XXX	NS39805		1,431	1,431
<i>Pass-through from University of Washington</i>	93.XXX	625274		10,989	10,989
<i>Pass-through from Westat Inc.</i>	93.XXX	CP-021169		56,244	56,244
<i>Pass-through from Westat Inc.</i>	93.XXX	CP-071103		44,222	44,222
<i>Pass-through from Westat</i>	93.XXX	102289		(10,282)	(10,282)
Public Health and Social Services Emergency Fund	93.003			7,892,043	7,892,043
Special Programs for the Aging--Title VII, Chapter 3-- Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		323,736		323,736
Special Programs for the Aging--Title VII, Chapter 2-- Long Term Care Ombudsman Services for Older Individuals	93.042		842,053		842,053
<i>Pass-through from City of Houston</i>	93.042	FC38331		252,286	252,286
Special Programs for the Aging--Title III, Part D-- Disease Prevention and Health Promotion Services	93.043		1,059,134	101,079	1,160,213
Special Programs for the Aging--Title IV-- and Title II--Discretionary Projects	93.048		128,979	(5,209)	123,770
Alzheimer's Disease Demonstration Grants to States	93.051			377,629	377,629
National Family Caregiver Support	93.052		7,921,243		7,921,243
Nutrition Services Incentive Program	93.053			5,458,969	5,458,969
Food and Drug Administration--Research	93.103			59,184	59,184
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104			1,060,119	1,060,119
Model State-Supported Area Health Education Centers	93.107		157,706	237,851	395,557
Maternal and Child Health Federal Consolidated Programs	93.110		196,785	1,382,843	1,579,628
Biological Response to Environmental Health Hazards	93.113			95,780	95,780

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Health and Human Services (continued)</b>					
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		3,330,406	2,315,860	5,646,266
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118		110,819	149,899	260,718
<i>Pass-through from City of Houston</i>	93.118	6H12HA000039		1,712	1,712
Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services	93.119			23,203	23,203
Oral Diseases and Disorders Research	93.121			668,842	668,842
Nurse Anesthetist Traineeships	93.124			30,347	30,347
Emergency Medical Services for Children	93.127			78,426	78,426
Primary Care Services--Resource Coordination and Development	93.130			266,123	266,123
Injury Prevention and Control Research and State and Community Based Programs	93.136		3,277,858	241,997	3,519,855
AIDS Education and Training Centers <i>Pass-through from Dallas County Hospital District</i>	93.145	00-163		71,662	71,662
Projects for Assistance in Transition from Homelessness	93.150		2,345,729	274,604	2,620,333
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		189,855	1,076,811	1,266,666
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156			410,851	410,851
Centers of Excellence	93.157		(1,035)	1,702,742	1,701,707
Health Program for Toxic Substances and Disease Registry	93.161			437,179	437,179
Grants for State Loan Repayment	93.165			364,831	364,831
Nursing Workforce Diversity	93.178			143,978	143,978
Podiatric Residency Training in Primary Care	93.181			77,474	77,474
Health Education and Training Centers	93.189		31,766	553,604	585,370
<i>Pass-through from University of California</i>	93.189	117216		7,356	7,356
Allied Health Special Projects	93.191			115,769	115,769
Quentin N. Burdick Programs for Rural Interdisciplinary Training	93.192			34,550	34,550
<i>Pass-through from Harrington Regional Medical Center</i>	93.192	K-501-1-17		38,003	38,003
Childhood Lead Poisoning Prevention Projects-- State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Levels in Children	93.197		262,655	317,797	580,452
Hansen's Disease National Ambulatory Care Program	93.215		98,012	145,760	243,772
Family Planning--Services	93.217		10,163,956	3,593,676	13,757,632
<i>Pass-through from International Resource Group</i>	93.217	37560		17,186	17,186
<i>Pass-through from International Resource Group</i>	93.217	37239		2,379	2,379
<i>Pass-through from International Resource Group</i>	93.217	6FPHPA061197		325	325
Research on Healthcare Costs, Quality and Outcomes	93.226			202,406	202,406
Demonstration Cooperative Agreements for Development and Implementation of Criminal Justice Treatment Networks	93.229			36,992	36,992
Consolidated Knowledge Development and Application Program	93.230		1,569,767	973,169	2,542,936
Traumatic Brain Injury--State Demonstration Grant Program	93.234		26,682	106,263	132,945

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Health and Human Services (continued)</b>					
Abstinence Education	93.235		4,011,807	295,354	4,307,161
Grants for Dental Public Health Residency Training	93.236			15,611	15,611
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238			148,767	148,767
<i>Pass-through from Performance Pilot Studies Enhancement</i>	93.238	116677		13,002	13,002
State Rural Hospital Flexibility Program	93.241		246,915	87,563	334,478
Mental Health Research Grants	93.242			115,895	115,895
Substance Abuse and Mental Health Services - Projects of Regional and National Significance <i>Pass-through from Center for Health Care Services</i>	93.243	116241		85,052	85,052
<i>Pass-through from Hope Action Care</i>	93.243	116239		40,300	40,300
<i>Pass-through from University of Cincinnati</i>	93.243	N01 DA-9-8095		54,538	54,538
Advanced Education Nursing Grant Program	93.247			1,135,582	1,135,582
Residencies in the Practice of Pediatric Dentistry	93.248			152,238	152,238
Public Health Training Centers Grant Program <i>Pass-through from Association of Schools of Public Health</i>	93.249	H182-05/05	89,312	168,860	258,172
	93.249			5,090	5,090
Poison Control Stabilization and Enhancement Grants	93.253		32,445	180,774	213,219
Rural Access to Emergency Devices Grant	93.259		256,020		256,020
Occupational Safety and Health Research Grants	93.262		(2,583)	580,030	577,447
Occupational Safety and Health--Training Grants	93.263		19,299	846,471	865,770
Immunization Grants	93.268		6,309,294	124,424,279	130,733,573
Alcohol National Research Service Awards for Research Training	93.272			25,171	25,171
Alcohol Research Programs	93.273			1,298	1,298
Drug Abuse National Research Service Awards for Research Training	93.278			26,790	26,790
Drug Abuse Research Programs	93.279			38,087	38,087
<i>Pass-through from University of Alabama</i>	93.279	R01 DA12215		579,067	579,067
Mental Health Research Career/Scientist Development Awards	93.281			230,246	230,246
Mental Health National Research Service Awards for Research Training	93.282			190,854	190,854
Centers for Disease Control and Prevention-- Investigations and Technical Assistance <i>Pass-through from Hispanic Serving Health Professional School</i>	93.283		21,670,798	15,297,123	36,967,921
<i>Pass-through from Nat'l Latino Council Alcohol &amp; Tobacco Prevention</i>	93.283	116644		96,419	96,419
<i>Pass-through from Sw Center for Pediatric Health</i>	93.283	116199		668	668
	93.283	521553060		99,545	99,545
Biomedical Imaging Research	93.286		236,704	277,959	514,663
Bioengineering Research	93.287			637,618	637,618
Small Rural Hospital Improvement Grants	93.301		827,125	44,570	871,695
Comparative Medicine	93.306			3,185	3,185
Clinical Research	93.333			80,271	80,271
Advanced Education Nursing Traineeships	93.358			726,668	726,668
Basic Nurse Education and Practice Grants	93.359		42,129	673,822	715,951
Nursing Research	93.361			57,670	57,670
Minority Biomedical Research Support	93.375			21,197	21,197
Research Infrastructure	93.389		151,484	811,315	962,799

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Health and Human Services (continued)</b>					
Cancer Cause and Prevention Research	93.393			(2,751)	(2,751)
Cancer Treatment Research					
<i>Pass-through from Duke University</i>	93.395	U10 CA076001 05		1,369	1,369
<i>Pass-through from Northwestern University</i>	93.395	102283		738	738
Cancer Biology Research	93.396			(1,731)	(1,731)
Cancer Centers Support Grants					
<i>Pass-through from San Antonio Cancer Institute</i>	93.397	101619		1	1
Cancer Research Manpower	93.398			5,207,582	5,207,582
Cancer Control					
<i>Pass-through from Cancer Control</i>	93.399	101638		12,347	12,347
<i>Pass-through from Southwest Oncology Group</i>	93.399	742618443		4,768	4,768
Promoting Safe and Stable Families	93.556		12,900,029	28,002,416	40,902,445
<i>Pass-through from Lubbock Regional     Mental Health &amp; Retardation</i>	93.556	13521360/1367/1897/1904		170,196	170,196
Temporary Assistance for Needy Families	93.558		162,355,858	481,054,348	643,410,206
<i>Pass-through from South Plains     Regional Workforce Development Board</i>	93.558	0202TL1000		102,350	102,350
Family Support Payments to States--					
Assistance Payments	93.560			2,565	2,565
Child Support Enforcement	93.563		1,022,303	185,993,229	187,015,532
Refugee and Entrant Assistance--					
State Administered Programs	93.566		986,266	14,835,599	15,821,865
Low-Income Home Energy Assistance	93.568		38,927,460	1,354,112	40,281,572
Community Services Block Grant	93.569		30,289,449	1,281,207	31,570,656
Community Services Block Grant--					
Discretionary Awards	93.570			99,253	99,253
<i>Pass-through from National Collegiate     Athletic Association</i>	93.570	14405672644		41,751	41,751
<i>Pass-through from National Collegiate     Athletic Association</i>	93.570	NYSPF02-266; 03-266		47,328	47,328
<i>Pass-through from National Youth     Sports Corporation</i>	93.570	NYSPF 03-307		40,717	40,717
<i>Pass-through from National Youth     Sports Corporation</i>	93.570	NYSPF 02-307		2,239	2,239
<i>Pass-through from National Youth     Sports Corporation</i>	93.570	NYSPF267		(209)	(209)
<i>Pass-through from National Youth     Sports Program</i>	93.570	603620		60,980	60,980
<i>Pass-through from National Youth     Sports Program</i>	93.570	NYSPF 03-208		59,367	59,367
<i>Pass-through from National Youth     Sports Program</i>	93.570	NYSPF269		100,673	100,673
Community Services Block Grant Discretionary					
Awards--Community Food and Nutrition	93.571		279,912		279,912
<i>Pass-through from Cecid</i>	93.571	90EN0482/01		12,539	12,539
<i>Pass-through from United States     Department of Agriculture</i>	93.571	17560018701008		15,928	15,928
Refugee and Entrant Assistance--					
Discretionary Grants	93.576		413,266	808,537	1,221,803
Refugee and Entrant Assistance--					
Targeted Assistance	93.584			3,170,867	3,170,867
Empowerment Zones Program	93.585		7,754,125	58,796	7,812,921
State Court Improvement Program	93.586			352,476	352,476

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<b>U.S. Department of Health and Human Services (continued)</b>					
Community-Based Family Resource and Support Grants	93.590		1,033,577	559,078	1,592,655
Family Violence Prevention and Services/Grants for Battered Women's Shelters--Discretionary Grants	93.592			46,470	46,470
Welfare Reform Research, Evaluations and National Studies	93.595			211,762	211,762
Grants to States for Access and Visitation Programs Head Start	93.597		592,442	3,657	596,099
	93.600			4,018,759	4,018,759
<i>Pass-through from Advocates for Children &amp; Family</i>	93.600	06CH0102		17,074	17,074
<i>Pass-through from Carrizo Springs Head Start</i>	93.600	06CH5060		16,678	16,678
<i>Pass-through from Cen-tex Family Services</i>	93.600	06CH0405		5,169	5,169
<i>Pass-through from Child Development Council of Southwest</i>	93.600	06CH0017		25,766	25,766
<i>Pass-through from Greater Opportunity of Permian Basin</i>	93.600	06CH-5263		24,139	24,139
<i>Pass-through from Gulf Coast Project Head Start</i>	93.600	DHHS H-5616		254,318	254,318
<i>Pass-through from Harris County Department of Education</i>	93.600	06CH0016		17,616	17,616
<i>Pass-through from Head Start</i>	93.600	06CH6998		2,851	2,851
<i>Pass-through from Head Start</i>	93.600	06CH0100		2,842	2,842
<i>Pass-through from National Center for Family Literacy</i>	93.600	06CH0403		22,765	22,765
<i>Pass-through from Sutherland Head Start</i>	93.600	90YL0001/04		27,562	27,562
<i>Pass-through from Sutherland Head Start</i>	93.600	06CH0103		6,369	6,369
Child Support Enforcement Demonstrations and Special Projects	93.601			50,672	50,672
Adoption Incentive Payments	93.603			1,088,362	1,088,362
Developmental Disabilities Basic Support and Advocacy Grants	93.630			5,138,802	5,138,802
Developmental Disabilities Projects of National Significance	93.631		26,980	277,819	304,799
Children's Justice Grants to States	93.643			1,522,829	1,522,829
Child Welfare Services--State Grants	93.645		416,562	25,523,484	25,940,046
Social Services Research and Demonstration	93.647		131,494	223,083	354,577
Child Welfare Services Training Grants	93.648		36,304	169,490	205,794
Adoption Opportunities	93.652			195,635	195,635
Temporary Child Care & Crisis Nurseries	93.656			(42,484)	(42,484)
Foster Care--Title IV-E	93.658		2,791,941	162,597,103	165,389,044
Adoption Assistance	93.659			46,996,474	46,996,474
Social Services Block Grant	93.667		4,712,953	109,476,180	114,189,133
Child Abuse and Neglect State Grants	93.669			1,368,688	1,368,688
Child Abuse and Neglect Discretionary Activities	93.670			245,000	245,000
Family Violence Prevention and Services/ Grants for Battered Women's Shelters-- Grants to States and Indian Tribes	93.671			4,676,649	4,676,649
Chafee Foster Care Independent Living	93.674			5,395,989	5,395,989
State Children's Insurance Program	93.767			442,278,635	442,278,635
Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	93.768			536	536
Demonstration to Maintain Independence and Employment	93.769			129,605	129,605

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Health and Human Services (continued)</b>					
Centers for Medicare and Medicaid Services (CMS)					
Research, Demonstrations and Evaluations	93.779		467,754	656,597	1,124,351
Cell Biology and Biophysics Research					
<i>Pass-through from Rice University</i>	93.821	T32GM08280		17,743	17,743
Health Careers Opportunity Program	93.822		(48,141)	532,475	484,334
Basic/Core Area Health Education Centers	93.824			27,425	27,425
Heart and Vascular Diseases Research	93.837			510,662	510,662
Lung Diseases Research					
<i>Pass-through from Rhode Island Hospital</i>	93.838	50258954		108,952	108,952
Blood Diseases and Resources Research	93.839			25,357	25,357
Arthritis, Musculoskeletal and Skin					
Diseases Research	93.846			36,766	36,766
Diabetes, Endocrinology and Metabolism Research	93.847			87,759	87,759
Digestive Diseases and Nutrition Research	93.848			4,664	4,664
Kidney Diseases, Urology and Hematology Research	93.849			243,153	243,153
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			649,287	649,287
Allergy, Immunology and Transplantation Research	93.855			62,681	62,681
Microbiology and Infectious Diseases Research	93.856			98,315	98,315
Pharmacology, Physiology, and Biological					
Chemistry Research	93.859			140,924	140,924
Population Research	93.864			367,034	367,034
Center for Research for Mothers and Children	93.865			728,900	728,900
Aging Research	93.866		(19,033)	699,766	680,733
Vision Research	93.867			133,039	133,039
<i>Pass-through from Baylor College of Medicine</i>	93.867	2T3EY07102		23,160	23,160
Medical Library Assistance	93.879		839	56,113	56,952
<i>Pass-through from Rice University</i>	93.879	T15 LM07093 01		22,436	22,436
<i>Pass-through from Rice University</i>	93.879	T15LMO7093		99,215	99,215
Minority Access to Research Careers	93.880			597,335	597,335
Grants for Residency Training in General Internal Medicine and/or General Pediatrics	93.884			367,373	367,373
<i>Pass-through from Amersa/hrsa</i>	93.884	6U78HP00001		30,766	30,766
Physician Assistant Training in Primary Care	93.886			211,167	211,167
<i>Pass-through from Amersa</i>	93.886	104663		31,832	31,832
Grants for Faculty Development in Family Medicine	93.895			700,018	700,018
Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	93.896			255,080	255,080
Residencies and Advanced Education in the Practice of General Dentistry	93.897			394,598	394,598
Family and Community Violence Prevention Program					
<i>Pass-through from Central State University-Ohio</i>	93.910	600650		234,163	234,163
Rural Health Outreach and Rural Network Development Program	93.912			116,203	116,203
Grants to States for Operation of Offices of Rural Health	93.913		25,000	112,601	137,601
HIV Emergency Relief Project Grants					
<i>Pass-through from HIV Emergency     Relief Project Grants</i>	93.914	116886		55,000	55,000
HIV Care Formula Grants	93.917		16,601,348	53,654,965	70,256,313

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>U.S. Department of Health and Human Services (continued)</b>					
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919		3,338,148	2,897,268	6,235,416
Ryan White HIV/AIDS Dental Reimbursements	93.924			348,518	348,518
Special Projects of National Significance	93.928		39,099	187,913	227,012
<i>Pass-through from Vally Aids Council</i>	93.928	102059		112,597	112,597
Fogarty International Research Collaboration Award	93.934			13,151	13,151
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health	93.938		165,402	14,905	180,307
HIV Prevention Activities--Health Department Based	93.940		9,366,787	3,277,832	12,644,619
<i>Pass-through from Harris County Health Department</i>	93.940	03GEN0217		290,826	290,826
<i>Pass-through from Harris County Health Department</i>	93.940	6H12HA000390		473,024	473,024
<i>Pass-through from Harris County Health Department</i>	93.940	GEN0188		(2,960)	(2,960)
<i>Pass-through from Harris County Health Department</i>	93.940	H89 HA00004		110,261	110,261
HIV Demonstration, Research, Public and Professional Education Projects	93.941		197,928	13,266	211,194
Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		740,759	810,206	1,550,965
Assistance Programs for Chronic Disease Prevention and Control	93.945			186,354	186,354
<i>Pass-through from Migrant Health     Promotion, Inc.</i>	93.945	2003-426015		2,907	2,907
Tuberculosis Demonstration, Research, Public and Professional Education	93.947			4,453	4,453
Block Grants for Community Mental Health Services	93.958		23,861,333	7,007,506	30,868,839
Block Grants for Prevention and Treatment of Substance Abuse	93.959		119,048,817	25,656,070	144,704,887
Special Minority Initiatives	93.960		2,840	64,310	67,150
Health Administration Traineeships and Special Projects Program	93.962			110,952	110,952
Public Health Traineeships	93.964			74,320	74,320
Geriatric Education Centers	93.969		54,563	325,606	380,169
<i>Pass-through from Baylor College of Medicine</i>	93.969	1D31HP70112-01		11,614	11,614
<i>Pass-through from Baylor College of Medicine</i>	93.969	5 D31 HP70112.02		37,226	37,226
<i>Pass-through from Baylor College of Medicine</i>	93.969	5D31HP7011-02		15,725	15,725
<i>Pass-through from Baylor College of Medicine</i>	93.969	D31HP70112		18,047	18,047
<i>Pass-through from Baylor College of Medicine</i>	93.969	5 D31 HP 70112-04		27,697	27,697
Preventive Health Services--Sexually Transmitted Diseases Control Grants	93.977		3,399,783	2,114,559	5,514,342
Preventive Health Services--Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978		197,629	38,636	236,265
Mental Health Disaster Assistance and Emergency Mental Health	93.982		2,397,503	170,264	2,567,767
Academic Administrative Units in Primary Care	93.984			301,909	301,909
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988		195,476	446,334	641,810
Senior International Fellowships	93.989			208,664	208,664
Preventive Health and Health Services Block Grant	93.991		2,428,994	2,673,482	5,102,476



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<b>U.S. Department of Health and Human Services (continued)</b>					
Maternal and Child Health Services					
Block Grant to the States	93.994		7,385,122	19,671,732	27,056,854
Adolescent Family Life--Demonstration Projects					
<i>Pass-through from Dallas Public School</i>	93.995	1 APH PA000838		2,408	2,408
Total - U.S. Department of Health and Human Services			<u>520,491,666</u>	<u>1,847,974,645</u>	<u>2,368,466,311</u>
<b>Corporation for National and Community Service</b>					
Retired and Senior Volunteer Program	94.002			91,601	91,601
State Commissions	94.003			679,750	679,750
Learn and Serve America--School and Community Based Programs	94.004		2,310,191		2,310,191
Learn and Serve America--Higher Education					
<i>Pass-through from Brown University</i>	94.005	13541751		6,404	6,404
<i>Pass-through from Temple University</i>	94.005	00LHEPA028		3,868	3,868
AmeriCorps	94.006		9,491,070	1,341,570	10,832,640
<i>Pass-through from TX Comm of     Volunteerism &amp; Comm S</i>	94.006	T59		644,194	644,194
Planning and Program Development Grants	94.007		32,020	30,577	62,597
Training and Technical Assistance	94.009			134,347	134,347
Volunteers in Service to America	94.013			4,671	4,671
Total - Corporation for National and Community Service			<u>11,833,281</u>	<u>2,936,982</u>	<u>14,770,263</u>
<b>Social Security Administration</b>					
Social Security Administration	96.XXX	3-55-55-1158-71		62,200	62,200
Social Security Administration	96.XXX	28040001		3,840,679	3,840,679
Social Security Administration	96.XXX	13671034		942,410	942,410
Social Security--Research and Demonstration	96.007			662,548	662,548
Total - Social Security Administration			—	<u>5,507,837</u>	<u>5,507,837</u>
<b>Total Non-cluster</b>			<u>2,805,499,252</u>	<u>6,431,141,910</u>	<u>9,236,641,162</u>
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>					
<b>Agency for International Development</b>					
Agency for International Development					
<i>Pass-through from International     Rice Research Institute</i>	02.XXX	13580063		(303)	(303)
<i>Pass-through from University of Nebraska</i>	02.XXX	00-96-90009-00		27,408	27,408
Total - Agency for International Development			—	<u>27,105</u>	<u>27,105</u>
<b>U.S. Department of Agriculture</b>					
U.S. Department of Agriculture	10.XXX	DAAD19-01-1-0467		75,759	75,759
U.S. Department of Agriculture	10.XXX	2001-52102-11257		2,803	2,803
U.S. Department of Agriculture	10.XXX	02-493 R		79,797	79,797
<i>Pass-through from National Fish     &amp; Wildlife Foundation</i>	10.XXX	2002-0233-0000		36,103	36,103
<i>Pass-through from Oregon DoT</i>	10.XXX	18560		1,693	1,693
<i>Pass-through from University of Florida</i>	10.XXX	L82982		9,071	9,071
<i>Pass-through from University of Guam</i>	10.XXX	UTA03-058		4,231	4,231
<i>Pass-through from University of Illinois-     Champaign Urban</i>	10.XXX	619419		517	517
Agricultural Research--Basic and Applied Research	10.001			2,513,416	2,513,416

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Agriculture (continued)</b>					
Agricultural Research--Basic and Applied Research (continued)					
<i>Pass-through from Agrilogic</i>	10.001	500719		44,062	44,062
<i>Pass-through from Baylor College of Medicine</i>	10.001	413750		10,626	10,626
<i>Pass-through from Mississippi State University</i>	10.001	501937		(669)	(669)
Plant and Animal Disease, Pest Control, and Animal Care	10.025		21,302	430,454	451,756
<i>Pass-through from Kansas State University</i>	10.025	502586		5,747	5,747
<i>Pass-through from Kansas State University</i>	10.025	502680		68,147	68,147
<i>Pass-through from Kansas State University</i>	10.025	502681		31,393	31,393
<i>Pass-through from Kansas State University</i>	10.025	502734		649	649
Wildlife Services	10.028			996	996
Commodity Loans and Loan Deficiency Payments	10.051		39,135		39,135
Federal-State Marketing Improvement Program	10.156			49,627	49,627
Grants for Agricultural Research, Special Research Grants	10.200		923,696	7,951,702	8,875,398
<i>Pass-through from ACDI/VOCA</i>	10.200	502236		73,923	73,923
<i>Pass-through from ACDI/VOCA</i>	10.200	502517		1,449	1,449
<i>Pass-through from ACDI/VOCA</i>	10.200	502565		488,369	488,369
<i>Pass-through from Colorado State University</i>	10.200	501680		2,797	2,797
<i>Pass-through from Colorado State University</i>	10.200	501957		1,304	1,304
<i>Pass-through from Kansas State (Casgms Task 1)</i>	10.200	502487		32,462	32,462
<i>Pass-through from Kansas State (Casgms Task 1)</i>	10.200	502490		11,576	11,576
<i>Pass-through from Kansas State (Casgms Task 2)</i>	10.200	502493		112,622	112,622
<i>Pass-through from Kansas State (Casgms Task 3)</i>	10.200	502488		77,780	77,780
<i>Pass-through from Kansas State (Casgms Task 3)</i>	10.200	502489		111,483	111,483
<i>Pass-through from Kansas State (Casgms Task 3)</i>	10.200	502516		34,695	34,695
<i>Pass-through from Kansas State (Casgms Task 4)</i>	10.200	501899		4,444	4,444
<i>Pass-through from Kansas State (Casgms Task 4)</i>	10.200	502492		99,081	99,081
<i>Pass-through from Kansas State (Casgms Task 5)</i>	10.200	502491		53,704	53,704
<i>Pass-through from Kansas State     (Casgms Task Adm)</i>	10.200	502486		9,321	9,321
<i>Pass-through from Kansas State University</i>	10.200	99-COOP-2-7528		625	625
<i>Pass-through from LSU Ag Center</i>	10.200	502599		6,465	6,465
<i>Pass-through from Montana State University</i>	10.200	502666		19,585	19,585
<i>Pass-through from New Mexico State University</i>	10.200	SWC-02N02/SWC-02N05		28,652	28,652
<i>Pass-through from North Carolina     State University</i>	10.200	501854		4,513	4,513
<i>Pass-through from North Carolina     State University</i>	10.200	502195		116,015	116,015
<i>Pass-through from Palo Alto College</i>	10.200	501801		(3,387)	(3,387)
<i>Pass-through from Palo Alto College</i>	10.200	502169		30,452	30,452
<i>Pass-through from Palo Alto College</i>	10.200	502176		39,371	39,371
<i>Pass-through from Purdue University</i>	10.200	502571		(1,294)	(1,294)
<i>Pass-through from Rutgers, The State University</i>	10.200	502531		26,296	26,296
<i>Pass-through from University of     California at Davis</i>	10.200	502594		95,078	95,078
<i>Pass-through from University of Missouri</i>	10.200	02111781-1		7,423	7,423
<i>Pass-through from University of Arizona</i>	10.200	Y702429		26,436	26,436
<i>Pass-through from University of     of California at Davis</i>	10.200	502530		14,315	14,315

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Agriculture (continued)</b>					
Grants for Agricultural Research,					
Special Research Grants (continued)					
<i>Pass-through from University of Florida</i>	10.200	501985		106,929	106,929
<i>Pass-through from University of Florida</i>	10.200	502056		218	218
<i>Pass-through from University of GA     Research Found, Inc.</i>	10.200	RD3090403581467		69,046	69,046
<i>Pass-through from University of Georgia</i>	10.200	502201		731	731
<i>Pass-through from University of Georgia</i>	10.200	502202		68,179	68,179
Cooperative Forestry Research	10.202		476,254	359,100	835,354
Payments to Agricultural Experiment					
Stations Under the Hatch Act	10.203			6,496,314	6,496,314
Grants for Agricultural Research--					
Competitive Research Grants	10.206		104,903	1,654,558	1,759,461
<i>Pass-through from Colorado State University</i>	10.206	502592		42,261	42,261
<i>Pass-through from Colorado State University</i>	10.206	502701		5,941	5,941
<i>Pass-through from North Carolina State - Csrees</i>	10.206	502052		5,362	5,362
<i>Pass-through from North Carolina     State University</i>	10.206	2001-0072-12		3,040	3,040
<i>Pass-through from Oklahoma State University</i>	10.206	502386		7,311	7,311
<i>Pass-through from University of Illinois</i>	10.206	502199		36,304	36,304
Animal Health and Disease Research	10.207			244,532	244,532
Food and Agricultural Sciences National					
Needs Graduate Fellowship Grants	10.210			528	528
<i>Pass-through from National Research Council</i>	10.210	502553		32,091	32,091
<i>Pass-through from University of     California at Davis</i>	10.210	502245		20,060	20,060
Small Business Innovation Research	10.212			12	12
<i>Pass-through from Altex Technologies     Corporation</i>	10.212	550401		34,617	34,617
<i>Pass-through from Morton Delinting, Inc.</i>	10.212	1354A725		4,652	4,652
Sustainable Agriculture Research and Education	10.215		39,058	38,515	77,573
<i>Pass-through from LSU Ag Center</i>	10.215	502564		13,411	13,411
<i>Pass-through from University of Florida</i>	10.215	502051		53	53
<i>Pass-through from University of Georgia</i>	10.215	501833		12,988	12,988
<i>Pass-through from University of Georgia</i>	10.215	502070		50,456	50,456
1890 Institution Capacity Building Grants	10.216			214,100	214,100
Higher Education Challenge Grants					
<i>Pass-through from University of Florida</i>	10.217	502630		28,694	28,694
	10.217			1,802	1,802
Biotechnology Risk Assessment Research					
<i>Pass-through from Alabama A&amp;M University</i>	10.219	00-52100-9616		45,361	45,361
Higher Education Multicultural Scholars Program					
<i>Pass-through from University of     California at Riverside</i>	10.220	502674		19,725	19,725
Hispanic Serving Institutions Education Grants					
<i>Pass-through from Houston Community     College System</i>	10.223	502228		223,333	223,333
	10.223			22,051	22,051
Fund for Rural America--Research, Education, and Extension Activities					
<i>Pass-through from North Carolina     State University</i>	10.224		2,500		2,500
	10.224	00-1320-3YRP-23a		2,046	2,046
<i>Pass-through from North Carolina     State University</i>	10.224	502306		2,595	2,595

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Agriculture (continued)</b>					
Fund for Rural America--Research, Education, and Extension Activities (continued)					
<i>Pass-through from North Carolina     State University</i>	10.224	502312		4,000	4,000
<i>Pass-through from North Carolina     State University</i>	10.224	502448		1,295	1,295
<i>Pass-through from North Carolina     State University</i>	10.224	502712		125	125
Agricultural and Rural Economic Research	10.250			127,514	127,514
Initiative for Future Agriculture and Food Systems	10.302		481,074	528,504	1,009,578
<i>Pass-through from Dartmouth College</i>	10.302	5-36275		66,947	66,947
<i>Pass-through from University of Arizona</i>	10.302	502235		44,728	44,728
<i>Pass-through from University of Minnesota</i>	10.302	502433		75,971	75,971
Integrated Programs	10.303		128,953	406,107	535,060
<i>Pass-through from Pennsylvania State University</i>	10.303	221TTUUSDA1367		91,540	91,540
<i>Pass-through from University of Arkansas Aes</i>	10.303	502575		15,609	15,609
Crop Insurance	10.450		4,860	3,806,679	3,811,539
<i>Pass-through from Iowa Department     of Natural Res.</i>	10.450	502687		16,951	16,951
Cooperative Extension Service	10.500			1,120	1,120
<i>Pass-through from LSU Ag Center</i>	10.500	502616		43,438	43,438
Child and Adult Care Food Program	10.558			14,815	14,815
Foreign Market Development Cooperator Program	10.600			(259)	(259)
Emerging Markets Program	10.603			91,387	91,387
Forestry Research	10.652		14,413	1,167,373	1,181,786
Cooperative Forestry Assistance	10.664			234,810	234,810
Rural Business Opportunity Grants	10.773			44,974	44,974
Livestock, Meat and Poultry Market Supervision	10.800			765	765
Resource Conservation and Development	10.901		7,793	356,686	364,479
<i>Pass-through from Deaf Smith Air Quality Project</i>	10.901	502533		4,000	4,000
Soil and Water Conservation	10.902			212,117	212,117
Watershed Protection and Flood Prevention	10.904			376,989	376,989
Plant Materials for Conservation	10.905			93,698	93,698
Environmental Quality Incentives Program	10.912			334,853	334,853
Agricultural Statistics Reports	10.950			18,428	18,428
Technical Agricultural Assistance	10.960			310,232	310,232
Scientific Cooperation and Research	10.961		9,516	48,521	58,037
<i>Pass-through from Cimmyt</i>	10.961	502431		24,091	24,091
<i>Pass-through from Cimmyt - Off Campus</i>	10.961	502683		84,548	84,548
<i>Pass-through from Cimmyt - On Campus</i>	10.961	502651		95,058	95,058
<i>Pass-through from Icrisat (Niger)</i>	10.961	502425		25,066	25,066
<i>Pass-through from University of Georgia     Sanrem Crsp</i>	10.961	501720		332,629	332,629
<i>Pass-through from Winrock Int'l Institute     for Ag Development</i>	10.961	502679		257,914	257,914
International Training--Foreign Participant	10.962		6,000	36,066	42,066
<i>Pass-through from Intl Fertilizer     Development Center</i>	10.962	502413		(264)	(264)
<i>Pass-through from Michigan State University</i>	10.962	502210		463,555	463,555
<i>Pass-through from Michigan State University</i>	10.962	502631		12,496	12,496
<i>Pass-through from Michigan State University</i>	10.962	502694		12,159	12,159
<i>Pass-through from University of     California at Davis</i>	10.962	502302		103,555	103,555

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Agriculture (continued)</b>					
International Training--Foreign Participant (continued)					
<i>Pass-through from University of     California at Davis</i>	10.962	502643		386,898	386,898
Total - U.S. Department of Agriculture			2,259,457	33,082,283	35,341,740
<b>U.S. Department of Commerce</b>					
U.S. Department of Commerce	11.XXX	404537		16,921	16,921
U.S. Department of Commerce	11.XXX	R/ES-87/NA16RG1078		7,789	7,789
U.S. Department of Commerce	11.XXX	R/ES-87 / NA16RG1078		44,483	44,483
U.S. Department of Commerce	11.XXX	IA-ASCF-G7190326		217,575	217,575
<i>Pass-through from Etec Systems Inc</i>	11.XXX	160262 UTA02-082		90,518	90,518
<i>Pass-through from Joint     Oceanographic Inst Inc</i>	11.XXX	418929-BA357		8,540	8,540
<i>Pass-through from Northrop Grumman</i>	11.XXX	PO 83547DDM3S		92,269	92,269
<i>Pass-through from     Raytheon Co</i>	11.XXX	4500005791 / F04701-01-C-0500		1,719	1,719
<i>Pass-through from Virginia Inst of     Marine Science</i>	11.XXX	114774-GL10013		99,997	99,997
Economic Development--Technical Assistance	11.303			195,007	195,007
<i>Pass-through from City of Jacksboro</i>	11.303	26-3900-98		528	528
Interjurisdictional Fisheries Act of 1986	11.407			168,548	168,548
Fisheries Finance Program	11.415			29,377	29,377
Sea Grant Support	11.417		16,357	1,998,082	2,014,439
<i>Pass-through from Gulf &amp; South     Atlantic Fisheries Foundation</i>	11.417	502562		20,724	20,724
<i>Pass-through from South Carolina Sea Grant     Pass-through from South Carolina     Sea Grant Consortium</i>	11.417	502652		4,457	4,457
<i>Pass-through from Tdi-brooks Intl</i>	11.417	502350		13,700	13,700
<i>Pass-through from University of Mississippi</i>	11.417	502625		4,392	4,392
<i>Pass-through from University of     Southern Mississippi</i>	11.417	UM-01-10-11-026		6,546	6,546
<i>Pass-through from University of     Southern Mississippi</i>	11.417	502410		48,536	48,536
<i>Pass-through from University of     Southern Mississippi</i>	11.417	502440		53	53
Coastal Zone Management Administration Awards	11.419		8,809	1,047,054	1,055,863
<i>Pass-through from Jefferson County</i>	11.419	01-622R		3,080	3,080
<i>Pass-through from Nueces County</i>	11.419	20010063		10,392	10,392
<i>Pass-through from Nueces County</i>	11.419	20020079		11,681	11,681
<i>Pass-through from Orange County</i>	11.419	NA1700Z2185	57,177	76,925	134,102
Coastal Zone Management Estuarine Research Reserves	11.420			45,933	45,933
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427			61,639	61,639
<i>Pass-through from University of     Southern Mississippi</i>	11.427	501861		40,387	40,387
Climate and Atmospheric Research	11.431			70,101	70,101
Marine Fisheries Initiative	11.433			160,293	160,293
Cooperative Fishery Statistics	11.434			433,095	433,095
Southeast Area Monitoring and Assessment Program	11.435			25,238	25,238
Special Oceanic and Atmospheric Projects	11.460			90,981	90,981
<i>Pass-through from Alaska Dept Fish &amp; Game     Pass-through from University of     Alaska, Fairbanks</i>	11.460	502724		14,533	14,533
<i>Pass-through from University of     Alaska, Fairbanks</i>	11.460	600710		6,032	6,032
Coastal Services Center	11.473			27,831	27,831

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Commerce (continued)</b>					
Technology Opportunities	11.552		89,769	135,139	224,908
Measurement and Engineering Research and Standards	11.609		43,979	1,964,449	2,008,428
National Center for Standards and Certification Information	11.610			(959)	(959)
Manufacturing Extension Partnership	11.611			2,233,002	2,233,002
Advanced Technology Program	11.612			96,761	96,761
<i>Pass-through from Alexion</i>	11.612	502019		(1,627)	(1,627)
<i>Pass-through from Zeigler Brothers, Inc</i>	11.612	502807		4,378	4,378
<i>Pass-through from Zyvez Corporation</i>	11.612	17527046001		53,910	53,910
Total - U.S. Department of Commerce			216,091	9,680,009	9,896,100
<b>U.S. Department of Defense</b>					
U.S. Department of Defense	12.XXX	W81EWF91192322		122,580	122,580
U.S. Department of Defense	12.XXX	R14051-72600003		1,373	1,373
U.S. Department of Defense	12.XXX	DACA42-01-P0230		15	15
U.S. Department of Defense	12.XXX	F 41622-02-M-1102		31,291	31,291
U.S. Department of Defense	12.XXX	DAAE30-02-C1132		98,911	98,911
U.S. Department of Defense	12.XXX	N6893602P0939		28,800	28,800
U.S. Department of Defense	12.XXX	DACA39-98-K-0056		(304)	(304)
U.S. Department of Defense	12.XXX	DACA42-01-C-0012		19,912	19,912
U.S. Department of Defense	12.XXX	DACA42-02-C-0009		62,730	62,730
U.S. Department of Defense	12.XXX	DE-FC26-02NT15131	961,675	16,966,880	17,928,555
U.S. Department of Defense	12.XXX	UTA03-0207		48,345	48,345
U.S. Department of Defense	12.XXX	N6311601GO1PA03		4,490	4,490
U.S. Department of Defense	12.XXX	115556		1,469,254	1,469,254
U.S. Department of Defense	12.XXX	115557	2,106,565		2,106,565
U.S. Department of Defense	12.XXX	DAAD13-00-C0058		1,341	1,341
U.S. Department of Defense	12.XXX	DAAD13-00-C0051		10,249	10,249
U.S. Department of Defense	12.XXX	13351117-1121,1214		648,467	648,467
U.S. Department of Defense	12.XXX	DAAD13-01-C0066		582,337	582,337
U.S. Department of Defense	12.XXX	DAAD13-01-C0066		116,348	116,348
U.S. Department of Defense	12.XXX	DAAD13-01C0054		76,049	76,049
U.S. Department of Defense	12.XXX	DAAD13-01-C0069	8,475	135,531	144,006
U.S. Department of Defense	12.XXX	DAAD13-01-C0066		53,671	53,671
U.S. Department of Defense	12.XXX	DAAD13-01-C0050		86,807	86,807
U.S. Department of Defense	12.XXX	DAAD13-01-C0052		138,360	138,360
U.S. Department of Defense	12.XXX	DAAD13-01-C0070		18,901	18,901
U.S. Department of Defense	12.XXX	DAAD13-01-C0071	62,266	45,577	107,843
U.S. Department of Defense	12.XXX	DAAD13-01-C0053		184,053	184,053
U.S. Department of Defense	12.XXX	F08650-03-C0012		12,555	12,555
U.S. Department of Defense	12.XXX	DAAD13-02-C0058		251,248	251,248
U.S. Department of Defense	12.XXX	DAAD13-02C0065		62,423	62,423
U.S. Department of Defense	12.XXX	DAAD13-02C0076	41,767	8,917	50,684
U.S. Department of Defense	12.XXX	DAAD13-02C0074	46,493	107,627	154,120
U.S. Department of Defense	12.XXX	DAAD13-02C0068		74,392	74,392
U.S. Department of Defense	12.XXX	DAAD13-02-C0075		102,067	102,067
U.S. Department of Defense	12.XXX	DAAD13-02-C0066		90,122	90,122
U.S. Department of Defense	12.XXX	DAAD13-02-C0070		127,712	127,712
U.S. Department of Defense	12.XXX	DAAD13-02C0067		94,644	94,644
U.S. Department of Defense	12.XXX	DAAD13-02C0071		211,784	211,784
U.S. Department of Defense	12.XXX	DAAD13-02C0073		81,105	81,105
U.S. Department of Defense	12.XXX	DAAD13-02C0069		190,994	190,994

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Defense (continued)</b>					
U.S. Department of Defense	12.XXX	DAAD13-02C0072		225,972	225,972
U.S. Department of Defense	12.XXX	DACA72-01-C0042		1,120,580	1,120,580
<i>Pass-through from Accurate</i>					
<i>Automation Corporation</i>					
	12.XXX	PRIMEDAGS6001C		35,859	35,859
<i>Pass-through from American Association of</i>					
<i>Diabetes Research</i>					
	12.XXX	NP200309		2,421	2,421
<i>Pass-through from Analytical Services Inc</i>					
	12.XXX	ASI-UTA-00-0612		3	3
<i>Pass-through from Battelle</i>					
	12.XXX	172101 / 2002-45810-000		76,844	76,844
<i>Pass-through from the Boeing Company</i>					
	12.XXX	KK7633		73,153	73,153
<i>Pass-through from Brown University</i>					
	12.XXX	23543-9424		210,874	210,874
<i>Pass-through from California Inst of Tech</i>					
<i>Jet Propulsion</i>					
	12.XXX	961429		209,125	209,125
<i>Pass-through from City of Lewisville</i>					
	12.XXX	Tsk Order FY 02-01		98,186	98,186
<i>Pass-through from Constellation</i>					
<i>Technologies Corp</i>					
	12.XXX	DTRA01-99-C-0187		19,482	19,482
<i>Pass-through from Cornell University</i>					
	12.XXX	39383-6991 F-49620-01-1-0076		91,690	91,690
<i>Pass-through from Dod - Defense</i>					
<i>Threat Reduction A</i>					
	12.XXX	DTRA02-02-P-0035		1	1
<i>Pass-through from Drs Infrared Technologies, LP</i>					
	12.XXX	5681		71,282	71,282
<i>Pass-through from Elusys</i>					
	12.XXX	UTA02-402		99,647	99,647
<i>Pass-through from Florida State University</i>					
	12.XXX	A03860 / N00014-02-1-0623		1,722,054	1,722,054
<i>Pass-through from Galveston County</i>					
	12.XXX	G214969		34,166	34,166
<i>Pass-through from General Atomics</i>					
	12.XXX	SC B000702		1,881,889	1,881,889
<i>Pass-through from General Dynamics</i>					
	12.XXX	MET001757		231,102	231,102
<i>Pass-through from Gomez Research Associates</i>					
	12.XXX	1010-99SC-010		13,641	13,641
<i>Pass-through from Iit Research Inst</i>					
	12.XXX	1155279		22,499	22,499
<i>Pass-through from Innovalight, Inc</i>					
	12.XXX	UTA02-505		49,908	49,908
<i>Pass-through from Intelligent Optical Systems Inc</i>					
	12.XXX	13387 JO		8,581	8,581
<i>Pass-through from Intellimotive</i>					
	12.XXX	UTA03-029		61,445	61,445
<i>Pass-through from Itt Industries, Inc</i>					
	12.XXX	169392J- Sub 169392		18,419	18,419
<i>Pass-through from Lockheed</i>					
<i>Martin Corp</i>					
	12.XXX	DAAD19-00-9-0001	42,183	2,918,451	2,960,634
<i>Pass-through from Massachusetts Inst of Tech</i>					
	12.XXX	5710001354		138,107	138,107
<i>Pass-through from Medical University</i>					
<i>of South Carolina</i>					
	12.XXX	UTA03-344		64,144	64,144
<i>Pass-through from Medical University of</i>					
<i>South Carolina Foundation</i>					
	12.XXX	N00014-99-1-0784		547	547
<i>Pass-through from Mission Research Corp</i>					
	12.XXX	SC2222-02-0002		44,117	44,117
<i>Pass-through from Mission Research Corp</i>					
	12.XXX	UTA03-079		892	892
<i>Pass-through from Mississippi State University</i>					
	12.XXX	060808-01090729-07		1,687,007	1,687,007
<i>Pass-through from Molecular Imprints Inc</i>					
	12.XXX	MII-2002-01		17,682	17,682
<i>Pass-through from Old Dominion University</i>					
	12.XXX	114605		84,900	84,900
<i>Pass-through from S R I Intl</i>					
	12.XXX	3.000224		383,392	383,392
<i>Pass-through from Sandia Nat'l Labs</i>					
	12.XXX	AF-1935		178,407	178,407
<i>Pass-through from Scenpro, Inc</i>					
	12.XXX	UTA02-424		19,989	19,989
<i>Pass-through from Science Application Intl Corp</i>					
<i>Pass-through from Separations</i>					
<i>Systems Technology I</i>					
	12.XXX	UTA03-092		42,625	42,625
<i>Pass-through from Southern Coalition</i>					
<i>for Adv Trans</i>					
	12.XXX	MDA972-94-2-0003 (RA94-24)		13,869	13,869
<i>Pass-through from Southwest Research Institute</i>					
	12.XXX	SWRI 29939OP		887	887
<i>Pass-through from Southwest Research Institute</i>					
	12.XXX	399836JH		50,002	50,002

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Defense (continued)</b>					
U.S. Department of Defense (continued)					
<i>Pass-through from University of California-Berkeley</i>	12.XXX	SA3234-23020PG / PO 1-0000434940		198,672	198,672
<i>Pass-through from University of Dayton Research Institute</i>	12.XXX	RSC99025 01-346 /		51,330	51,330
<i>Pass-through from University of Illinois- Champaign Urban</i>	12.XXX	DAAD 19-01-1-0591		50,928	50,928
<i>Pass-through from University of Michigan</i>	12.XXX	F000489 / UTA99-0002		64,484	64,484
<i>Pass-through from University of Southern California</i>	12.XXX	030919 / F49620-98-1-0474		55,370	55,370
<i>Pass-through from University of Wisconsin</i>	12.XXX	641F060		115,729	115,729
<i>Pass-through from Unrelated to Sponsor</i>	12.XXX	UTA02-494		121,836	121,836
<i>Pass-through from Wendy Lopez &amp; Associates</i>	12.XXX	DACW56-98-D006		34,688	34,688
<i>Pass-through from Xidex Corp</i>	12.XXX	UTA02-494		29,497	29,497
Procurement Technical Assistance for Business Firms	12.002			151,267	151,267
Aquatic Plant Control	12.100			3,265	3,265
Beach Erosion Control Projects	12.101			321,966	321,966
Navigation Projects	12.107			10,611	10,611
Protection, Clearing and Straightening Channels	12.109			12,340	12,340
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113			98,857	98,857
<i>Pass-through from Aviation &amp; Missile Solutions LLC</i>	12.113	No. 038-02K		647,525	647,525
Collaborative Research and Development	12.114		22,272	1,454,869	1,477,141
<i>Pass-through from G.E.C., Inc.</i>	12.114	502727		18,298	18,298
<i>Pass-through from Honeywell Inc</i>	12.114	A004600 / DAAD19-01-2-0010		100,952	100,952
<i>Pass-through from Syndetix, Inc</i>	12.114	PO No. 01-03-7369		17,905	17,905
<i>Pass-through from University of Florida</i>	12.114	UF03010 0153CG		18,664	18,664
<i>Pass-through from University of Pittsburgh</i>	12.114	502309		126,439	126,439
<i>Pass-through from University of South Florida</i>	12.114	6402-203-LO-A		69,640	69,640
Basic and Applied Scientific Research	12.300		2,036,196	68,257,542	70,293,738
<i>Pass-through from Academy of Applied Science, Inc.</i>	12.300	DAAG55-98-1-0468		18,635	18,635
<i>Pass-through from Advanced Turbomachinery Solutions</i>	12.300	N0042-01-C0188		43,549	43,549
<i>Pass-through from Florida Atlantic University</i>	12.300	TRD67		56,007	56,007
<i>Pass-through from Green Oaks Research</i>	12.300	20300323		1,188	1,188
<i>Pass-through from Groundwater Services, Inc.</i>	12.300	36617		9,652	9,652
<i>Pass-through from Honeywell International</i>	12.300	B09390131		17,200	17,200
<i>Pass-through from Imaging Microsensors Inc</i>	12.300	IMI002-03-S-001/ N0001403M0280		2,302	2,302
<i>Pass-through from Inotek, Inc.</i>	12.300	415170		19,000	19,000
<i>Pass-through from J3s Inc</i>	12.300	PO S03001		2,648	2,648
<i>Pass-through from Johns Hopkins University</i>	12.300	JHU/APL 866617 N0002403D6606		79,162	79,162
<i>Pass-through from Marlow Industries</i>	12.300	N00014-03-M-0332		1,012	1,012
<i>Pass-through from Mississippi State University</i>	12.300	N62306-01		99,735	99,735
<i>Pass-through from Mitre Corp</i>	12.300	BOA 52787		33,046	33,046
<i>Pass-through from Mtm Software Engr</i>	12.300	26-3901-34		252	252
<i>Pass-through from National Reconnaissance Office</i>	12.300	03-C-0104		1,082,997	1,082,997



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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Defense (continued)</b>					
Basic and Applied Scientific Research (continued)					
<i>Pass-through from New Mexico Tech</i>	12.300	PO B009182		55,804	55,804
<i>Pass-through from Office of Naval Research</i>	12.300	N00014-03-1-0639		32,897	32,897
<i>Pass-through from St. Mary's University</i>	12.300	502722		47,168	47,168
<i>Pass-through from State University of New York</i>	12.300	1001499/1/012054 / N00014-00-1-0951		50,115	50,115
<i>Pass-through from University of Southern Mississippi</i>	12.300	GR01435-B10		19,219	19,219
<i>Pass-through from Unrelated to Sponsor</i>	12.300	26-0794-01		2,363,490	2,363,490
<i>Pass-through from U.S. Navy-Medical R&amp;D Command</i>	12.300	GS-10F-0230K, F41622-01-F-0056		(3,443)	(3,443)
<i>Pass-through from Williams Pyro, Inc.</i>	12.300	N00024-01-C-4053		6	6
National Guard Military Operations and Maintenance (O&M) Projects	12.401			108,777	108,777
Military Medical Research and Development	12.420		1,801,281	24,752,813	26,554,094
<i>Pass-through from Buck Institute for Age Research</i>	12.420	DAMD17-98-1-8581 2		607	607
<i>Pass-through from National Medical Tech. Testbed</i>	12.420	DAMD-17-97		227,952	227,952
<i>Pass-through from National Medical Technology Testbed</i>	12.420	No. 2000-177		2,059	2,059
<i>Pass-through from National Medical Technology Testbed</i>	12.420	No. 2002-56		66,210	66,210
<i>Pass-through from National Medical Technology Testbed</i>	12.420	416591		272,887	272,887
<i>Pass-through from University of Oklahoma</i>	12.420	416970		169,190	169,190
<i>Pass-through from University of Wisconsin - Madison</i>	12.420	DAMD17-94-J-4233 2		11,260	11,260
Basic Scientific Research	12.431		130,465	4,196,729	4,327,194
<i>Pass-through from Academy of Applied Science</i>	12.431	DAAD19-99		27,885	27,885
<i>Pass-through from Battelle-Research Triangle Park</i>	12.431	DAAH04-96-C-0086		1,529	1,529
<i>Pass-through from Cal Tech</i>	12.431	114597		153,597	153,597
<i>Pass-through from Honeywell, Inc</i>	12.431	A004611		65,582	65,582
<i>Pass-through from Human Resources Research Organization</i>	12.431	Sub PR-02-1		128,739	128,739
<i>Pass-through from Rice University</i>	12.431	R13231-72000099		84,082	84,082
<i>Pass-through from San Diego State University Found</i>	12.431	50879B P3054		7,589	7,589
<i>Pass-through from Sarcos Research Corporation</i>	12.431	413260-70		5,500	5,500
<i>Pass-through from Science Application Int'l Co.</i>	12.431	PE0605306F		58,835	58,835
<i>Pass-through from U.S. Army</i>	12.431	GS-10F-0136M		62,640	62,640
<i>Pass-through from U.S. Army</i>	12.431	GS-10F-0288L	276,007	(3,771)	272,236
International Education--U.S. Colleges and Universities	12.550			(4,139)	(4,139)
Basic, Applied, and Advanced Research in Science and Engineering	12.630		678,914	2,473,843	3,152,757
<i>Pass-through from Bell Helicopter</i>	12.630	163920-33. CO 4		209,917	209,917
<i>Pass-through from Brown University</i>	12.630	1132-21072		162,585	162,585
<i>Pass-through from Intuitive Research and Technology</i>	12.630	V3416(A)-TAMU-002		54,118	54,118
<i>Pass-through from Intuitive Research and Technology</i>	12.630	V3417(N)-TAMU-002		56,807	56,807

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Defense (continued)</b>					
Basic, Applied, and Advanced Research in Science and Engineering (continued)					
<i>Pass-through from Intuitive Research and Technology</i>	12.630	V3418(AF)-TAMU-001		211,776	211,776
<i>Pass-through from Intuitive Research and Technology</i>	12.630	V3419(MC)-TAMU-002		52,683	52,683
<i>Pass-through from Northwestern University</i>	12.630	0650 300 F416 415		108,439	108,439
<i>Pass-through from Rice University</i>	12.630	01110201-03		12,565	12,565
<i>Pass-through from University of Southern California</i>	12.630	66032		190,417	190,417
<i>Pass-through from U.S. Army - Corp of Engineers</i>	12.630	DACA72-02-C-0034		305,433	305,433
Air Force Defense Research Sciences Program	12.800		116,769	7,720,131	7,836,900
<i>Pass-through from Aeroprobe Corporation</i>	12.800	No. 03-0255		86,950	86,950
<i>Pass-through from Anteion Corporation</i>	12.800	S1289		22,483	22,483
<i>Pass-through from Anteion Corp</i>	12.800	02-3210-44-1		54,887	54,887
<i>Pass-through from Boeing Aerospace &amp; Electronics</i>	12.800	Q03897077		14,893	14,893
<i>Pass-through from Brooks Air Force Base</i>	12.800	GS-10F-0136M	57,702	25,078	82,780
<i>Pass-through from Ch2m Hill</i>	12.800	58586		25,282	25,282
<i>Pass-through from Csa Engineering Inc</i>	12.800	NM-2070		20,337	20,337
<i>Pass-through from Frontline Systems Inc</i>	12.800	GS-00F-0018L		126,809	126,809
<i>Pass-through from Innovative Scientific Solutions, Inc</i>	12.800	3020 S1		93,901	93,901
<i>Pass-through from Mission Research Corp</i>	12.800	SC-0218-02-0001		58,261	58,261
<i>Pass-through from Pacific Wave Industries Inc</i>	12.800	UTA02-045		160,924	160,924
<i>Pass-through from Pilato Consulting, Inc</i>	12.800	C02-00611		20,499	20,499
<i>Pass-through from Science Applications International Corp</i>	12.800	4400058961		11,999	11,999
<i>Pass-through from Science Applications International Corp</i>	12.800	4400066966		15,104	15,104
<i>Pass-through from Scientific Systems Company Ltd</i>	12.800	F49620-01-C0048		(848)	(848)
<i>Pass-through from System and Materials Research Consultancy</i>	12.800	SMRC039-2		43,889	43,889
<i>Pass-through from Tao of Systems Integration Inc</i>	12.800	Tao02-ONR-0111		29,729	29,729
<i>Pass-through from Touchstone Research Laboratory, Ltd</i>	12.800	F33615-00-C-5007-TEX		96,938	96,938
<i>Pass-through from University of Arizona</i>	12.800	Y701615		94,754	94,754
<i>Pass-through from University of Notre Dame</i>	12.800	UTA01-525 / F49620-01-0331-P1 / 45351		31,940	31,940
<i>Pass-through from University of Alabama</i>	12.800	16103		69,510	69,510
<i>Pass-through from U.S. Air Force</i>	12.800	GS-10F-0230K	(239)		(239)
<i>Pass-through from U.S. Army</i>	12.800	DO 0003, DAMD17-03-2-0011		29,952	29,952
<i>Pass-through from Waste Policy Institute</i>	12.800	5180X		(53,021)	(53,021)
<i>Pass-through from X-1 Synergy</i>	12.800	F33615-03		9,581	9,581
Mathematical Sciences Grants Program	12.901			106,601	106,601
<i>Pass-through from Mathematical Association of America</i>	12.901	NSA MDA904-03-0097		19,386	19,386
Research and Technology Development	12.910		655,463	5,528,802	6,184,265
<i>Pass-through from Battelle-research Triangle Park</i>	12.910	98133		(235)	(235)
<i>Pass-through from Boston University</i>	12.910	502382		647	647
<i>Pass-through from Dod-marine Corps System Command</i>	12.910	M67854-03-M-6007		36,488	36,488

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Defense (continued)</b>					
Research and Technology Development (continued)					
<i>Pass-through from Duke University</i>	12.910	DS793		200,623	200,623
<i>Pass-through from Honeywell, Inc</i>	12.910	B09080086		74,418	74,418
<i>Pass-through from Intl Business Machines Corp</i>	12.910	A0032660 / F49620-01-1-0551		65,091	65,091
<i>Pass-through from</i> <i>Karta Technology, Inc</i>	12.910	3548-S02-A / F33615-00-C-5419		37,435	37,435
<i>Pass-through from Ohio State University</i>	12.910	741323/869064 RF00904759		84,509	84,509
<i>Pass-through from Plain Sight Systems, Inc.</i>	12.910	N0017301C2008	124,206	1,690,682	1,814,888
<i>Pass-through from Princeton University</i>	12.910	00000394 / MDA972-01-1-0032		33,286	33,286
<i>Pass-through from S R I Intl</i>	12.910	27-000757 / F33615-01-C-1908		4,067	4,067
<i>Pass-through from Science</i> <i>Application Intl Corp</i>	12.910	4400039306 / MDA972-01-9-0006		36,702	36,702
<i>Pass-through from Southern Coalition</i> <i>for Adv Trans</i>	12.910	MDA972-94-2-0003(RA94-24), MOD 10		59,102	59,102
<i>Pass-through from Unconventional Concepts</i>	12.910	DAMD17-0020033		2,836	2,836
<i>Pass-through from University of</i> <i>California-San Diego</i>	12.910	10191576		184,249	184,249
<i>Pass-through from University of Illinois-</i> <i>Champaign Urban</i>	12.910	01-144, Amd 2		97,256	97,256
<i>Pass-through from University of New Mexico</i>	12.910	3-17271-7840 C		272,556	272,556
<i>Pass-through from University of</i> <i>California, San Diego</i>	12.910	10197131		22,202	22,202
<i>Pass-through from University of Illinois</i>	12.910	20160		85,485	85,485
<i>Pass-through from University of Louisville</i>	12.910	414750		144,259	144,259
<i>Pass-through from Unrelated To Sponsor</i>	12.910	N66001-01-1-8964		526,310	526,310
<i>Pass-through from U.S. Air Force</i> <i>Research Laboratory</i>	12.910	58322	161,345		161,345
<i>Pass-through from U.S. Air Force</i> <i>Research Laboratory</i>	12.910	F30602-99-1-0531		88,908	88,908
<i>Pass-through from Visigen Biotechnologies, Inc.</i>	12.910	2001002DRPSHH01		(4,349)	(4,349)
<i>Pass-through from Xeotron Corporation</i>	12.910	DAAD05-02-C-0038-EN		69,654	69,654
<i>Pass-through from Xeotron Corporation</i>	12.910	N39998-01-C-7071-A		374,421	374,421
Total - U.S. Department of Defense			9,329,805	163,758,667	173,088,472
<b>U.S. Department of Housing and Urban Development</b>					
Federally Assisted Low-Income					
Housing Drug Elimination					
<i>Pass-through from Star of Hope</i>	14.193	TX21B810-017		98,476	98,476
Community Development Block Grants/ State's Program					
<i>Pass-through from City of Dallas</i>	14.228	98-2224		1,544	1,544
Housing Opportunities for Persons with AIDS	14.241			40,215	40,215
Doctoral Dissertation Research Grants	14.516			463	463
Total - U.S. Department of Housing and Urban Development			—	140,698	140,698
<b>U.S. Department of the Interior</b>					
U.S. Department of the Interior	15.XXX	H-1248-02-0015, Task UT-01		142,505	142,505
U.S. Department of the Interior	15.XXX	03FC601786		17,235	17,235
U.S. Department of the Interior	15.XXX	59136A GO	26,400	254,068	280,468
U.S. Department of the Interior	15.XXX	14482018100G919R2-00-0968		34,034	34,034
U.S. Department of the Interior	15.XXX	1443CA712097001		3,376	3,376
U.S. Department of the Interior	15.XXX	98-FG-60-11430		17,231	17,231
U.S. Department of the Interior	15.XXX	1443CA125099003		(47)	(47)

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of the Interior (continued)</b>					
U.S. Department of the Interior	15.XXX	0102PO85115		32,173	32,173
U.S. Department of the Interior	15.XXX	14482018101G900		21,271	21,271
U.S. Department of the Interior	15.XXX	-127774		47,746	47,746
U.S. Department of the Interior	15.XXX	144820189199J816		3,739	3,739
U.S. Department of the Interior	15.XXX	GCCESU 03		276,197	276,197
<i>Pass-through from TX Water Resources Inst</i>	15.XXX	UTA03-360		3,769	3,769
<i>Pass-through from Intl Business Machines Corp</i>	15.XXX	UTA03-034, PO#5001392712		251,305	251,305
<i>Pass-through from Creative Associates International</i>	15.XXX	LTR SUBC USAID/CAII		292,568	292,568
<i>Pass-through from Science Application Intl Corp</i>	15.XXX	4400067993		154,635	154,635
Non-Sale Disposals of Mineral Material	15.214			44,448	44,448
Recreation Resource Management	15.225		908	3,142	4,050
Water Reclamation and Reuse Program	15.504			85,557	85,557
Conservation Law Enforcement Training Assistance	15.602			32,167	32,167
<i>Pass-through from New Mexico Fish and Wildlife</i>	15.602	502558		3,534	3,534
Fish and Wildlife Management Assistance	15.608		31,875	92,999	124,874
<i>Pass-through from Arkansas Game and Fish Commission</i>	15.608	716006567		3,806	3,806
Wildlife Restoration	15.611			109,324	109,324
Coastal Wetlands Planning, Protection and Restoration Act	15.614			4,831	4,831
Cooperative Endangered Species Conservation Fund	15.615			2,334,824	2,334,824
North American Wetlands Conservation Fund	15.623			16,111	16,111
<i>Pass-through from Rainwater Basin Joint Venture</i>	15.623	13540722		31,226	31,226
Assistance to State Water Resources Research Institutes	15.805			56,497	56,497
Earthquake Hazards Reduction Program	15.807			84,644	84,644
U.S. Geological Survey--Research and Data Acquisition	15.808		150,449	643,734	794,183
<i>Pass-through from Lgl Alaska Rsch Assoc Inc</i>	15.808	C66111		9,792	9,792
<i>Pass-through from Michigan Technological University</i>	15.808	010506Z		25,450	25,450
National Spatial Data Infrastructure Cooperative Agreements Program	15.809		274,599	1,582,755	1,857,354
National Cooperative Geologic Mapping Program	15.810			110,745	110,745
Cooperative Research Units Program	15.812			242,384	242,384
Historic Preservation Fund Grants-In-Aid	15.904			151,115	151,115
<i>Pass-through from San Antonio Missions Nat'l Historical</i>	15.904	P760030006		112	112
National Natural Landmarks Program	15.910			481	481
Outdoor Recreation--Acquisition, Development and Planning	15.916			13,195	13,195
Urban Park and Recreation Recovery Program	15.919			841	841
Rivers, Trails and Conservation Assistance	15.921			43,622	43,622
National Center for Preservation Technology and Training	15.923			87,598	87,598
Total - U.S. Department of the Interior			484,231	7,366,739	7,850,970
<b>U.S. Department of Justice</b>					
U.S. Department of Justice	16.XXX	2001-IJ-CX-0014	2,500	782,524	785,024
U.S. Department of Justice	16.XXX	2003-GP-CX-0131		16,088	16,088
<i>Pass-through from Oklahoma State University</i>	16.XXX	UTA02-473		24,830	24,830
Juvenile Accountability Incentive Block Grants	16.523			28,003	28,003

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Justice (continued)</b>					
Juvenile Justice and Delinquency Prevention--					
Allocation to States	16.540			30,404	30,404
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			332,282	332,282
Criminal Justice Research and Development-- Graduate Research Fellowships	16.562			259,390	259,390
National Institute of Justice Domestic Anti-Terrorism Technology Development Program					
<i>Pass-through from Sheriffs Association of Texas</i>	16.565	609894		701	701
Violence Against Women Formula Grants	16.588			47,219	47,219
Corrections--Research and Evaluation and Policy Formulation	16.602			44,659	44,659
Community Prosecution and Project Safe Neighborhoods	16.609			19,656	19,656
Public Safety Partnership and Community Policing Grants	16.710			357,886	357,886
Troops to COPS	16.711			(313)	(313)
Enforcing Underage Drinking Laws Program	16.727			17,355	17,355
Total - U.S. Department of Justice			<u>2,500</u>	<u>1,960,684</u>	<u>1,963,184</u>
<b>U.S. Department of Labor</b>					
U.S. Department of Labor	17.XXX	E4R3004040		381,365	381,365
<i>Pass-through from University of Baltimore</i>	17.XXX	UTA98-0350		33,064	33,064
Job Training Partnership Act <i>Pass-through from Upper Rio Grande     Workforce Development Board</i>	17.250	PY01-297-703-12		44,083	44,083
Employment and Training Pilots <i>Pass-through from Houston-Galveston     Area Consortium</i>	17.261	417430		118,898	118,898
<i>Pass-through from Houston-Galveston     Area Consortium</i>	17.261	417436	2,102		2,102
<i>Pass-through from Houston-Galveston     Area Consortium</i>	17.261	417541	59,373		59,373
Total - U.S. Department of Labor			<u>61,475</u>	<u>577,410</u>	<u>638,885</u>
<b>U.S. Department of State</b>					
U.S. Department of State	19.XXX	S-ECAPE-03-GR-129(CS)		20	20
U.S. Department of State	19.XXX	523-97-044		2	2
Claims Against Foreign Governments	19.200			57,725	57,725
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union					
<i>Pass-through from American International     Health Alliance</i>	19.300	411440		76,164	76,164
Professional Development--International Educators/Administrators	19.404			37,077	37,077
Professional Development--Teacher Training	19.419			15,510	15,510
Cooperative Grants <i>Pass-through from Conrad</i>	19.420	416940		3,485	3,485
Total - U.S. Department of State			<u>—</u>	<u>189,983</u>	<u>189,983</u>
<b>U.S. Department of Transportation</b>					
U.S. Department of Transportation	20.XXX	DTFR53-99-H-00006	162,525	3,716,976	3,879,501
U.S. Department of Transportation	20.XXX	DTFH6101R000111/126		50,329	50,329

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Transportation (continued)</b>					
U.S. Department of Transportation	20.XXX	PO-00-P-00480012		7,474	7,474
U.S. Department of Transportation	20.XXX	DTFH61-01-P-00362		65,584	65,584
U.S. Department of Transportation	20.XXX	DTFH71-99-C-00035		215,692	215,692
U.S. Department of Transportation	20.XXX	DTFH61-01-C-00027		8,664	8,664
U.S. Department of Transportation	20.XXX	DTFH61-02-P-00246		20,267	20,267
U.S. Department of Transportation		DTSA20-02-P50150;			
U.S. Department of Transportation	20.XXX	DTSA2003-P01429		63,391	63,391
U.S. Department of Transportation	20.XXX	DTFH68-02-P-00026		22,315	22,315
U.S. Department of Transportation	20.XXX	DTFH61-03-P-00242		3,187	3,187
U.S. Department of Transportation	20.XXX	DTFH61-00-C-00012		116,420	116,420
U.S. Department of Transportation	20.XXX	DTFH61-02-P-00403		31,563	31,563
<i>Pass-through from Aggregates Foundation</i>	20.XXX	3012000		23,831	23,831
<i>Pass-through from Charles River Associates Inc</i>	20.XXX	D03998-S1		64,983	64,983
<i>Pass-through from Nat'l Academy of Science</i>	20.XXX	HR 24-12(1)	44,456	37,895	82,351
<i>Pass-through from Oregon DoT</i>	20.XXX	18560, YR 3		17,904	17,904
<i>Pass-through from University of Alabama</i>	20.XXX	UTA03-154		49,551	49,551
<i>Pass-through from University of Arkansas</i>	20.XXX	SA0301102		10,485	10,485
<i>Pass-through from Washington State DoT</i>	20.XXX	GCA3123		22,052	22,052
Aviation Research Grants	20.108			421,330	421,330
<i>Pass-through from North Carolina Agricultural     and Technical State University</i>	20.108	No 551143A		80,990	80,990
<i>Pass-through from Southwest Research Institute</i>	20.108	SWRI 299394P		78,440	78,440
Highway Planning and Construction	20.205			(773)	(773)
<i>Pass-through from Florida DoT</i>	20.205	502619		67,227	67,227
<i>Pass-through from Jefferson County Texas</i>	20.205	Agr 99-145		348	348
<i>Pass-through from National Academy of Science</i>	20.205	LA5-7-03		4,902	4,902
<i>Pass-through from National Academy of Science</i>	20.205	LA6-13-03		3,147	3,147
<i>Pass-through from Williams Pyro, Inc.</i>	20.205	642428		2,113	2,113
Highway Training and Education	20.215			6,903	6,903
<i>Pass-through from S. Carolina St. University</i>	20.215	02-447399-NSTI-PVU-TX		42,214	42,214
<i>Pass-through from S. Carolina St. University</i>	20.215	DDEHBC-02-X-00145		13,867	13,867
National Motor Carrier Safety	20.218			102,372	102,372
Formula Grants for Other Than Urbanized Areas					
<i>Pass-through from Greyhound Lines, Inc.</i>	20.509	C010-24-01		45,589	45,589
State and Community Highway Safety	20.600			9,278	9,278
<i>Pass-through from University of Vermont</i>	20.600	DTNH22-01-H-05223		51,055	51,055
University Transportation Centers Program	20.701			12,332	12,332
Hispanic Serving Institutions--Entrepreneurial Training and Technical Assistance	20.906			41,963	41,963
Total - U.S. Department of Transportation			206,981	5,531,860	5,738,841
<b>U.S. Department of Treasury</b>					
U.S. Department of Treasury	21.XXX	TIRMS-99-P-01306		29,760	29,760
Secret Service--Training Activities	21.100			155	155
Total - U.S. Department of Treasury			—	29,915	29,915
<b>Appalachian Regional Commission</b>					
Appalachian Regional Commission	23.XXX	F19628-01-C-0067		17,791	17,791
Total - Appalachian Regional Commission			—	17,791	17,791
<b>Office of Personnel Management</b>					
Intergovernmental Personnel Act					
Mobility Program	27.011			422,994	422,994
Total - Office of Personnel Management			—	422,994	422,994

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>Federal Mediation and Conciliation Service</b>					
Labor Mediation and Conciliation	34.001		—	10,441	10,441
Total - Federal Mediation and Conciliation Service			—	10,441	10,441
<b>General Services Administration</b>					
Donation of Federal Surplus Personal Property	39.003			2,089	2,089
Federal Consumer Information Center	39.009			143,517	143,517
<i>Pass-through from Mts Technologies Inc</i>	39.009	MTS9T1S141SSA-01-001		41,441	41,441
Total - General Services Administration			—	187,047	187,047
<b>Library of Congress</b>					
Library of Congress	42.XXX	2003072		2,028	2,028
Library of Congress	42.XXX	CRS# 02-35		88,865	88,865
Total - Library of Congress			—	90,893	90,893
<b>National Aeronautics and Space Administration</b>					
National Aeronautics and Space Administration	43.XXX	NAG2-1560		124,241	124,241
National Aeronautics and Space Administration	43.XXX	NAG 8-1570		96,050	96,050
National Aeronautics and Space Administration	43.XXX	410530 NAG5-11070	24,857		24,857
National Aeronautics and Space Administration	43.XXX	NAG5-12599		494	494
National Aeronautics and Space Administration	43.XXX	NAG9-1456		15,704	15,704
National Aeronautics and Space Administration	43.XXX	S-65112-G, Mod 1		589,211	589,211
National Aeronautics and Space Administration	43.XXX	NAG 2-1447		27,571	27,571
National Aeronautics and Space Administration	43.XXX	NCC 9-126		68,857	68,857
National Aeronautics and Space Administration	43.XXX	410390 NAG8-1338		3,497	3,497
National Aeronautics and Space Administration	43.XXX	411380 NAG4-233		10,691	10,691
National Aeronautics and Space Administration	43.XXX	NAG9-1132		2,393	2,393
National Aeronautics and Space Administration	43.XXX	NASA/UNCFSPC		17,111	17,111
National Aeronautics and Space Administration	43.XXX	NAG1-2192		21,492	21,492
National Aeronautics and Space Administration	43.XXX	NCC 9-80		36,724	36,724
National Aeronautics and Space Administration	43.XXX	NAG 2-1505		83,221	83,221
National Aeronautics and Space Administration	43.XXX	410219 NAG4-210		82,419	82,419
National Aeronautics and Space Administration	43.XXX	NAG 9-1414		54,906	54,906
National Aeronautics and Space Administration	43.XXX	NAG9-1194		2,290	2,290
National Aeronautics and Space Administration	43.XXX	NAFP		85,089	85,089
National Aeronautics and Space Administration	43.XXX	NCC9-143		235,193	235,193
National Aeronautics and Space Administration	43.XXX	L-71124D		17,488	17,488
National Aeronautics and Space Administration	43.XXX	NCC9-108		62,474	62,474
National Aeronautics and Space Administration	43.XXX	1314A216-A318		1,164,954	1,164,954
National Aeronautics and Space Administration	43.XXX	NCC3-962		10,549	10,549
National Aeronautics and Space Administration	43.XXX	410130 NAG4-148		7,000	7,000
National Aeronautics and Space Administration	43.XXX	NAG 9-1454		199,884	199,884
National Aeronautics and Space Administration	43.XXX	R/ES-96		22,687	22,687
National Aeronautics and Space Administration	43.XXX	411260 NAG8-1874		119,424	119,424
National Aeronautics and Space Administration	43.XXX	NCC 9-165		100,537	100,537
<i>Pass-through from Advanced Ceramics Research</i>	43.XXX	1195		6,162	6,162
<i>Pass-through from California Inst of     Tech Jet Propulsion</i>	43.XXX	1231006		288,760	288,760
<i>Pass-through from California Institute/     Technology</i>	43.XXX	1241927		24,659	24,659
<i>Pass-through from Raytheon Co</i>	43.XXX	3000616, Mod 13		309,767	309,767
<i>Pass-through from Smithsonian     Astrophysical Observatory</i>	43.XXX	GO1-2003B / NAS8-39073		13	13
<i>Pass-through from Southwest Research Institute</i>	43.XXX	117039		1,207	1,207
<i>Pass-through from Space Telescope Science Inst</i>	43.XXX	HST-AR-09535.01-A		413,696	413,696

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>National Aeronautics and Space Administration (continued)</b>					
Aerospace Education Services Program	43.001		1,133,001	25,380,668	26,513,669
<i>Pass-through from Aeroprope Corporation</i>	43.001	C03-00238		23,001	23,001
<i>Pass-through from Arizona Dept of     Water Resources</i>	43.001	2002-2453IGA		103,751	103,751
<i>Pass-through from Arizona State University</i>	43.001	NCC-2-1232		11,969	11,969
<i>Pass-through from Baylor College of Medicine</i>	43.001	NBPFO0203 / NCC9-58-184		85,180	85,180
<i>Pass-through from Baylor College of Medicine</i>	43.001	NCC 9-58-73		270,529	270,529
<i>Pass-through from California Inst of Tech     Jet Propulsion</i>	43.001	1224723/1224608 / 10076		207,498	207,498
<i>Pass-through from Carnegie Institute     of Washington</i>	43.001	NASW-0002		3,591	3,591
<i>Pass-through from Cornell University</i>	43.001	38341-6288 / NASW-00005		24,231	24,231
<i>Pass-through from Georgia Inst of Technology</i>	43.001	G-35-674-G4		40,012	40,012
<i>Pass-through from National Aeronautics     and Space A</i>	43.001	NCC9-30		1,136	1,136
<i>Pass-through from National Space     Biomedical Research Institute</i>	43.001	412620		212,580	212,580
<i>Pass-through from Newtrition Foods</i>	43.001	502716		1,330	1,330
<i>Pass-through from Smithsonian     Astrophysical Observatory</i>	43.001	1224723/1224608 / 10076	32,388		32,388
<i>Pass-through from Southwest Research Institute</i>	43.001	SWRI 299431Q		59,968	59,968
<i>Pass-through from Space Telescope Science Inst</i>	43.001	GO-07283.01-96A		294,076	294,076
<i>Pass-through from Space Telescope Science Inst.</i>	43.001	HST-GO-09464.04		1,805	1,805
<i>Pass-through from United Space Alliance, LLC</i>	43.001	297A001126		147,297	147,297
<i>Pass-through from University of Maryland</i>	43.001	1224723/1224608 / 10076	67,653		67,653
<i>Pass-through from University of Pennsylvania</i>	43.001	1224723/1224608 / 10076	29,000		29,000
<i>Pass-through from University Space Res Assoc</i>	43.001	8500-98-008 / NAS2-97001		214,600	214,600
<i>Pass-through from Universities Space     Research Association</i>	43.001	9930-258-06		14,149	14,149
<i>Pass-through from Universities Space     Research Association</i>	43.001	957028		57,623	57,623
<i>Pass-through from University of New Orleans     Research &amp; Technology Foundation</i>	43.001	58404-S6		694	694
<i>Pass-through from University of New Orleans     Research &amp; Technology Foundation</i>	43.001	58404-S7		235,810	235,810
<i>Pass-through from University of Tennessee</i>	43.001	OR3610-001.01		52,425	52,425
<i>Pass-through from Usra</i>	43.001	NCC9-142		852	852
<i>Pass-through from Utah State University     Research Foundation</i>	43.001	C922182		340,330	340,330
<i>Pass-through from Wyle Laboratories     Life Science</i>	43.001	NAS 9-02078		14,898	14,898
Technology Transfer	43.002		43,129	4,199,773	4,242,902
<i>Pass-through from Assoc. of University     for Research In Astronomy</i>	43.002	C10335A		69,209	69,209
<i>Pass-through from Baylor College of Medicine</i>	43.002	NCC9-58-142 03		139,227	139,227
<i>Pass-through from California Inst. of     Tech Jet Propulsion</i>	43.002	JPL-125016		30,760	30,760
<i>Pass-through from Mse, Inc.</i>	43.002	03C671CR		51,548	51,548
<i>Pass-through from New Mexico     Highlands University</i>	43.002	NAG8-1708		9,288	9,288
<i>Pass-through from Northwestern University</i>	43.002	0980 520 T212 628		14,028	14,028



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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>National Aeronautics and Space Administration (continued)</b>					
Technology Transfer (continued)					
<i>Pass-through from Raytheon Co</i>	43.002	3000616, Mod 12		369,153	369,153
<i>Pass-through from Scripps Research Inst</i>	43.002	5-97458 / NCC2-1055		184,542	184,542
<i>Pass-through from Space Telescope Science Institute</i>	43.002	NAS5-26555		16,959	16,959
<i>Pass-through from University of New Mexico</i>	43.002	3-17221-7		416	416
<i>Pass-through from Veteran's Administration</i>	43.002	1018		1,079	1,079
<i>Pass-through from Wyle Laboratories</i>	43.002	H0U81203		2,725	2,725
Total - National Aeronautics and Space Administration			1,330,028	37,195,125	38,525,153
<b>National Foundation on the Arts and the Humanities</b>					
National Foundation on the Arts and the Humanities <i>Pass-through from American Architectural Foundation</i>	45.XXX	PA-23563-00		8,864	8,864
Promotion of the Arts--Grants to Organizations and Individuals	45.024			282,085	282,085
Promotion of the Arts--Partnership Agreements	45.025			1,000	1,000
Promotion of the Arts--Challenge America Grants	45.027			1,800	1,800
Promotion of the Humanities--Challenge Grants	45.130			36,366	36,366
Promotion of the Humanities--Division of Preservation and Access	45.149			454,992	454,992
Promotion of the Humanities-- Fellowships and Stipends	45.160			40,000	40,000
Promotion of the Humanities--Education Development and Demonstration <i>Pass-through from Mercantile Library of New York C</i>	45.162	UTA02-147		193	193
Promotion of the Humanities--Seminars and Institutes	45.163			14,100	14,100
Promotion of the Humanities--Extending the Reach Grants to Presidentially- Designated Minority Institutions	45.167			33,388	33,388
Institute of Museum and Library Services State Library Program	45.301			96,997	96,997
Institute of Museum and Library Services-- National Leadership Grants	45.310			15,316	15,316
Total - National Foundation on the Arts and the Humanities			—	1,494,286	1,494,286
<b>National Science Foundation</b>					
National Science Foundation	47.XXX	OPP-0085589	68,436	157,860	226,296
National Science Foundation	47.XXX	DEB-0120709	202,820	1,241,590	1,444,410
National Science Foundation	47.XXX	ECS-0210698		362,811	362,811
National Science Foundation	47.XXX	MCB-9808936		9,957	9,957
National Science Foundation	47.XXX	DEB-9815796		70,362	70,362
National Science Foundation <i>Pass-through from California Inst of Tech Jet Propulsion</i>	47.XXX	OPP-9801785		(130)	(130)
<i>Pass-through from Georgia Inst of Technology</i>	47.XXX	1249231		18,807	18,807
<i>Pass-through from Innovalight, Inc</i>	47.XXX	G-37-X71-G4		74,850	74,850
<i>Pass-through from Iris Consortium, The</i>	47.XXX	UTA02-506		29,875	29,875
<i>Pass-through from Joint Oceanographic Inst Inc</i>	47.XXX	345		599	599
<i>Pass-through from Nat'l Academy of Science</i>	47.XXX	JSC3-06 USSSP		8,449	8,449
	47.XXX	002-S20265550		6,936	6,936
	47.XXX	UTA03-300		6,936	6,936

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>National Science Foundation (continued)</b>					
National Science Foundation (continued)					
<i>Pass-through from Southeastern</i>					
<i>Universities Research A</i>	47.XXX	SURA-2002-105, Mod 1		91,992	91,992
<i>Pass-through from Stanford University</i>	47.XXX	PY-2320		5,110	5,110
<i>Pass-through from TX A&amp;M</i>					
<i>Research Foundation</i>	47.XXX	F001554 / 418920-BA357		12,650	12,650
<i>Pass-through from University of Michigan</i>	47.XXX	3000335501		12,848	12,848
<i>Pass-through from University of Pittsburgh</i>	47.XXX	10278		34,551	34,551
<i>Pass-through from University of Cal</i>					
<i>Lawrence Livermore N</i>	47.XXX	B347883		(441)	(441)
<i>Pass-through from University of North</i>					
<i>Carolina at Chapel</i>	47.XXX	UNC-CH #5-37497		579,736	579,736
<i>Pass-through from University of Wyoming</i>	47.XXX	UTA03-427 CONOCO 7826		3,119	3,119
Engineering Grants	47.041		1,885,124	16,452,454	18,337,578
<i>Pass-through from Consortium University</i>					
<i>Res In Earthquake</i>	47.041	UTA02-10		23,340	23,340
<i>Pass-through from Intelligent Automation, Inc.</i>	47.041	349-1 DMI-0319981		7,305	7,305
<i>Pass-through from Microlink Devices Inc</i>	47.041	UTA03-016		39,924	39,924
<i>Pass-through from Rochester Institute</i>					
<i>of Technology</i>	47.041	EEC-0080502		13,289	13,289
<i>Pass-through from South Dakota School of Mines</i>	47.041	SDSM&T		91,337	91,337
<i>Pass-through from Tennessee State University</i>	47.041	332.77-99.524		(30,232)	(30,232)
<i>Pass-through from University of Arizona</i>	47.041	Y701580		81,561	81,561
<i>Pass-through from University of New Mexico</i>	47.041	3-20831-7840 / ECS-0196569		34,665	34,665
<i>Pass-through from University of</i>					
<i>Southern California</i>	47.041	70238		52,709	52,709
<i>Pass-through from University of Illinois</i>	47.041	98-269		88,501	88,501
<i>Pass-through from University of</i>					
<i>Minnesota-St. Paul</i>	47.041	V5146171502		841	841
<i>Pass-through from Vanderbilt University</i>	47.041	14656-S1 / EEC-9876363		377,479	377,479
Mathematical and Physical Sciences	47.049		500,574	14,037,081	14,537,655
<i>Pass-through from Columbia University</i>					
<i>in New York</i>	47.049	PHY 97-22537		145,009	145,009
<i>Pass-through from Michigan State University</i>	47.049	612083		15,872	15,872
<i>Pass-through from Northern Illinois University</i>	47.049	OR 03-164 NIU/NSF		1,291	1,291
<i>Pass-through from Southern</i>					
<i>Methodist University</i>	47.049	G000382		3,001	3,001
<i>Pass-through from Southwest Research Institute</i>	47.049	399834Q		24,836	24,836
<i>Pass-through from State University of New York</i>	47.049	R193696		19,810	19,810
<i>Pass-through from University of Michigan</i>	47.049	F005739 / PHY-0114336		429,476	429,476
<i>Pass-through from University of</i>					
<i>California - Davis</i>	47.049	UCD 002865		24,255	24,255
<i>Pass-through from University of</i>					
<i>California - Irvin</i>	47.049	2002-1022		40,484	40,484
<i>Pass-through from University of</i>					
<i>California - Santa</i>	47.049	S0094635		102,568	102,568
<i>Pass-through from University of</i>					
<i>California - Santa</i>	47.049	S0144456		27	27
<i>Pass-through from University of Notre Dame</i>	47.049	816140		4,215	4,215

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>National Science Foundation (continued)</b>					
Geosciences	47.050		126,091	5,210,417	5,336,508
<i>Pass-through from Boston University</i>	47.050	ATM-012095		163,149	163,149
<i>Pass-through from Cornell University</i>	47.050	37458-6913		29,911	29,911
<i>Pass-through from Inc Res Inst for Seismology</i>	47.050	330 / EAR-0004370		8,280	8,280
<i>Pass-through from Inc. Research Institute     for Seismology</i>	47.050	EAR-000437		111,405	111,405
<i>Pass-through from Incorporated Res.     Inst. for Seismology</i>	47.050	346 & 329		3,968	3,968
<i>Pass-through from Iris Consortium, The</i>	47.050	355		5,391	5,391
<i>Pass-through from Joint Oceanographic Inst Inc</i>	47.050	F001482		11,671	11,671
<i>Pass-through from Texas A&amp;M     Research Foundation</i>	47.050	S900163		12,700	12,700
<i>Pass-through from University of Georgia</i>	47.050	RR100-300/L7512087		9,536	9,536
Computer and Information Science and Engineering	47.070		395,969	9,770,053	10,166,022
<i>Pass-through from Educause</i>	47.070	ANI-998053		49	49
<i>Pass-through from Indiana University</i>	47.070	UTA03-272 103080143		7,943	7,943
<i>Pass-through from Purdue University</i>	47.070	501-0563-3		121,424	121,424
<i>Pass-through from Purdue University</i>	47.070	500-3767-1		3,932	3,932
<i>Pass-through from Rice University</i>	47.070	R36507-29200099		155,091	155,091
<i>Pass-through from Rice University</i>	47.070	R38141-79200003		(89,100)	(89,100)
<i>Pass-through from University of     California-San Diego</i>	47.070	10181410-006		2,042,492	2,042,492
<i>Pass-through from University of Illinois</i>	47.070	791AT-51067A / ACI-9619019		72,359	72,359
<i>Pass-through from University of     Massachusetts - Amherst</i>	47.070	604840		97,589	97,589
<i>Pass-through from University of Florida</i>	47.070	EIA-0226851		24,515	24,515
<i>Pass-through from University of Florida</i>	47.070	UF00116		19,974	19,974
<i>Pass-through from University of Illinois</i>	47.070	780EOT1051A		30,282	30,282
<i>Pass-through from University of Illinois</i>	47.070	CMS9701785, Sub 98-269		1,145	1,145
<i>Pass-through from Virginia Polytechnic Inst</i>	47.070	CR-19443-427844		100,001	100,001
<i>Pass-through from Washington University</i>	47.070	WUHT-02-02		64,877	64,877
Biological Sciences	47.074		547,725	8,191,410	8,739,135
<i>Pass-through from Earthspan</i>	47.074	#DBI-0232521		12,131	12,131
<i>Pass-through from Fordham University</i>	47.074	130885		6,208	6,208
<i>Pass-through from Lehigh University</i>	47.074	DEB-0210972 02		32,306	32,306
<i>Pass-through from Oncosis</i>	47.074	416810		39,900	39,900
<i>Pass-through from University of Iowa</i>	47.074	4000077750		20,339	20,339
<i>Pass-through from University of Wisconsin</i>	47.074	453F784 / MCB-0115870		(53)	(53)
<i>Pass-through from University of Alaska</i>	47.074	FP103792		13,227	13,227
<i>Pass-through from University of     California Berkeley</i>	47.074	SA3415-22395PG		12,735	12,735
<i>Pass-through from University of California Davis</i>	47.074	00RA6786-TTU		38,074	38,074
<i>Pass-through from University of     California, Santa Barbara</i>	47.074	DEB-9980154		10,248	10,248
<i>Pass-through from University of Kansas</i>	47.074	2003-21		25,270	25,270
<i>Pass-through from University of Puerto Rico</i>	47.074	SS660433760		24,884	24,884
<i>Pass-through from University of Puerto Rico</i>	47.074	SS66-433760		60	60
<i>Pass-through from Virginia Polytechnic     Institute State</i>	47.074	CR-19094-427167		20,985	20,985
Social, Behavioral, and Economic Sciences	47.075		20,165	2,597,776	2,617,941
<i>Pass-through from Civilian Research     Development Foundation</i>	47.075	415340		6,481	6,481
<i>Pass-through from Civilian Research     and Development</i>	47.075	UE2-2448-KH-02		6,740	6,740

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>National Science Foundation (continued)</b>					
Social, Behavioral, and Economic Sciences (continued)	47.075				
<i>Pass-through from Southern Methodist University</i>	47.075	G000463		15,214	15,214
<i>Pass-through from State University of New York</i>	47.075	1027138		30,829	30,829
<i>Pass-through from University of Minnesota</i>	47.075	T4496000005		108,138	108,138
<i>Pass-through from U.S. Civilian     Research &amp; Development</i>	47.075	MC2-3009		7,792	7,792
Education and Human Resources	47.076		839,454	22,124,746	22,964,200
<i>Pass-through from American Statistical     Association</i>	47.076	ASA/SRS - NSF		20,953	20,953
<i>Pass-through from Compact     Membrane Systems Inc</i>	47.076	DMI-9531426		(26,720)	(26,720)
<i>Pass-through from Consortium University     Res In Earthquake</i>	47.076	01115051-4/ C5-33953		9,826	9,826
<i>Pass-through from Grand Valley State University</i>	47.076	9981031		24,261	24,261
<i>Pass-through from Louisiana State University</i>	47.076	ESI-0119735		(497)	(497)
<i>Pass-through from New Mexico State University</i>	47.076	HRD-012419		13,539	13,539
<i>Pass-through from S R I Intl</i>	47.076	55-000359		91,960	91,960
<i>Pass-through from University of Missouri</i>	47.076	01115051-4 / C-5-33953		15,605	15,605
<i>Pass-through from University of New Mexico</i>	47.076	3-20041-7850 / DUE-0101311		18,917	18,917
<i>Pass-through from University of Michigan</i>	47.076	F003426		27,533	27,533
<i>Pass-through from University of     Nebraska Lincoln</i>	47.076	250521-0059-002NSF		24,077	24,077
Polar Programs	47.078		21,854	1,343,222	1,365,076
<i>Pass-through from University of Alaska</i>	47.078	UAF-02-0023 / FP200613		7,099	7,099
Total - National Science Foundation			<u>4,608,212</u>	<u>87,706,898</u>	<u>92,315,110</u>
<b>Small Business Administration</b>					
Management and Technical Assistance	59.007			9,183	9,183
Total - Small Business Administration			<u>—</u>	<u>9,183</u>	<u>9,183</u>
<b>Department of Veterans Affairs</b>					
Department of Veterans Affairs	64.XXX	100812		1,434,385	1,434,385
Department of Veterans Affairs	64.XXX	73115		146,170	146,170
Department of Veterans Affairs	64.XXX	73116		194,337	194,337
Department of Veterans Affairs	64.XXX	73117		116,642	116,642
Department of Veterans Affairs	64.XXX	V741P-033		16,752	16,752
Department of Veterans Affairs	64.XXX	V580P-7401		88,610	88,610
Veterans Medical Care Benefits	64.009			27,965	27,965
Sharing Specialized Medical Resources	64.018			119,993	119,993
Veterans Home Based Primary Care	64.022			(1,597)	(1,597)
Veterans Information and Assistance	64.115			31,720	31,720
Total - Department of Veterans Affairs			<u>—</u>	<u>2,174,977</u>	<u>2,174,977</u>
<b>Environmental Protection Agency</b>					
Environmental Protection Agency	66.XXX	582-3-58894		359,704	359,704
Environmental Protection Agency	66.XXX	032UTA3802		63,894	63,894
Environmental Protection Agency	66.XXX	R-82806201	406,000	238,473	644,473
Environmental Protection Agency	66.XXX	UTA00-288		67,892	67,892
Environmental Protection Agency	66.XXX	R825691-01-0		505	505
<i>Pass-through from Louisiana State University</i>	66.XXX	R196205		7,408	7,408
<i>Pass-through from Paul Price and Associates</i>	66.XXX	UTA00-262		31,801	31,801
<i>Pass-through from Southwest Voter Res Inst</i>	66.XXX	UTA96-0222		(86)	(86)

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>Environmental Protection Agency (continued)</b>					
Air Information Center	66.009			(1,217)	(1,217)
Water Quality Management Planning	66.454		52,330	754,485	806,815
National Estuary Program	66.456			55,024	55,024
<i>Pass-through from Coastal Bend Bays</i>					
<i>Estuary Program</i>					
	66.456	0004-0110-426002-018		37,898	37,898
Nonpoint Source Implementation Grant	66.460			556,970	556,970
<i>Pass-through from Dyncorp Systems LLC</i>					
	66.460	502464		7,272	7,272
<i>Pass-through from Dyncorp Systems LLC</i>					
	66.460	502748		862	862
<i>Pass-through from Iowa State University</i>					
	66.460	ISU 473-40-05		5,277	5,277
<i>Pass-through from National Foundation</i>					
<i>for Integrated Arch</i>					
	66.460	502270		334	334
<i>Pass-through from River Network</i>					
	66.460	502438		15,216	15,216
Wetlands Grants	66.461			132,871	132,871
Water Quality Cooperative Agreements	66.463		52,198	32,843	85,041
<i>Pass-through from Fiberglass Tank</i>					
<i>&amp; Pipe Institute</i>					
	66.463	G005082		(5,988)	(5,988)
<i>Pass-through from Parsons Engineering</i>					
	66.463	953047593		10,288	10,288
<i>Pass-through from University of North</i>					
<i>Carolina at Chapel Hill</i>					
	66.463	412760		98,080	98,080
Great Lakes Program					
<i>Pass-through from IT Corporation</i>					
	66.469	189948		3,906	3,906
Beach Monitoring and Notification					
Program Development Grants	66.472			14,132	14,132
Environmental Protection Consolidated Research	66.500		1,167,707	5,238,521	6,406,228
<i>Pass-through from Gram, Inc. - Epa</i>					
	66.500	501988		6,083	6,083
<i>Pass-through from Louisiana</i>					
<i>State University</i>					
	66.500	USM-GR01079-B10 / R-82945801-0	18,386		18,386
<i>Pass-through from Louisiana State University</i>					
	66.500	R127008		37,103	37,103
<i>Pass-through from Lynntech Inc</i>					
	66.500	498919		29,497	29,497
<i>Pass-through from Mantech</i>					
<i>Environmental Technology</i>					
	66.500	68-D-00-206		30,001	30,001
<i>Pass-through from Marasco Newton Group Ltd</i>					
	66.500	MNG-110204-68W-02-070		15,657	15,657
<i>Pass-through from Mickey Leland Nat'l</i>					
<i>Air Toxics Research Center</i>					
	66.500	R828678		121,102	121,102
<i>Pass-through from Research Triangle Institute</i>					
	66.500	3-7OU-7505		97,898	97,898
<i>Pass-through from Southeastern</i>					
<i>Louisiana University</i>					
	66.500	USM-GR01079-B10 / R-82945801-0	44,059		44,059
<i>Pass-through from University of</i>					
<i>Southern Mississippi</i>					
	66.500	USM-GR01079-B10 / R-82945801-0		280,313	280,313
<i>Pass-through from University of Florida</i>					
	66.500	502684		2,523	2,523
<i>Pass-through from University of Illinois</i>					
	66.500	R-82939001		51,144	51,144
Science to Achieve Results (STAR) Program	66.509			5,323	5,323
Performance Partnership Grants	66.605			548,924	548,924
Surveys, Studies, Investigations and					
Special Purpose Grants	66.606			657,021	657,021
<i>Pass-through from Mississippi State University</i>					
	66.606	502239		(73)	(73)
<i>Pass-through from New Mexico State University</i>					
	66.606	X-82971001		388,215	388,215
<i>Pass-through from University of Missouri</i>					
	66.606	501718		104,596	104,596
<i>Pass-through from University of Utah</i>					
	66.606	X-82971001		7,046	7,046
Training and Fellowships for the Environmental					
Protection Agency	66.607			236,830	236,830
Pollution Prevention Grants Program	66.708		9,761	77,478	87,239

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>Environmental Protection Agency (continued)</b>					
Superfund Innovative Technology					
Evaluation Program	66.807			15,447	15,447
Pesticide Poisoning - Child Prevention					
<i>Pass-through from Assc Liaison Office         for University Cooperation In Dev.</i>	66.930	HNE-00-97-00059-00		632	632
Environmental Education and Training Program	66.950			7,966	7,966
Total - Environmental Protection Agency			<u>1,750,441</u>	<u>10,447,091</u>	<u>12,197,532</u>
<b>U.S. Department of Energy</b>					
U.S. Department of Energy	81.XXX	DE-FC26-02NT15442		77,437	77,437
U.S. Department of Energy	81.XXX	DEFG0399ER20335		23,559	23,559
U.S. Department of Energy	81.XXX	DEFG0302ER25534		44,018	44,018
U.S. Department of Energy	81.XXX	DE-FC26-00NT40931		198,030	198,030
U.S. Department of Energy	81.XXX	10018		12,233	12,233
U.S. Department of Energy	81.XXX	DE-AC26-98FT40417	717,755	5,946,258	6,664,013
U.S. Department of Energy	81.XXX	B292.1		35,659	35,659
U.S. Department of Energy	81.XXX	PO 537895		514,245	514,245
U.S. Department of Energy	81.XXX	CM320		180,751	180,751
U.S. Department of Energy	81.XXX	DEFG0302ER63439		224,478	224,478
<i>Pass-through from 2ndpoint Inc</i>	81.XXX	UTA03-077		113,322	113,322
<i>Pass-through from American Geological Inst</i>	81.XXX	UTA95-0243		105,993	105,993
<i>Pass-through from Argonne National Laboratory</i>	81.XXX	3F-00181		41,942	41,942
<i>Pass-through from Argonne Nat'l Lab</i>	81.XXX	3F-01861		20,132	20,132
<i>Pass-through from Bechtel Inc</i>	81.XXX	4300019228		235,906	235,906
<i>Pass-through from Bp Corporation     North America Inc.</i>	81.XXX	DEFC2601NT41145		96,080	96,080
<i>Pass-through from British Petroleum     America, Inc</i>	81.XXX	T-103		59,303	59,303
<i>Pass-through from Brookhaven Nat'l Laboratory</i>	81.XXX	776716		1,106	1,106
<i>Pass-through from Bwx Technologies Inc</i>	81.XXX	26424 and Amd 001	129,440	238,838	368,278
<i>Pass-through from E-spectrum Technologies Inc</i>	81.XXX	UTA03-131		95,824	95,824
<i>Pass-through from Fermi Nat'l     Accelerator Laboratory</i>	81.XXX	547272		254,239	254,239
<i>Pass-through from Idaho Nat'l Engineering Lab</i>	81.XXX	13365		43,952	43,952
<i>Pass-through from Karta Technology, Inc</i>	81.XXX	3567-S02		(114)	(114)
<i>Pass-through from Lawrence Berkeley Nat'l Lab</i>	81.XXX	6700619		167,625	167,625
<i>Pass-through from Lawrence Livermore Nat'l Lab</i>	81.XXX	B519699		87,828	87,828
<i>Pass-through from Los Alamos Nat'l Lab</i>	81.XXX	14903-001-00 4V, MOD 8		500,332	500,332
<i>Pass-through from Nanopowder Enterprises Inc</i>	81.XXX	UTA03-367		14,997	14,997
<i>Pass-through from National Renewable     Energy Laboratory</i>	81.XXX	AAT-2-31605-04	58,807	99,733	158,540
<i>Pass-through from National Renewable     Energy Laboratory</i>	81.XXX	ACQ-9-29639-01		11,943	11,943
<i>Pass-through from Nat'l Renewable Energy Lab</i>	81.XXX	AXE-0-30113-01		(501)	(501)
<i>Pass-through from Pacific Northwest Laboratory</i>	81.XXX	413693-A9E-P4122		140,303	140,303
<i>Pass-through from Petroleum Tech     Transfer Council</i>	81.XXX	795	78,322	148,856	227,178
<i>Pass-through from Research Triangle Inst</i>	81.XXX	5-93U-7667		50,915	50,915
<i>Pass-through from Sandia Corporation</i>	81.XXX	RFQ3697/29522		3,933	3,933
<i>Pass-through from Sandia National Laboratories</i>	81.XXX	92189		15,027	15,027
<i>Pass-through from Sandia National Laboratories</i>	81.XXX	59782		42,793	42,793
<i>Pass-through from Sandia National Laboratories</i>	81.XXX	BE-9266		36,612	36,612
<i>Pass-through from Sandia National Laboratories</i>	81.XXX	26047		1,429	1,429

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Energy (continued)</b>					
U.S. Department of Energy (continued)					
<i>Pass-through from Sandia National Laboratories</i>	81.XXX	98314		43,352	43,352
<i>Pass-through from Sandia National Laboratories</i>	81.XXX	22951		20,370	20,370
<i>Pass-through from Sandia National Laboratories</i>	81.XXX	98475		52,752	52,752
<i>Pass-through from Sandia National Laboratories</i>	81.XXX	BE-5367 (26391073)		408,762	408,762
<i>Pass-through from Sandia National Laboratories</i> <i>University Rsch &amp; Educ</i>	81.XXX	UTA02-356 / DE-FC09-00SR22184		82,318	82,318
<i>Pass-through from University of Cal</i> <i>Lawrence Livermore N</i>	81.XXX	B501013	7,883	58,619	66,502
<i>Pass-through from University of California</i> <i>Los Alamos Nat'l Lab</i>	81.XXX	55061-001-02 26		62,677	62,677
<i>Pass-through from University of California</i> <i>Los Alamos Nat'l Lab</i>	81.XXX	71824-001-03 47		85,678	85,678
<i>Pass-through from University of California</i> <i>Los Alamos Nat'l Lab</i>	81.XXX	27936-001-01 39		19,986	19,986
<i>Pass-through from University</i> <i>of Pittsburgh</i>	81.XXX	400960-7 / DE-FC26-01NT41196		17,907	17,907
<i>Pass-through from UT-Battelle LLC</i>	81.XXX	4000005995		9,051	9,051
<i>Pass-through from</i> <i>UT-Battelle LLC</i>	81.XXX	4000014488 / DE-AC05-00OR22725		126,291	126,291
<i>Pass-through from Vecta Technology</i>	81.XXX	UTA03-398		121,808	121,808
<i>Pass-through from Wayne State University</i>	81.XXX	WSU02060Y-356582		4,195	4,195
Energy-Related Inventions	81.036			33,151	33,151
National Energy Information Center	81.039			17,002	17,002
<i>Pass-through from University of California-</i> <i>Lawrence Livermore Nat'l Lab</i>	81.039	B347886		(47)	(47)
State Energy Program	81.041			654,873	654,873
<i>Pass-through from Rice University</i>	81.041	R71700K-29200099		190,852	190,852
<i>Pass-through from Rice University</i>	81.041	R7A738-79200003		319,978	319,978
<i>Pass-through from Stripper Well Consortium</i>	81.041	2284-TAMU-DOE-1025		100,949	100,949
<i>Pass-through from U. C. - Lawrence</i> <i>Livermore Natio</i>	81.041	B235324		47,407	47,407
Office of Science Financial Assistance Program	81.049		313,623	13,814,511	14,128,134
<i>Pass-through from Accelerator</i> <i>Technology Corp</i>	81.049	Agreement Amd 3 UTA01-251 /		63,121	63,121
<i>Pass-through from Avyd</i> <i>Devices Inc</i>	81.049	DE-FG03-99ER82748/A001		140	140
<i>Pass-through from Battelee Memorial Institute</i>	81.049	411887-A9E		34,300	34,300
<i>Pass-through from Bechtel BWXT Idaho, LLC</i>	81.049	22925		21,160	21,160
<i>Pass-through from BP Solar, LLC</i>	81.049	ZDO-2-30628-03		101,119	101,119
<i>Pass-through from Clemson University-</i> <i>South Carolina R&amp;D Council</i>	81.049	03-01-SR-113		7,751	7,751
<i>Pass-through from Colorado School of Mines</i>	81.049	T041118		21,187	21,187
<i>Pass-through from Fermi National</i> <i>Accelerator Labor</i>	81.049	PO #545903		28,609	28,609
<i>Pass-through from General Atomics Technology</i>	81.049	SA JW231801		14,417	14,417
<i>Pass-through from Research Partnership</i> <i>to Secure Energy for America</i>	81.049	R-501		44,105	44,105
<i>Pass-through from Sandia National Laboratories</i>	81.049	146215		8,464	8,464
<i>Pass-through from Sandia National Laboratories</i>	81.049	18026		69,727	69,727
<i>Pass-through from Sandia National Laboratories</i>	81.049	24298		34,840	34,840
<i>Pass-through from Sandia National Laboratories</i>	81.049	41503		12,652	12,652
<i>Pass-through from Sandia National Laboratories</i>	81.049	54416		14,891	14,891
<i>Pass-through from Sandia National Laboratories</i>	81.049	63973		10,500	10,500
<i>Pass-through from Sandia National Laboratories</i>	81.049	69281		143,023	143,023

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Energy (continued)</b>					
Office of Science Financial Assistance Program (continued)					
<i>Pass-through from Sandia National Laboratories</i>	81.049	80677		9,007	9,007
<i>Pass-through from Sandia National Laboratories</i>	81.049	84412		50,000	50,000
<i>Pass-through from Sandia National Laboratories</i>	81.049	AV-7583		51,128	51,128
<i>Pass-through from Tulane University</i>	81.049	501740		16,838	16,838
<i>Pass-through from University City Science Center</i>	81.049	DE-FC01-97EE41319		58,349	58,349
<i>Pass-through from University of Alaska</i>	81.049	UAF 99-0031		1,630	1,630
<i>Pass-through from University of California- Lawrence Berkeley Nat'l Lab</i>	81.049	6518878		28,110	28,110
<i>Pass-through from University of California- Lawrence Livermore National Lab</i>	81.049	G520883		8,354	8,354
<i>Pass-through from University of California- Los Alamos Nat'l Lab</i>	81.049	56461-001-02		21,440	21,440
<i>Pass-through from University of Chicago Argonne National Laboratory</i>	81.049	1F-01969		54,400	54,400
<i>Pass-through from University of Chicago- Argonne National Laboratory</i>	81.049	3F-00941		11,379	11,379
<i>Pass-through from University of New Mexico</i>	81.049	DE-FG03-97		2,777	2,777
<i>Pass-through from University of Pittsburgh</i>	81.049	2134692		41,681	41,681
<i>Pass-through from University of Tennessee Battelle</i>	81.049	4000007368/14302		12,800	12,800
<i>Pass-through from University of Wisconsin - Madison</i>	81.049	P556706		212,128	212,128
<i>Pass-through from UT-Battelle LLC</i>	81.049	40000020479		28,272	28,272
<i>Pass-through from Westinghouse Savannah River Company</i>	81.049	AC 31809P		14,238	14,238
University Coal Research	81.057		6,936	170,220	177,156
Office of Scientific and Technical Information					
<i>Pass-through from Sandia National Labs</i>	81.064	28643		182,806	182,806
Regional Biomass Energy Programs	81.079			25,046	25,046
Conservation Research and Development	81.086			858,073	858,073
<i>Pass-through from Argonne Nat'l Lab</i>	81.086	1F-01321 / W-31-109-ENG-38		246	246
<i>Pass-through from Pacific Northwest Laboratory</i>	81.086	408317-A-B3/327419-A-N4/ DE-AC06-76RL0183		(39)	(39)
<i>Pass-through from University City Science Center</i>	81.086	Contract Agreement, Mod 19		10,556	10,556
<i>Pass-through from UT-Battelle LLC</i>	81.086	4000011715		131,451	131,451
<i>Pass-through from Westinghouse Gov Environ Serv Co</i>	81.086	4709		(466)	(466)
Renewable Energy Research and Development	81.087		133,397	328,015	461,412
<i>Pass-through from Argonne National Laboratory</i>	81.087	1F-02149		27,244	27,244
<i>Pass-through from Clemson University- South Carolina R&amp;D Council</i>	81.087	00-01-SR082CS		(140)	(140)
<i>Pass-through from Colorado School of Mines</i>	81.087	15432		36,536	36,536
<i>Pass-through from New Mexico State University</i>	81.087	AEI-Q00549		10,000	10,000
<i>Pass-through from Siemens Westinghouse Power Corporation</i>	81.087	4500294341		70,313	70,313
<i>Pass-through from Spire Corporation</i>	81.087	166741		956	956
Fossil Energy Research and Development	81.089		540,681	1,654,739	2,195,420
<i>Pass-through from Clemson University</i>	81.089	02-01-SR092		52,511	52,511
<i>Pass-through from Clemson University Research Foundation</i>	81.089	01-01-SR094		86,987	86,987
<i>Pass-through from Lawrence Berkeley Laboratory</i>	81.089	6512009		53,566	53,566



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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Energy (continued)</b>					
Fossil Energy Research and Development (continued)					
<i>Pass-through from Ohio University</i>	81.089	02-41467-001		46,095	46,095
<i>Pass-through from Sandia National Laboratories</i>	81.089	125100		33,347	33,347
<i>Pass-through from University of Alabama</i>	81.089	00-022		85,800	85,800
<i>Pass-through from University of Alabama</i>	81.089	00-063		120,463	120,463
<i>Pass-through from Virginia Polytechnic Inst</i>	81.089	02-01-SR092	52,108		52,108
<i>Pass-through from Westport Technology Center Inter</i>	81.089	40144811-100		36,203	36,203
Nuclear Energy Research Initiative	81.092			166,474	166,474
Office of Science and Technology for Environmental Management	81.104		9,800	1,233,421	1,243,221
<i>Pass-through from Clark Atlanta University</i>	81.104	DE-FC04-90		126,645	126,645
<i>Pass-through from Clark Atlanta University</i>	81.104	OSP-90-10-668-016		39,885	39,885
<i>Pass-through from Duke Cogema Stone &amp; Webster LLC</i>	81.104	10888-P0044		23,369	23,369
<i>Pass-through from Education, Research and Development Assoc of GA Universities</i>	81.104	KG09929-O		26,145	26,145
<i>Pass-through from Education, Research and Development Assoc of GA Universities</i>	81.104	KGJ37044-O		5,797	5,797
<i>Pass-through from Howard University</i>	81.104	633254-192527		14,754	14,754
<i>Pass-through from Howard University</i>	81.104	633254-192		43,158	43,158
<i>Pass-through from University of California- Los Alamos Nat'l Labs</i>	81.104	50947-001-02		17,573	17,573
Epidemiology and Other Health Studies Financial Assistance Program					
<i>Pass-through from Mason &amp; Hanger</i>	81.108	FFFP024094		958	958
National Resource Center for Plutonium <i>Pass-through from Lovelace Respiratory Research Institute</i>	81.110	JK021268		27,043	27,043
Stewardship Science Grant Program	81.112			96,706	96,706
Defense Nuclear Nonproliferation Research <i>Pass-through from Bechtel Nevada</i>	81.113	30017		70,018	70,018
University Nuclear Science and Reactor Support	81.114		6,669	780,956	787,625
<i>Pass-through from National Renewable Energy Lab</i>	81.114	XDJ-2-32615-01		29,656	29,656
<i>Pass-through from South Carolina State University</i>	81.114	DE-FG07-01ID14013-TAMU		6,999	6,999
<i>Pass-through from University of Chicago- Argonne Nat'l Lab</i>	81.114	1F-00141		66,208	66,208
Stockpile Stewardship Program	81.115			91,943	91,943
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117			141,602	141,602
<i>Pass-through from Dsp Alloys</i>	81.117	DE-FG03-01ER83231		1,161	1,161
<i>Pass-through from University of California- Lawrence Berkeley Nat'l Lab</i>	81.117	6503346	28,148	263,008	291,156
<i>Pass-through from University of Michigan</i>	81.117	F006633		(7,452)	(7,452)
Nuclear Energy Research Initiative	81.121		112,424		112,424
Total - U.S. Department of Energy			2,195,993	34,715,345	36,911,338
<b>United States Information Agency</b>					
Development of Dispute Prevention/ Resolution Skills for Israelis	82.XXX	PECS-0115		24,742	24,742
Total - United States Information Agency			—	24,742	24,742

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>Federal Emergency Management Agency</b>					
Federal Emergency Management Agency	83.XXX	03-EP-A		71,311	71,311
<i>Pass-through from League for Innov in the Comm Col</i>	83.XXX	UTA03-384		33,059	33,059
Emergency Management Institute-- Training Assistance	83.527			55,505	55,505
Hazard Mitigation Grant	83.548			96,901	96,901
Total - Federal Emergency Management Agency			—	256,776	256,776
<b>U.S. Department of Education</b>					
U.S. Department of Education	84.XXX	P335A010149		128,576	128,576
U.S. Department of Education	84.XXX	R902B020024		48,205	48,205
U.S. Department of Education	84.XXX	ED-01-J20-15591-02	6,263	124	6,387
U.S. Department of Education	84.XXX	UTA03-476		5,055	5,055
<i>Pass-through from Austin Independent School District</i>	84.XXX	INTERUTA01-178		32,613	32,613
<i>Pass-through from Council of Chief State School Pass-through from Eugene Research Inst</i>	84.XXX	UTA03-399		544,098	544,098
<i>Pass-through from Intercultural Development Res As</i>	84.XXX	UTA01-178		3,232	3,232
<i>Pass-through from Mpr Associates</i>	84.XXX	E03-S1		540,295	540,295
<i>Pass-through from Nat'l Writing Project Corp</i>	84.XXX	UTA03-399		4,338	4,338
<i>Pass-through from Southwest Educational Development</i>	84.XXX	02-TX11		37,187	37,187
<i>Pass-through from University of North Carolina at Greens</i>	84.XXX	48485		911,091	911,091
<i>Pass-through from University of South Florida</i>	84.XXX	SRV03FXL-1291		23,330	23,330
<i>Pass-through from Westat</i>	84.XXX	311956		7,484	7,484
Adult Education--State Grant Program	84.002	9844 / EA96008001		34,851	34,851
<i>Pass-through from Jackson State University</i>	84.002	P116Z010067		(20,596)	(20,596)
Title I Grants to Local Educational Agencies	84.010			36,435	36,435
Migrant Education--State Grant Program	84.011			196,214	196,214
National Resource Centers and Fellowships				887,288	887,288
Program for Language and Area or Language and International Studies	84.015			2,072,153	2,072,153
International: Overseas--Doctoral Dissertation	84.022			132,810	132,810
Higher Education--Institutional Aid	84.031			344,800	344,800
Impact Aid	84.041			39,747	39,747
Fund for the Improvement of Postsecondary Education	84.116		19,779	1,030,710	1,050,489
<i>Pass-through from Baylor College of Medicine</i>	84.116	415950		4,550	4,550
<i>Pass-through from Baylor College of Medicine</i>	84.116	P116B010948		4,576	4,576
<i>Pass-through from North Carolina State University</i>	84.116	2001-1696-02		5,357	5,357
<i>Pass-through from University of Illinois</i>	84.116	SUBK 1998		1,873	1,873
Minority Science and Engineering Improvement	84.120			57,677	57,677
Rehabilitation Long-Term Training	84.129			771,691	771,691
Centers for Independent Living	84.132			804	804
National Institute on Disability and Rehabilitation Research	84.133			1,073,053	1,073,053
<i>Pass-through from Baylor College of Medicine</i>	84.133	H133A980073		25,163	25,163
<i>Pass-through from Texas Institute for Rehabilitation &amp; Research</i>	84.133	H133B990014		60,151	60,151
<i>Pass-through from The Institute for Rehabilitation</i>	84.133	H133B990014		108,312	108,312

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Education (continued)</b>					
College Housing and Academic Facilities Loans	84.142			79,331	79,331
Migrant Education--Coordination Program	84.144			2,953	2,953
Business and International Education Projects	84.153			55,866	55,866
Javits Fellowships	84.170			80,478	80,478
Special Education--Grants for Infants and Families with Disabilities	84.181			484,996	484,996
Safe and Drug-Free Schools and Communities-- National Programs <i>Pass-through from Houston Independent School District</i>	84.184	S184L990413		60,515	60,515
Bilingual Education--Professional Development Education for Homeless Children and Youth <i>Pass-through from Education Service Center-Region X</i>	84.195		17,027	988,112	1,005,139
Graduate Assistance in Areas of National Need Star Schools <i>Pass-through from Iowa Public Television Pass-through from Western Illinois University</i>	84.196	UTA03-095		377,751	377,751
	84.200			70,194	70,194
	84.203	264-5670/264-5680		42,506	42,506
	84.203	5-28131		183,867	183,867
Even Start--State Educational Agencies	84.213			33,818	33,818
Fund for the Improvement of Education <i>Pass-through from Region IV Educational Service Center</i>	84.215	G083962		1,178,873	1,178,873
	84.215			110,385	110,385
Centers for International Business Education	84.220			418,068	418,068
Assistive Technology	84.224		157,910	513,238	671,148
Rehabilitation Training--Experimental and Innovative Training	84.263			(210)	(210)
Rehabilitation Training--Continuing Education	84.264			1,577	1,577
Goals 2000-State and Local Education Systemic Improvement Grants	84.276			79,262	79,262
Eisenhower Professional Development State Grants <i>Pass-through from Galveston College</i>	84.281	413620	288,634	1,477,134	1,765,768
	84.281			4,544	4,544
Charter Schools	84.282			99,339	99,339
Innovative Education Program Strategies <i>Pass-through from University of New Orleans</i>	84.298	P116Z010135		21,577	21,577
	84.298			9,327	9,327
Regional Technology in Education Consortia <i>Pass-through from Region 19 Education Service Center</i>	84.302	R303A98008		800,999	800,999
Technology Innovation Challenge Grants <i>Pass-through from Allen Independent School District</i>	84.303	R303A990301		212,360	212,360
	84.303	R303A98008		1,034,600	1,034,600
<i>Pass-through from Socorro Independent School District</i>	84.303	R303A95024		(363)	(363)
Education Research, Development and Dissemination <i>Pass-through from American Educational Research Assoc.</i>	84.305	1354A147	939,173	2,446,242	3,385,415
	84.305			2,806	2,806
National Institute on the Education of At-Risk Students <i>Pass-through from University of California - Santa</i>	84.306	96243-C-1		28,000	28,000
	84.306			319,560	319,560
<i>Pass-through from University of California - Santa</i>	84.306	SC96243-C2		304,106	304,106
Even Start--Statewide Family Literacy Program <i>Pass-through from Rmc Research Corporation</i>	84.314	ED01C550006		75,782	75,782

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Education (continued)</b>					
Capacity Building for Traditionally Underserved Populations	84.315			90,535	90,535
Technology Literacy Challenge Fund Grants	84.318			373,826	373,826
<i>Pass-through from Coolidge Independent School District</i>	84.318	17460005634		1,712	1,712
<i>Pass-through from Denton Independent School District</i>	84.318	7560013116		(750)	(750)
<i>Pass-through from Liberty Eylan Independent School District</i>	84.318	1751424165		11,733	11,733
<i>Pass-through from McAllen Independent School District</i>	84.318	3411262192p8131990J		501	501
<i>Pass-through from Region I Esc</i>	84.318	17415881865		2,796	2,796
<i>Pass-through from Region IX Esc</i>	84.318	751246742		11	11
<i>Pass-through from Region VIII Esc</i>	84.318	17512467410		1,477	1,477
<i>Pass-through from Region XIV Esc</i>	84.318	17512478334		3,627	3,627
<i>Pass-through from Region XX Esc</i>	84.318	17415874613		90	90
Special Education--Research and Innovation to Improve Services and Results for Children with Disabilities	84.324			1,576,912	1,576,912
<i>Pass-through from University of Missouri</i>	84.324	CG005086-1		49,988	49,988
Special Education--Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325			1,528,586	1,528,586
Special Education--Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			44,713	44,713
Special Education--Technology and Media Services for Individuals with Disabilities <i>Pass-through from Vanderbilt University</i>	84.327	14845 / H327A990027		(215)	(215)
Advanced Placement Program	84.330			52,696	52,696
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	84.333			213,912	213,912
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334				
<i>Pass-through from Spc South Plains Tech Prep</i>	84.334	1352A775		895	895
Child Care Access Means Parents in School	84.335			122,255	122,255
Teacher Quality Enhancement Grants	84.336		119,539	1,260,515	1,380,054
Technological Innovation and Cooperation for Foreign Information Access	84.337		33,157	98,237	131,394
<i>Pass-through from University of California at Los Angeles</i>	84.337	5400-G-DC448		102,815	102,815
Reading Excellence <i>Pass-through from Reach Out and Read Nat'l Center</i>	84.338	R0R9192000		8,944	8,944
Learning Anytime Anywhere Partnerships	84.339		14,841	622,644	637,485
<i>Pass-through from Kansas State University</i>	84.339	S01027		9,619	9,619
Community Technology Centers	84.341			58,550	58,550
Preparing Tomorrow's Teachers to Use Technology	84.342		719	913,823	914,542
Title I Accountability Grants <i>Pass-through from Houston Independent School District</i>	84.348	S3449A010022		66,152	66,152
Total - U.S. Department of Education			<u>1,597,042</u>	<u>27,967,439</u>	<u>29,564,481</u>

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services</b>					
U.S. Department of Health and Human Services	93.XXX	N01 CN-095040	8,746	246,383	255,129
U.S. Department of Health and Human Services	93.XXX	115839		91,208	91,208
U.S. Department of Health and Human Services	93.XXX	N01 AR-0-2249	129,339	435,401	564,740
U.S. Department of Health and Human Services	93.XXX	DAMD17-01-1-0070		60,649	60,649
U.S. Department of Health and Human Services	93.XXX	N01 CM-07109		295,535	295,535
U.S. Department of Health and Human Services	93.XXX	114632	2,200		2,200
U.S. Department of Health and Human Services	93.XXX	115532	2,800		2,800
U.S. Department of Health and Human Services	93.XXX	115629	65,511		65,511
U.S. Department of Health and Human Services	93.XXX	115630	(124,992)		(124,992)
U.S. Department of Health and Human Services	93.XXX	115631	650		650
U.S. Department of Health and Human Services	93.XXX	115632	100		100
U.S. Department of Health and Human Services	93.XXX	115636	450		450
U.S. Department of Health and Human Services	93.XXX	200-2001-00084		124,967	124,967
U.S. Department of Health and Human Services	93.XXX	N01 CN-05126	85,807	285,641	371,448
U.S. Department of Health and Human Services	93.XXX	100075		104,319	104,319
U.S. Department of Health and Human Services	93.XXX	116168		85,984	85,984
U.S. Department of Health and Human Services	93.XXX	114354		(2,627)	(2,627)
U.S. Department of Health and Human Services	93.XXX	N01 CN85186	92,772		92,772
U.S. Department of Health and Human Services	93.XXX	N01 CN-85186	126,683	335,781	462,464
U.S. Department of Health and Human Services	93.XXX	115625	80,219		80,219
U.S. Department of Health and Human Services	93.XXX	N01 CN-05125		1,471	1,471
U.S. Department of Health and Human Services	93.XXX	DAAD1302C0079		20,084	20,084
U.S. Department of Health and Human Services	93.XXX	115925		321	321
U.S. Department of Health and Human Services	93.XXX	117268		14,834	14,834
U.S. Department of Health and Human Services	93.XXX	N01AI2548801		498,051	498,051
U.S. Department of Health and Human Services	93.XXX	N01 CM-17003		456,401	456,401
U.S. Department of Health and Human Services	93.XXX	N01 CN-05127	76,346	283,758	360,104
U.S. Department of Health and Human Services	93.XXX	N01 CN-05127	116,754		116,754
U.S. Department of Health and Human Services	93.XXX	263-MM-306994-1		2,282	2,282
U.S. Department of Health and Human Services	93.XXX	115569	72,313		72,313
U.S. Department of Health and Human Services	93.XXX	121602		37,839	37,839
U.S. Department of Health and Human Services	93.XXX	1 K01 DA015671-1		59,097	59,097
U.S. Department of Health and Human Services	93.XXX	30173		32,474	32,474
U.S. Department of Health and Human Services	93.XXX	N01 AO-062713		600,680	600,680
U.S. Department of Health and Human Services	93.XXX	N02 OR-0-4021		322,656	322,656
U.S. Department of Health and Human Services	93.XXX	CAN 8323663		20,004	20,004
U.S. Department of Health and Human Services	93.XXX	W-7405-ENG-48		6,023	6,023
U.S. Department of Health and Human Services	93.XXX	5 R25 GMO55380-07		364,004	364,004
U.S. Department of Health and Human Services	93.XXX	N01HV28185		1,094	1,094
U.S. Department of Health and Human Services	93.XXX	N01HV28184	20,771	1,541,146	1,561,917
U.S. Department of Health and Human Services	93.XXX	100076		(45,855)	(45,855)
U.S. Department of Health and Human Services	93.XXX	114393		340,705	340,705
U.S. Department of Health and Human Services	93.XXX	108296		893,678	893,678
U.S. Department of Health and Human Services	93.XXX	100109		981,479	981,479
U.S. Department of Health and Human Services	93.XXX	114630		202,901	202,901
U.S. Department of Health and Human Services	93.XXX	107885		4,693	4,693
U.S. Department of Health and Human Services	93.XXX	5 R01 HD28419-12	35,266	158,895	194,161
U.S. Department of Health and Human Services	93.XXX	N01 CP-91024		366,425	366,425
U.S. Department of Health and Human Services	93.XXX	Att 02, CN 01, 2004		5,118	5,118
U.S. Department of Health and Human Services	93.XXX	2 R25 GMO58397-02	40,601	42,118	82,719
U.S. Department of Health and Human Services	93.XXX	1018		1,056	1,056
U.S. Department of Health and Human Services	93.XXX	CA083639		87,418	87,418
U.S. Department of Health and Human Services	93.XXX	N01 CN-15102		676,140	676,140
U.S. Department of Health and Human Services	93.XXX	7990007		1,103,773	1,103,773
U.S. Department of Health and Human Services	93.XXX	N01A130027		8,637	8,637

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
U.S. Department of Health and Human Services (continued)					
<i>Pass-through from Adoption Exchange Assoc</i>	93.XXX	UTA03-113		91,847	91,847
<i>Pass-through from American College of Radiology</i>	93.XXX	CA021661		420	420
<i>Pass-through from American College of Radiology Imaging Network</i>	93.XXX	113670116390		5,426	5,426
<i>Pass-through from Amersa</i>	93.XXX	37229		12,618	12,618
<i>Pass-through from Austin Learning Academy</i>	93.XXX	UTA03-199		7,996	7,996
<i>Pass-through from Baylor College of Medicine</i>	93.XXX	5 R01 HD37133-03		76	76
<i>Pass-through from Bio Reliance Corporation</i>	93.XXX	N02 CP-01108		40,713	40,713
<i>Pass-through from Case Western Reserve University</i>	93.XXX	115841		116,069	116,069
<i>Pass-through from Children's Research Institute</i>	93.XXX	108066116609		54,744	54,744
<i>Pass-through from Emory University</i>	93.XXX	117136		16,304	16,304
<i>Pass-through from Family Health International</i>	93.XXX	102298		(5,473)	(5,473)
<i>Pass-through from Foundation for the Children's Oncology Group</i>	93.XXX	CA013539		(452)	(452)
<i>Pass-through from Fred Hutchinson Cancer Research Center</i>	93.XXX	117117		2,673	2,673
<i>Pass-through from Health Research Incorporated</i>	93.XXX	116629104502		6,645	6,645
<i>Pass-through from Inotek, Inc.</i>	93.XXX	417590		5,727	5,727
<i>Pass-through from Inotek, Inc.</i>	93.XXX	451470		28,322	28,322
<i>Pass-through from Introgen Therapeutics</i>	93.XXX	CA97587		1,084	1,084
<i>Pass-through from Johns Hopkins General Hospital</i>	93.XXX	116680		34,160	34,160
<i>Pass-through from Mcp Hahnemann University</i>	93.XXX	102042		113,270	113,270
<i>Pass-through from Medical College of Georgia</i>	93.XXX	UTA02-335		27,460	27,460
<i>Pass-through from Mercy Health Center</i>	93.XXX	1R01NS38455		3,589	3,589
<i>Pass-through from MHRM/ Center for Health Care Services</i>	93.XXX	116630		174,223	174,223
<i>Pass-through from Mount Sinai School of Medicine</i>	93.XXX	101414		67,782	67,782
<i>Pass-through from National Childhood Cancer Foundation</i>	93.XXX	0254-9824-4609		62,621	62,621
<i>Pass-through from National Childhood Cancer Foundation</i>	93.XXX	CA013539		26,303	26,303
<i>Pass-through from National Childhood Cancer Foundation</i>	93.XXX	CA57746		4,238	4,238
<i>Pass-through from North Shore University Hospital</i>	93.XXX	AR-2-2263		48,994	48,994
<i>Pass-through from Nsbap Foundation</i>	93.XXX	115342116095		29,929	29,929
<i>Pass-through from Rann Research Corporation</i>	93.XXX	117092		17,779	17,779
<i>Pass-through from Research Triangle Institute</i>	93.XXX	105053		271	271
<i>Pass-through from Rutgers University</i>	93.XXX	993, Mod 5		79	79
<i>Pass-through from Saic-frederick, Inc.</i>	93.XXX	CO-12400		663	663
<i>Pass-through from Saic-frederick, Inc.</i>	93.XXX	CO-12400		27,777	27,777
<i>Pass-through from Scripps Research Inst</i>	93.XXX	5-72222 / 1 U01 AA13417-01		(343)	(343)
<i>Pass-through from Spire Corporation</i>	93.XXX	108564		(7,072)	(7,072)
<i>Pass-through from Tda Research Inc.</i>	93.XXX	UTA02-103		13,121	13,121
<i>Pass-through from Teachers College</i>	93.XXX	512204		6,988	6,988
<i>Pass-through from Temple University</i>	93.XXX	31-1715-111/167(96-97)		100,566	100,566
<i>Pass-through from Trinity Eng/Kleinfelder</i>	93.XXX	CPM01174		(679,866)	(679,866)

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
U.S. Department of Health and Human Services (continued)					
<i>Pass-through from Texas A&amp;M Research Foundation</i>	93.XXX	S900164		86,084	86,084
<i>Pass-through from U.S. Israel Binational Science</i>	93.XXX	115197115953		15,085	15,085
<i>Pass-through from University of Alabama - Birmingham</i>	93.XXX	CN-25127		90,528	90,528
<i>Pass-through from University of Alabama - Birmingham</i>	93.XXX	CN-035103		21,673	21,673
<i>Pass-through from University of Alabama - Birmingham</i>	93.XXX	CN-05110		102,252	102,252
<i>Pass-through from University of Alabama - Tuscaloosa</i>	93.XXX	CN-095117		69,141	69,141
<i>Pass-through from University of Arizona</i>	93.XXX	102062		(2,587)	(2,587)
<i>Pass-through from University of Arizona</i>	93.XXX	Y714189 / R21CA91454		67,933	67,933
<i>Pass-through from University of Arkansas for Medical Sciences</i>	93.XXX	12734		297,850	297,850
<i>Pass-through from University of California</i>	93.XXX	NIMH00AI0		95,684	95,684
<i>Pass-through from University of California at Santa Barbara</i>	93.XXX	102310		(735)	(735)
<i>Pass-through from University of Colorado</i>	93.XXX	FY01.061.004		(213)	(213)
<i>Pass-through from University of North Carolina</i>	93.XXX	104548115842		37,598	37,598
<i>Pass-through from Veterans Medical Research Foundation</i>	93.XXX	221727SUB / 2-6778-03-4-5762		20,899	20,899
<i>Pass-through from Virginia Commonwealth University</i>	93.XXX	528831/PO P463966		46,934	46,934
<i>Pass-through from Wayne State University</i>	93.XXX	ES75418		62,692	62,692
<i>Pass-through from William Davidson Institute</i>	93.XXX	S-LMAQM-00-H-0146-02		29,924	29,924
<i>Pass-through from Associations of Schools of Public Health</i>	93.003	U36CCU300430		7,579	7,579
Cooperative Agreements to Improve the Health Status of Minority Populations	93.004			1,618	1,618
Special Programs for the Aging--Title IV-- and Title II--Discretionary Projects	93.048			649,330	649,330
Food and Drug Administration--Research	93.103		10,681	1,532,913	1,543,594
<i>Pass-through from Duke University</i>	93.103	116164		10,859	10,859
<i>Pass-through from Johns Hopkins University</i>	93.103	FDR1693011		1,493	1,493
<i>Pass-through from New York Hospital</i>	93.103	FD-R-001649 1		3,930	3,930
<i>Pass-through from Oak Ridge Assoc. Universities</i>	93.103	502662		77,341	77,341
<i>Pass-through from Tufts University</i>	93.103	FD-U01621/980615		46,291	46,291
Bilingual/Bicultural Service Demonstration Grants					
<i>Pass-through from Kaiser Permanente</i>	93.105	115-9762-03		17	17
<i>Pass-through from Michigan State University</i>	93.105	61-430		2,009	2,009
Maternal and Child Health Federal Consolidated Programs	93.110		387,982	441,743	829,725
Biological Response to Environmental Health Hazards	93.113		273,509	6,999,262	7,272,771
<i>Pass-through from University of Montana</i>	93.113	R01ES1112001		3,572	3,572
<i>Pass-through from Vanderbilt University</i>	93.113	414670		254,700	254,700
Applied Toxicological Research and Testing	93.114		7,964	51,267	59,231
<i>Pass-through from Dermigen Corporation</i>	93.114	R41 ES011235 01		14,725	14,725

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Biometry and Risk Estimation--Health Risks from Environmental Exposures	93.115		83,544	1,452,491	1,536,035
<i>Pass-through from Southern University A&amp;M College</i>	93.115	416112		524,366	524,366
<i>Pass-through from University of Illinois</i>	93.115	PO1ES11263		39,571	39,571
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116			556,233	556,233
Grants for Preventive Medicine Acquired Immunodeficiency Syndrome (AIDS) Activity	93.117			88,668	88,668
<i>Pass-through from University of California - San Diego</i>	93.118			53,794	53,794
Oral Diseases and Disorders Research	93.121	PO#10170769-004	757,172	7,692,145	8,449,317
<i>Pass-through from American Dental Association Health Foundation</i>	93.121	116214		10,661	10,661
<i>Pass-through from Forsyth</i>	93.121	102020		10,054	10,054
<i>Pass-through from Tuskegee University</i>	93.121	U54DE1425702		7,301	7,301
<i>Pass-through from University of Delaware</i>	93.121	1R01DE135420		22,517	22,517
<i>Pass-through from University of Kentucky</i>	93.121	115351		189,898	189,898
<i>Pass-through from University of Louisville Res. Foundation</i>	93.121	7R01DE12150		46,998	46,998
<i>Pass-through from University of North Carolina</i>	93.121	117423		3,292	3,292
<i>Pass-through from University of North Carolina Chapel Hill</i>	93.121	102260		(2,698)	(2,698)
<i>Pass-through from University of Washington</i>	93.121	415730		27,016	27,016
Mental Health Planning and Demonstration Projects	93.125			169,267	169,267
Emergency Medical Services for Children <i>Pass-through from Duke University Medical Center</i>	93.127	H70MC00002	22,283	2,717	25,000
Grants to Increase Organ Donations	93.134			12,004	12,004
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135		52,640	3,855,477	3,908,117
<i>Pass-through from University of South Florida</i>	93.135	U48CCCU415803		9,925	9,925
Injury Prevention and Control Research and State and Community Based Programs	93.136		140,854	105,580	246,434
Community Programs to Improve Minority Health Grant Program	93.137			45,139	45,139
NIEHS Superfund Hazardous Substances-- Basic Research and Education	93.143	5P42ES04696-17		136,849	136,849
AIDS Education and Training Centers <i>Pass-through from Dallas County Hospital District</i>	93.145	412400		62,892	62,892
<i>Pass-through from Howard University</i>	93.145	116077		24,569	24,569
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		999,533	545,313	1,544,846
<i>Pass-through from The Resource Group</i>	93.153	401330		40,161	40,161
Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals	93.156			290,620	290,620
Centers of Excellence	93.157		13,230	918,841	932,071



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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Health Program for Toxic Substances and Disease Registry					
<i>Pass-through from Minority Health Profession Foundation</i>					
	93.161	U50AT39894808		57,208	57,208
<i>Pass-through from University of Illinois</i>	93.161	H75ATH589339		1,853	1,853
Human Genome Research	93.172		3,770	679,521	683,291
<i>Pass-through from Baylor College of Medicine</i>	93.172	105150		104,590	104,590
<i>Pass-through from Michigan State University</i>	93.172	102030		53,451	53,451
Research Related to Deafness and Communication Disorders					
<i>Pass-through from Purdue University</i>	93.173	510-4004-2 / 2 R01 DC00458-14	754,012	6,265,389	7,019,401
<i>Pass-through from Rice University</i>	93.173	R21 DC005496 01		82,623	82,623
Podiatric Residency Training in Primary Care	93.181			44,721	44,721
Health Education and Training Centers	93.189		76,590	5,865	5,865
<i>Pass-through from Ahec</i>	93.189	411510		134,086	210,676
<i>Pass-through from Naccho</i>	93.189	HP10002-04		1,871	1,871
Allied Health Special Projects	93.191		11,000	382	382
Human Health Studies--Applied Research and Development	93.206			619,922	630,922
Rural Telemedicine Grants	93.211			3,954	3,954
Research and Training in Complementary and Alternative Medicine	93.213			295,962	295,962
Research on Healthcare Costs, Quality and Outcomes	93.226		133,934	1,205,532	1,205,532
<i>Pass-through from American College of Surgeons</i>	93.226	UTA02-347		3,635,845	3,769,779
<i>Pass-through from Harvard School of Public Health</i>	93.226	1UIHS11886		14,718	14,718
Consolidated Knowledge Development and Application (KD&A) Program	93.230		201,397	938,355	1,139,752
<i>Pass-through from Healy-Murphy Center</i>	93.230	115872		130,990	130,990
Abstinence Education	93.235			292,421	292,421
Special Diabetes Program for Indians--Diabetes Prevention and Treatment Projects	93.237			306,820	306,820
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238		84,571	207,829	292,400
Policy Research and Evaluation Grants	93.239		35,543	33,336	68,879
Mental Health Research Grants	93.242		563,060	22,695,169	23,258,229
<i>Pass-through from Cambridge Health Alliance</i>	93.242	115749		49,605	49,605
<i>Pass-through from Southwest Foundation for Biomedical Research</i>	93.242	MH65462		13,841	13,841
<i>Pass-through from University of California - San Francisco</i>	93.242	3223sc		7,526	7,526
<i>Pass-through from University of Colorado</i>	93.242	SPO 26733		55,994	55,994
<i>Pass-through from University of California Los Angeles</i>	93.242	115317 117361		177,796	177,796
<i>Pass-through from University of Illinois</i>	93.242	MH39595-15		49,551	49,551
<i>Pass-through from University of Wyoming</i>	93.242	R01MH6366701		46,212	46,212
<i>Pass-through from Yale University</i>	93.242	116757		1,259	1,259
<i>Pass-through from Yale University</i>	93.242	2 R01 MH58784-03A1		135,441	135,441
Advanced Education Nursing Grant Program	93.247			593,278	593,278
Public Health Training Centers Grant Program	93.249			118,461	118,461
Community Access Program	93.252		250,875	267,922	518,797
<i>Pass-through from Dallas Academy of Medicine</i>	93.252	37021		1,143	1,143

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Poison Control Stabilization and Enhancement Grants	93.253			212,599	212,599
Infant Adoption Awareness Training <i>Pass-through from National Council for Adoption</i>	93.254	26-3902-24		49,617	49,617
Family Planning--Personnel Training <i>Pass-through from Family Planning Personnel Training</i>	93.260			461,720	461,720
Occupational Safety and Health Research Grants <i>Pass-through from Purdue University</i>	93.260	116154		23,563	23,563
Occupational Safety and Health Research Grants <i>Pass-through from Purdue University</i>	93.262	511-1180	225,888	588,097	813,985
Occupational Safety and Health--Training Grants	93.263			84,471	84,471
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271			136,026	136,026
Alcohol National Research Service Awards for Research Training	93.272			415,790	415,790
Alcohol Research Programs <i>Pass-through from Alcohol Research Program</i>	93.273	9520	720,998	9,584,011	10,305,009
<i>Pass-through from Research Foundation of Cuny</i>	93.273	R01AA11808		5,550	5,550
<i>Pass-through from Scripps Research Inst</i>	93.273	1775931		68,538	68,538
<i>Pass-through from University of Kentucky</i>	93.273	412670		64,804	64,804
<i>Pass-through from University of South Carolina</i>	93.273	417560		30,112	30,112
Career Development Awards	93.277		101,514	3,679	3,679
Drug Abuse National Research Service Awards for Research Training <i>Pass-through from IQ Solutions</i>	93.278			1,698,534	1,800,048
<i>Pass-through from IQ Solutions</i>	93.278	1R25DA1075		646,467	646,467
Drug Abuse Research Programs <i>Pass-through from Creighton University</i>	93.279		711,327	24,225	24,225
<i>Pass-through from Georgetown University, Sponsored Accounts Office</i>	93.279	1R25 DA13522		15,053,619	15,764,946
<i>Pass-through from Georgetown University, Sponsored Accounts Office</i>	93.279	414680		50,046	50,046
<i>Pass-through from Group Health Cooperative Pass-through from University of California - Los Angeles</i>	93.279	R29 DA011194 06		134,776	134,776
<i>Pass-through from University of California - Los Angeles</i>	93.279	415200		(98)	(98)
<i>Pass-through from University of Miami</i>	93.279	N01 DA-1-1200		100,460	100,460
<i>Pass-through from University of Pittsburgh</i>	93.279	417220		117,778	117,778
<i>Pass-through from Vanderbilt University</i>	93.279	115322		50,762	50,762
Mental Health Research Career/Scientist Development Awards	93.281		(4,950)	145,627	145,627
Mental Health National Research Service Awards for Research Training <i>Pass-through from Mental Health National Research Service Awards</i>	93.282			832,705	827,755
<i>Pass-through from Mental Health National Research Service Awards</i>	93.282	102056		1,076,836	1,076,836
Centers for Disease Control and Prevention-- Investigations and Technical Assistance <i>Pass-through from Associations of School of Public Health</i>	93.283		400,497	(4,830)	(4,830)
<i>Pass-through from Associations of Schools of Public Health</i>	93.283	U36CCU300430		5,801,342	6,201,839
<i>Pass-through from Children's Assessment Center Foundation</i>	93.283	S1171-191/19		275,650	275,650
<i>Pass-through from Children's Assessment Center Foundation</i>	93.283	CCU617918		105,663	105,663
<i>Pass-through from Harvard University</i>	93.283	116565		36,896	36,896
	93.283			31,798	31,798

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Centers for Disease Control and Prevention--					
Investigations and Technical Assistance (continued)					
<i>Pass-through from University of Colorado Health</i>	93.283	027/CCU812106		41,180	41,180
Biomedical Imaging Research	93.286		101,104	2,156,779	2,257,883
<i>Pass-through from City of Houston</i>	93.286	CCU606238		93,950	93,950
<i>Pass-through from Indiana University     School of Medicine</i>	93.286	417210		39,767	39,767
<i>Pass-through from University of     Wisconsin System</i>	93.286	R01EB000459		5,030	5,030
Bioengineering Research	93.287			167,229	167,229
<i>Pass-through from University of Kentucky     Research Foundation</i>	93.287	02AP010085FN		16,084	16,084
Nurse Practitioner and Nurse-Midwifery Education					
Program Advanced Nurse Education	93.298			83,353	83,353
National Center for Health Workforce Analysis	93.300			331,111	331,111
Comparative Medicine	93.306		1,368,531	6,326,626	7,695,157
<i>Pass-through from Emory University</i>	93.306	R01 RR003578 03		10,437	10,437
<i>Pass-through from Oklahoma University     Health Sciences Center</i>	93.306	02LM020997F1		175,252	175,252
<i>Pass-through from Southwest Foundation     for Biomedical Research</i>	93.306	107995		4,818	4,818
Clinical Research	93.333		26,483	10,861,338	10,887,821
<i>Pass-through from Duke University</i>	93.333	465190		13,984	13,984
<i>Pass-through from University of New Jersey</i>	93.333	413920		20,234	20,234
Advanced Education Nursing Traineeships	93.358			212,658	212,658
Basic Nurse Education and Practice Grants	93.359			7,437	7,437
Nursing Research	93.361		43,004	4,356,475	4,399,479
<i>Pass-through from Children's Hospital Boston</i>	93.361	1R01NR0533602	7,144	1,856	9,000
<i>Pass-through from Sabolich Research     &amp; Development, Inc.</i>	93.361	R44NR-04663		18,530	18,530
<i>Pass-through from University of California</i>	93.361	5R01NR04846		59,605	59,605
<i>Pass-through from University of Michigan</i>	93.361	104791		5,838	5,838
Biomedical Technology	93.371		72,905	3,145,495	3,218,400
<i>Pass-through from Oncosis</i>	93.371	415440		158,143	158,143
<i>Pass-through from University of Kentucky</i>	93.371	4-63697-00-265		111,560	111,560
Minority Biomedical Research Support	93.375		46,080	6,147,681	6,193,761
<i>Pass-through from Minority Biomedical     Research Supports</i>	93.375	114603		13,540	13,540
<i>Pass-through from New Mexico State University</i>	93.375	P.O. X376258/1351A030		47,091	47,091
<i>Pass-through from University of Incarnate Word</i>	93.375	2S06GM55337-05		21,666	21,666
Research Infrastructure	93.389			12,005,615	12,005,615
Academic Research Enhancement Award	93.390			89,301	89,301
Cancer Construction	93.392			1,562,826	1,562,826
Cancer Cause and Prevention Research	93.393		836,114	22,677,428	23,513,542
<i>Pass-through from Acrin</i>	93.393	114594		13,637	13,637
<i>Pass-through from Battelle Memorial Institute</i>	93.393	R01 CA088254 01		267	267
<i>Pass-through from Baylor College of Medicine</i>	93.393	102002		111,410	111,410
<i>Pass-through from Baylor College of Medicine</i>	93.393	R01 CA078480 06		32,282	32,282
<i>Pass-through from Baylor College of Medicine</i>	93.393	R21 CA086036 02		30,553	30,553
<i>Pass-through from Berkeley</i>	93.393	105378		117,863	117,863

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Cancer Cause and Prevention Research (continued)					
<i>Pass-through from Biocon Inc.</i>	93.393	413110		(512)	(512)
<i>Pass-through from Einstein Medical College-Heshiva University</i>	93.393	104967		29,926	29,926
<i>Pass-through from Mayo Clinic</i>	93.393	R01 CA097075 01		30,549	30,549
<i>Pass-through from Pangea Phytoceuticals</i>	93.393	R43 CA80423 1		1,964	1,964
<i>Pass-through from The Stehlin Foundation</i>	93.393	408880		5,809	5,809
<i>Pass-through from University of Pennsylvania</i>	93.393	535587		197,539	197,539
<i>Pass-through from University of Arizona</i>	93.393	P01 CA027502 21		56,216	56,216
<i>Pass-through from University of Arizona</i>	93.393	P01 CA041108 14		127,040	127,040
<i>Pass-through from University of Arizona</i>	93.393	P01 CA041108 15		158,582	158,582
<i>Pass-through from University of California - San Diego</i>	93.393	R01 CA069375 01		180,740	180,740
<i>Pass-through from University of California - San Diego</i>	93.393	R01 CA069375 04		103,719	103,719
<i>Pass-through from University of California - San Diego</i>	93.393	R01 CA069375 05		78,861	78,861
<i>Pass-through from University of California - San Diego</i>	93.393	R01 CA052689 13		57,075	57,075
<i>Pass-through from University of Cincinnati</i>	93.393	U01 CA076293 01		124,261	124,261
<i>Pass-through from University of Georgia</i>	93.393	502573		7,345	7,345
<i>Pass-through from University of Michigan</i>	93.393	R01 CA095662 02		54,139	54,139
Cancer Detection and Diagnosis Research	93.394		391,568	5,834,663	6,226,231
<i>Pass-through from Biotex, Inc.</i>	93.394	415040		18,980	18,980
<i>Pass-through from Mayo Clinic</i>	93.394	P01 CA085799 02		64,061	64,061
<i>Pass-through from Research Triangle Institute</i>	93.394	N01 CP-01004		623	623
<i>Pass-through from Thomas Jefferson University</i>	93.394	1R01CA84140		55,683	55,683
<i>Pass-through from University of Arizona</i>	93.394	Y772462		70,000	70,000
<i>Pass-through from Washington University</i>	93.394	U24 CA081647 04		53,757	53,757
Cancer Treatment Research	93.395		1,728,813	21,324,702	23,053,515
<i>Pass-through from American College of Radiology</i>	93.395	412690		64,817	64,817
<i>Pass-through from American College of Radiology</i>	93.395	U01 CA080098 03		207,857	207,857
<i>Pass-through from American College of Radiology</i>	93.395	U10 CA021661 27		27,382	27,382
<i>Pass-through from American College of Radiology</i>	93.395	U10 CA080098 04		4,691	4,691
<i>Pass-through from Bio Tex, Inc.</i>	93.395	R44 CA079282 02		103,929	103,929
<i>Pass-through from Cancer Therapy Research Center</i>	93.395	115869 107929		416,620	416,620
<i>Pass-through from Case Western Reserve University</i>	93.395	R01 CA083267 01		(1)	(1)
<i>Pass-through from Comchem Technologies</i>	93.395	UTA03-431		45,332	45,332
<i>Pass-through from Dudnyk Healthcare Group</i>	93.395	R01 CA075603 05		54,969	54,969
<i>Pass-through from Duke University</i>	93.395	P01 CA047741 10		(1,156)	(1,156)
<i>Pass-through from Duke University</i>	93.395	U10 CA033601 21		50,794	50,794
<i>Pass-through from Duke University</i>	93.395	U10 CA037377 05		3,207	3,207
<i>Pass-through from Duke University</i>	93.395	U10 CA076001 02		2,089	2,089
<i>Pass-through from Duke University</i>	93.395	U10 CA076001 04		17,958	17,958
<i>Pass-through from Duke University</i>	93.395	U10 CA076001 05		30,935	30,935
<i>Pass-through from Duke University</i>	93.395	U10 CA083895 03 A2		11,987	11,987
<i>Pass-through from Duke University</i>	93.395	U10 CA085850 03 A2		43,789	43,789

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Cancer Treatment Research (continued)					
<i>Pass-through from Eastern Cooperative Oncology Group</i>	93.395	U10 CA021115 01		2,230	2,230
<i>Pass-through from Foundation for the Children's Oncology Group</i>	93.395	U01CA974510142		15,942	15,942
<i>Pass-through from Foundation for the Children's Oncology Group</i>	93.395	U10 22		10,001	10,001
<i>Pass-through from Foundation for the Children's Oncology Group</i>	93.395	U10 CA013539 28		31,482	31,482
<i>Pass-through from Foundation for the Children's Oncology Group</i>	93.395	U10 CA24507 25		21,938	21,938
<i>Pass-through from Frontier Science &amp; Technology Research Foundation</i>	93.395	U10 CA021115 27		32,590	32,590
<i>Pass-through from Gynecologic Oncology Group</i>	93.395	SPA2746937	97,766	4,167,363	4,265,129
<i>Pass-through from Gynecologic Oncology Group</i>	93.395	R01 CA027469 01		4,886	4,886
<i>Pass-through from Inotek Corporation</i>	93.395	P01 CA064602 07		78,841	78,841
<i>Pass-through from Introgen Therapeutics</i>	93.395	R41 CA089778 02		146,755	146,755
<i>Pass-through from Introgen Therapeutics</i>	93.395	R41 CA83604 01-		10,068	10,068
<i>Pass-through from Johns Hopkins University</i>	93.395	115826		28,381	28,381
<i>Pass-through from Mayo Medical School</i>	93.395	416630		23,558	23,558
<i>Pass-through from Mt. Sinai School of Medicine</i>	93.395	R01 CA097397 01		38,846	38,846
<i>Pass-through from Mt. Sinai/ Salick Cancer Center</i>	93.395	U01 CA083178 01		571	571
<i>Pass-through from National Childhood Cancer Foundation</i>	93.395	410490		4,777	4,777
<i>Pass-through from Northwestern University</i>	93.395	R01 CA085915 02		161,222	161,222
<i>Pass-through from Ohio State University</i>	93.395	R01 CA058989 05		3,920	3,920
<i>Pass-through from Oregon Health Science University</i>	93.395	R01 CA083936 03		136,336	136,336
<i>Pass-through from San Antonio Cancer Institute</i>	93.395	101704		(4,679)	(4,679)
<i>Pass-through from Southwest Oncology Group</i>	93.395	U10 CA032102 22		18,597	18,597
<i>Pass-through from Spectros Corporation</i>	93.395	2R44CA8359702A1		20,534	20,534
<i>Pass-through from Translite</i>	93.395	R41 CA76759 1		(12,866)	(12,866)
<i>Pass-through from Translite</i>	93.395	R42 CA076759 02		66,660	66,660
<i>Pass-through from University of California - San Diego</i>	93.395	P01 CA081534 02		277,301	277,301
<i>Pass-through from University of California - San Diego</i>	93.395	P01 CA081534 04		395,100	395,100
<i>Pass-through from University of California - San Francisco</i>	93.395	U01 CA062399 04		(8,831)	(8,831)
<i>Pass-through from University of California - San Francisco</i>	93.395	U01 CA062399 08		276,486	276,486
<i>Pass-through from University of Miami</i>	93.395	R01 CA037109 13		40,696	40,696
<i>Pass-through from University of Minnesota</i>	93.395	U24 CA055727 06		(25,180)	(25,180)
<i>Pass-through from University of Minnesota</i>	93.395	U24 CA055727 09		184,829	184,829
<i>Pass-through from University of Mississippi Medical Center</i>	93.395	408560		15,913	15,913
<i>Pass-through from University of Pennsylvania</i>	93.395	R01 CA089442 02		138,011	138,011
<i>Pass-through from University of Pittsburgh</i>	93.395	R01 CA075603 05		10,500	10,500

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Cancer Treatment Research (continued)					
<i>Pass-through from University of         Southern California</i>	93.395	U10 CA085443 03		4,665	4,665
<i>Pass-through from Virginia         Commonwealth University</i>	93.395	R01 CA093626 01 A1		27,025	27,025
<i>Pass-through from Virginia         Commonwealth University</i>	93.395	R21 CA092950 02		32,107	32,107
<i>Pass-through from Washington University</i>	93.395	U24 CA081647 02		4,280	4,280
<i>Pass-through from Washington University</i>	93.395	U24 CA081647 03		3,670	3,670
Cancer Biology Research	93.396		311,266	15,355,814	15,667,080
<i>Pass-through from Baylor College of Medicine</i>	93.396	102005		23,148	23,148
<i>Pass-through from Baylor College of Medicine</i>	93.396	U01 CA084243 03		(8,278)	(8,278)
<i>Pass-through from Baylor College of Medicine</i>	93.396	U01 CA084243 04		93,908	93,908
<i>Pass-through from Baylor College of Medicine</i>	93.396	U01 CA084243 05		60,292	60,292
<i>Pass-through from Burnham Institute</i>	93.396	P01 CA082713 02		5,345	5,345
<i>Pass-through from Dartmouth Medical School</i>	93.396	U01 CA084290 05		29,986	29,986
<i>Pass-through from Massachusetts         Institute of Technology</i>	93.396	U01 CA084306 04		146,831	146,831
<i>Pass-through from University of         California - San Francisco</i>	93.396	1797SC 1		195,100	195,100
<i>Pass-through from University of         California - San Francisco</i>	93.396	P01 CA064602 03		184,551	184,551
<i>Pass-through from University of         California - San Francisco</i>	93.396	P01 CA064602 07		664,932	664,932
<i>Pass-through from University of         California at Irvine</i>	93.396	115344		230,900	230,900
<i>Pass-through from University of         Missouri - Columbia</i>	93.396	R01 CA086916 03		3,120	3,120
<i>Pass-through from University of Pennsylvania</i>	93.396	P01 CA064602 07		17,201	17,201
<i>Pass-through from University of Vermont</i>	93.396	R01 CA88082-01A1		99,308	99,308
<i>Pass-through from University of Virginia</i>	93.396	R01 CA084456 01		160,312	160,312
Cancer Centers Support Grants	93.397		1,119,107	14,680,223	15,799,330
<i>Pass-through from Cancer Therapy         Research Center</i>	93.397	101611		(8,727)	(8,727)
<i>Pass-through from Duke University</i>	93.397	P20 CA096890 01		38,884	38,884
<i>Pass-through from San Antonio Cancer Institute</i>	93.397	115272		1,837,631	1,837,631
Cancer Research Manpower	93.398		3,773	2,835,148	2,838,921
<i>Pass-through from University of         Washington - Seattle</i>	93.398	R25 CA092055 01		22,090	22,090
Cancer Control	93.399		1,353,096	12,512,146	13,865,242
<i>Pass-through from Baylor College of Medicine</i>	93.399	102033 104504		98,519	98,519
<i>Pass-through from Baylor College of Medicine</i>	93.399	U01 CA086117 02		3,210	3,210
<i>Pass-through from Baylor College of Medicine</i>	93.399	U01 CA086117 04		36,980	36,980
<i>Pass-through from Baylor College of Medicine</i>	93.399	U19 CA086809 02		6,655	6,655
<i>Pass-through from Baylor College of Medicine</i>	93.399	U19 CA086809 04		149,662	149,662
<i>Pass-through from Dana-Farber         Cancer Institute</i>	93.399	R01 CA077780 03		4,547	4,547
<i>Pass-through from Dartmouth Medical School</i>	93.399	R01 CA059005 08		54,229	54,229
<i>Pass-through from Group Health Cooperative</i>	93.399	R01 CA074517 04		1,258	1,258
<i>Pass-through from Group Health Cooperative</i>	93.399	R01 CA074517 05 S1		(12,851)	(12,851)
<i>Pass-through from Johns Hopkins University</i>	93.399	116925		5,716	5,716
<i>Pass-through from Johns Hopkins University</i>	93.399	U01 CA084986 01		54,153	54,153

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Cancer Control (continued)					
<i>Pass-through from Memorial Sloan-Kettering Cancer Center</i>	93.399	R01 CA079024 03 S1		60,459	60,459
<i>Pass-through from Mt. Sinai Medical Center</i>	93.399	417100		78,047	78,047
<i>Pass-through from National Cancer Institute</i>	93.399	115318		80,287	80,287
<i>Pass-through from National Childhood Cancer Foundation</i>	93.399	116779		81,246	81,246
<i>Pass-through from Nsabp</i>	93.399	U10 CA037377 03		27,249	27,249
<i>Pass-through from Nsabp</i>	93.399	U10 CA037377 05		536,976	536,976
<i>Pass-through from Nsabp Foundation</i>	93.399	102282 117542		82,158	82,158
<i>Pass-through from Penn State University</i>	93.399	R01 CA084770 01		(1,838)	(1,838)
<i>Pass-through from Rice University</i>	93.399	U01 CA086117 03		42,851	42,851
<i>Pass-through from Southwest Oncology Group</i>	93.399	101680		880	880
<i>Pass-through from Southwest Oncology Group</i>	93.399	114458 117022		199,889	199,889
<i>Pass-through from Southwest Oncology Group</i>	93.399	412560		13,751	13,751
<i>Pass-through from Southwest Oncology Group</i>	93.399	U10 CA037429 16		119,209	119,209
<i>Pass-through from Southwest Oncology Group</i>	93.399	U10 CA037429 17		(3,512)	(3,512)
<i>Pass-through from Southwest Oncology Group</i>	93.399	U10 CA037429 18		166,169	166,169
<i>Pass-through from Southwest Oncology Group</i>	93.399	U10 CA037429 19		116,958	116,958
<i>Pass-through from Southwest Oncology Group</i>	93.399	U10 CA077178 03		14,287	14,287
<i>Pass-through from University of California - Davis</i>	93.399	U01 CA097431 02		37,974	37,974
<i>Pass-through from University of Michigan</i>	93.399	U01 CA086400 03		167,913	167,913
Temporary Assistance for Needy Families	93.558			142,807	142,807
Community Services Block Grant-- Discretionary Awards					
<i>Pass-through from National Collegiate Athletic Association</i>	93.570	NYSPF 03-2		55,668	55,668
Community-Based Family Resource and Support Grants	93.590			23,340	23,340
Head Start					
<i>Pass-through from University of Arkansas for Medical Sciences</i>	93.600	UTA02-073 / 90Y10001/05		3,664	3,664
<i>Pass-through from University of Louisville Research Fund</i>	93.600	R215 R990011		(15)	(15)
University Centers for Excellence in Developmental Disabilities Education, Research and Service	93.632		27,584	395,169	422,753
Social Services Research and Demonstration	93.647			191,188	191,188
Foster Care--Title IV-E	93.658			728,625	728,625
Adoption Assistance	93.659			94,831	94,831
Child Abuse and Neglect Discretionary Activities					
<i>Pass-through from University of Notre Dame</i>	93.670	90XA0050/01		45,348	45,348
Centers for Medicare and Medicaid Services (CMS)					
Research, Demonstrations and Evaluations	93.779			88,063	88,063
Cell Biology and Biophysics Research	93.821		183,499	12,637,529	12,821,028
<i>Pass-through from University of California Pass-through from University of California- Lawrence Berkeley Nat'l Labs</i>	93.821	GM064692-01A		44,122	44,122
<i>Pass-through from University of California- Lawrence Berkeley Nat'l Labs</i>	93.821	6511788		231,344	231,344
Health Careers Opportunity Program	93.822		16,673	591,289	607,962
Basic/Core Area Health Education Centers	93.824		501,842	229,310	731,152
Heart and Vascular Diseases Research	93.837		1,543,335	44,053,818	45,597,153
<i>Pass-through from Baylor College of Medicine</i>	93.837	4600411746		80,450	80,450
<i>Pass-through from Baylor College of Medicine</i>	93.837	N01HC55016		209,613	209,613

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Heart and Vascular Diseases Research (continued)					
<i>Pass-through from Baylor College of Medicine</i>	93.837	R01 HL068884 01		226,771	226,771
<i>Pass-through from Baylor College of Medicine</i>	93.837	R01HL69397		50,571	50,571
<i>Pass-through from Baylor College of Medicine</i>	93.837	U01 HL065160 02 M1206		(19,581)	(19,581)
<i>Pass-through from Baylor College of Medicine</i>	93.837	U01HL65160		20,307	20,307
<i>Pass-through from Children's Hospital of Boston</i>	93.837	R01HL66643		74,107	74,107
<i>Pass-through from Chrysalis Biotechnology</i>	93.837	413820		(106)	(106)
<i>Pass-through from Columbia University</i>	93.837	R01 HL48159		1,697	1,697
<i>Pass-through from Dartmouth College</i>	93.837	R01 HL70247		15,708	15,708
<i>Pass-through from Dartmouth College</i>	93.837	114599		11,649	11,649
<i>Pass-through from Duke University</i>	93.837	02-SC-NIH-1013		61,600	61,600
<i>Pass-through from Duke University</i>	93.837	408830		(1,953)	(1,953)
<i>Pass-through from Loyola University of Chicago</i>	93.837	2R01HL057832-06		59,232	59,232
<i>Pass-through from Mayo Foundation</i>	93.837	5R01HL53330		259,533	259,533
<i>Pass-through from Medical University of South Carolina</i>	93.837	1POHL48788		12,448	12,448
<i>Pass-through from Millar Sstr</i>	93.837	104536		516	516
<i>Pass-through from Rice University</i>	93.837	R1HL60485		708	708
<i>Pass-through from Southwest Foundation for Biomedical Research</i>	93.837	115232		168,499	168,499
<i>Pass-through from Tulane University</i>	93.837	U1HL72507A		50,964	50,964
<i>Pass-through from Tulane University</i>	93.837	U01HL38844		192,793	192,793
<i>Pass-through from University of Wisconsin</i>	93.837	271G935		30,201	30,201
<i>Pass-through from University of California, San Francisco</i>	93.837	502005		8,775	8,775
<i>Pass-through from University of Michigan</i>	93.837	R01HL39107		555,231	555,231
<i>Pass-through from University of Michigan</i>	93.837	R01HL68737		9,900	9,900
<i>Pass-through from University of Minnesota</i>	93.837	R01HL63082		717,372	717,372
<i>Pass-through from University of Minnesota</i>	93.837	R01HL72524A		234,602	234,602
<i>Pass-through from University of Mississippi Medical Center</i>	93.837	93.837		22,083	22,083
<i>Pass-through from University of Missouri</i>	93.837	102049		13,393	13,393
<i>Pass-through from University of Pittsburgh</i>	93.837	5U01HL61744		33,843	33,843
<i>Pass-through from University of Washington</i>	93.837	5R01HL7017		86,146	86,146
<i>Pass-through from University of Washington</i>	93.837	R01HL6562201		51,722	51,722
Lung Diseases Research	93.838		271,404	7,868,559	8,139,963
<i>Pass-through from Baylor College of Medicine</i>	93.838	R01HL64934		27,266	27,266
<i>Pass-through from Southwestern Foundation for Biomedical Research</i>	93.838	101555		751,455	751,455
Blood Diseases and Resources Research	93.839			3,337,691	3,337,691
<i>Pass-through from Allied Innovative Systems</i>	93.839	R3HL70337A		25,463	25,463
<i>Pass-through from Avox Systems</i>	93.839	102064		861	861
<i>Pass-through from Baylor College of Medicine</i>	93.839	R01HL65096		75,435	75,435
<i>Pass-through from University of Michigan</i>	93.839	F008503		42,985	42,985
<i>Pass-through from University of Alabama at Birmingham</i>	93.839	N01-HC95095		102,322	102,322
<i>Pass-through from University of Wisconsin System</i>	93.839	02LM970080FHA3		108,054	108,054



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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Arthritis, Musculoskeletal and Skin					
Diseases Research	93.846		1,382,247	9,519,566	10,901,813
<i>Pass-through from Biomedical Development Corp</i>					
	93.846	116113		18,065	18,065
<i>Pass-through from Cedars-Sinai Medical Center</i>	93.846	1R01AR48465		33,502	33,502
<i>Pass-through from Chrysalis Biotechnology</i>	93.846	413850		54,014	54,014
<i>Pass-through from Hospital for Joint Diseases</i>	93.846	U01AR42540		400	400
<i>Pass-through from Jackson Labs</i>	93.846	114272		105,916	105,916
<i>Pass-through from Mayo Clinic</i>	93.846	R21 AR045789 01		(5,141)	(5,141)
<i>Pass-through from North Shore University Hospital</i>	93.846	R01 AR044422 03		129,420	129,420
<i>Pass-through from University of Alabama</i>	93.846	1P50AR45231		15,522	15,522
<i>Pass-through from University of Alabama</i>	93.846	410231		7,031	7,031
<i>Pass-through from University of Alabama</i>	93.846	5R01AR42503		182,310	182,310
<i>Pass-through from University of Missouri</i>	93.846	108337		284,316	284,316
<i>Pass-through from University of Tennessee</i>	93.846	N01AR92242		55,311	55,311
<i>Pass-through from Wayne State University</i>	93.846	N01AR02251		32,098	32,098
Diabetes, Endocrinology and Metabolism Research	93.847		643,686	16,664,265	17,307,951
<i>Pass-through from Agennix, Inc</i>					
	93.847	2R42DK55374		183,564	183,564
<i>Pass-through from Brigham and Women's Hospital</i>					
	93.847	108667		441	441
<i>Pass-through from George Washington University</i>					
	93.847	116130		163,991	163,991
<i>Pass-through from Grassroots Pharmaceuticals</i>	93.847	1R41DK63882		28,602	28,602
<i>Pass-through from Natural Therapeutics</i>	93.847	1R43DK47497		10,466	10,466
<i>Pass-through from University of Chicago</i>	93.847	102025		61,208	61,208
<i>Pass-through from University of Chicago</i>	93.847	R01 DK58026		72,339	72,339
<i>Pass-through from University of Tennessee</i>	93.847	102009		250	250
Digestive Diseases and Nutrition Research	93.848		843,595	10,740,247	11,583,842
<i>Pass-through from Baylor College of Medicine</i>					
	93.848	1P30DK56338		76,287	76,287
<i>Pass-through from Baylor College of Medicine</i>	93.848	414440		185,476	185,476
<i>Pass-through from Natural Therapeutics, Inc.</i>	93.848	R43DK52740		1,708	1,708
<i>Pass-through from Southwest Foundation for Biomedical Research</i>					
	93.848	115336		141,774	141,774
Kidney Diseases, Urology and Hematology Research	93.849		38,034	13,871,196	13,909,230
<i>Pass-through from Columbia Hospital at Medical Center Dallas</i>					
	93.849	5R01DK49368		2,376	2,376
<i>Pass-through from Medical City Dallas Hospital</i>	93.849	5R01DK53611		441	441
<i>Pass-through from Northwestern University</i>	93.849	416000		33,833	33,833
<i>Pass-through from University of California at Davis</i>					
	93.849	417290		30,471	30,471
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		3,051,556	27,063,181	30,114,737
<i>Pass-through from Baylor College of Medicine</i>					
	93.853	R01 NS21889		251,804	251,804
<i>Pass-through from Baylor College of Medicine</i>	93.853	R01 NS42772		41,145	41,145
<i>Pass-through from Emory University</i>	93.853	NS36643		11,949	11,949
<i>Pass-through from Mayo Clinic Rochester</i>	93.853	R01NS41558		83,578	83,578
<i>Pass-through from Microfab Technologies Inc</i>	93.853	UTA02-164 / NC01		740	740
<i>Pass-through from Mount Sinai School of Medicine</i>					
	93.853	R21NS41986		26,452	26,452
<i>Pass-through from Oregon and Health Science University</i>					
	93.853	02AP010096FN		8,932	8,932
<i>Pass-through from Rush Presbyterian St. Luke's</i>	93.853	NS33430		39,788	39,788
<i>Pass-through from University of Cincinnati</i>	93.853	R01-NS39160		61,233	61,233

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Extramural Research Programs in the Neurosciences and Neurological Disorders (continued)					
<i>Pass-through from University of Cincinnati</i>	93.853	R01-NS39512		17,761	17,761
<i>Pass-through from University of Iowa</i>	93.853	1R01NS38554		3,156	3,156
<i>Pass-through from University of Michigan</i>	93.853	5R01 NS38916		84,266	84,266
<i>Pass-through from University of South Florida</i>	93.853	03LM020034FHN		72,419	72,419
<i>Pass-through from University of Tennessee</i>	93.853	R07300326		59,056	59,056
<i>Pass-through from Washington University</i>	93.853	116678		4,633	4,633
<i>Pass-through from Washington University</i>	93.853	N01 HD2-3343		31,773	31,773
Biological Basis Research in Neurosciences	93.854		215,267	7,550,911	7,766,178
<i>Pass-through from California Institute of Technology</i>	93.854	102307		(419)	(419)
<i>Pass-through from Mount Sinai School of Medicine</i>	93.854	114622		8,742	8,742
<i>Pass-through from Robert Nowack (an Individual)</i>	93.854	UTA01-463		771	771
<i>Pass-through from Rice University</i>	93.854	415480		11,183	11,183
<i>Pass-through from University of Maryland</i>	93.854	102063		129,474	129,474
<i>Pass-through from University of Rochester</i>	93.854	107880		14,349	14,349
Allergy, Immunology and Transplantation Research	93.855		519,866	11,060,999	11,580,865
<i>Pass-through from Baylor College of Medicine</i>	93.855	N01-AI-25465		82,073	82,073
<i>Pass-through from Fred Hutchinson Cancer Center</i>	93.855	5U24AI49213		697	697
<i>Pass-through from New York Medical College</i>	93.855	104621		1,582	1,582
Microbiology and Infectious Diseases Research	93.856		3,734,125	33,431,260	37,165,385
<i>Pass-through from Albert Einstein College of Medicine</i>	93.856	502252		(1,147)	(1,147)
<i>Pass-through from Albert Einstein College of Medicine</i>	93.856	502552		76,304	76,304
<i>Pass-through from Albert Einstein College of Medicine</i>	93.856	502798		25,934	25,934
<i>Pass-through from Baylor College of Medicine</i>	93.856	5R01AI41168		51,017	51,017
<i>Pass-through from Baylor College of Medicine</i>	93.856	5R01AI41735		54,659	54,659
<i>Pass-through from Baylor College of Medicine</i>	93.856	N01-AI-25465		51,088	51,088
<i>Pass-through from Baylor College of Medicine</i>	93.856	P30AI36211		22,479	22,479
<i>Pass-through from Baylor College of Medicine</i>	93.856	R01AI41735		108,229	108,229
<i>Pass-through from Baylor College of Medicine</i>	93.856	U01 AI041089 02		(650)	(650)
<i>Pass-through from Baylor College of Medicine</i>	93.856	U01 AI041089 06		28,717	28,717
<i>Pass-through from Baylor College of Medicine</i>	93.856	U10 AI041089 05		946	946
<i>Pass-through from Baylor College of Medicine</i>	93.856	502342		7,191	7,191
<i>Pass-through from Bidelivery Sciences International, Inc.</i>	93.856	R43 AI51905 01		66,920	66,920
<i>Pass-through from Biomedical Development Corporation</i>	93.856	115341		31,842	31,842
<i>Pass-through from Bio-tex, Inc.</i>	93.856	502691		14,850	14,850
<i>Pass-through from Brigham and Women's Hospital</i>	93.856	02LM010978FN		28,332	28,332
<i>Pass-through from Chrysalis Biotechnology</i>	93.856	400-SPINS		(21,554)	(21,554)
<i>Pass-through from Marine Biology Laboratory</i>	93.856	5 U01 AI43		26,690	26,690
<i>Pass-through from Massachusetts General Hospital</i>	93.856	UTA03-094		50,053	50,053

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Microbiology and Infectious Diseases Research (continued)					
<i>Pass-through from Mckesson Bio Services</i>	93.856	502696		6,315	6,315
<i>Pass-through from Pharmareview Corporation</i>	93.856	R41AI51050		42,344	42,344
<i>Pass-through from Social &amp; Scientific System</i>	93.856	U01AI46362		277,412	277,412
<i>Pass-through from Social &amp; Scientific Systems, Inc.</i>	93.856	412540		1,680	1,680
<i>Pass-through from University of Alabama</i>	93.856	N01 AI15440		20,092	20,092
<i>Pass-through from University of California San Francisco</i>	93.856	416270		70,387	70,387
<i>Pass-through from University of Louisville</i>	93.856	414780		75,520	75,520
<i>Pass-through from University of Minnesota</i>	93.856	1U01AI46957		275,908	275,908
<i>Pass-through from University of New Mexico Health Science Center</i>	93.856	02EM020023FH		7,540	7,540
Pharmacology, Physiology, and Biological					
Chemistry Research	93.859		6,960,971	25,283,949	32,244,920
<i>Pass-through from Harvard Medical School</i>	93.859	UTA02-321 / 2 R01 GM55090-05		178,835	178,835
<i>Pass-through from Massachusetts General Hospital</i>	93.859	1U54GM2119		215,784	215,784
<i>Pass-through from University of California - San Francisco</i>	93.859	2389sc		42,130	42,130
<i>Pass-through from University of California</i>	93.859	2172SC		307,265	307,265
<i>Pass-through from University of Louisville Research</i>	93.859	R1GM62378B		40,662	40,662
<i>Pass-through from University of Louisville School</i>	93.859	01-685-01		(17,132)	(17,132)
<i>Pass-through from University of North Carolina</i>	93.859	5-30883		55,860	55,860
Genetics and Developmental Biology					
Research and Research Training	93.862		260,241	14,454,520	14,714,761
<i>Pass-through from Duke University</i>	93.862	DS658 / 5 R01 GM62746-02		71,892	71,892
<i>Pass-through from Medical College of Wisconsin</i>	93.862	5R01GM56515		1,286	1,286
<i>Pass-through from University of Chicago</i>	93.862	R01 GM57721		30	30
<i>Pass-through from University of Idaho</i>	93.862	ABK123-02A		58,354	58,354
<i>Pass-through from University of Michigan</i>	93.862	R01GM65509		2,266,726	2,266,726
<i>Pass-through from University of Virginia</i>	93.862	R01 GM063045 02		17,033	17,033
Population Research					
<i>Pass-through from Penn State University</i>	93.864	1620-UT-JHU-36093	1,484,600	8,346,554	9,831,154
<i>Pass-through from University of Michigan</i>	93.864	F005867		17,377	17,377
<i>Pass-through from University of Michigan</i>	93.864	F005867		546	546
Center for Research for Mothers and Children					
<i>Pass-through from Baylor College of Medicine</i>	93.865	R01 HD034031 04	1,523,637	12,979,928	14,503,565
<i>Pass-through from Baylor College of Medicine</i>	93.865	U01 HD039372 02		147	147
<i>Pass-through from Baylor College of Medicine</i>	93.865	U01 HD039372 03		(16,478)	(16,478)
<i>Pass-through from Biomedical Development Corporation</i>	93.865	116632		245,772	245,772
<i>Pass-through from Children's Hospital Los Angeles</i>	93.865	116632		22,397	22,397
<i>Pass-through from Children's Hospital Los Angeles</i>	93.865	1R01HD41224		5,479	5,479
<i>Pass-through from Children's Hospital Los Angeles</i>	93.865	P1HD13021		78,701	78,701
<i>Pass-through from Children's Hospital of Philadelphia</i>	93.865	412710		1,204	1,204
<i>Pass-through from Columbia Presbyterian Medical Center</i>	93.865	411620		2,424	2,424
<i>Pass-through from Innovaciones Psicoeducativas, Inc.</i>	93.865	416050		14	14

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Cluster Name/Federal Grantor/Program Name/ Pass-through Entity	CFDA	Federal/Pass- through Entity Other Identifying No.	Pass-through to Non-state Entities	Expenditures	Total
<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Center for Research for Mothers and Children (continued)					
<i>Pass-through from Reproductive     Health Tech. Corporation</i>	93.865	412820		1,204	1,204
<i>Pass-through from Southwest Foundation     for Biomedical Research</i>	93.865	115337		315,259	315,259
<i>Pass-through from Southwestern     Foundation for Biomedical</i>	93.865	R01HD41111		18,835	18,835
<i>Pass-through from University of Kansas</i>	93.865	Subcontract FY2000-040, M5		97,529	97,529
<i>Pass-through from University of Alabama</i>	93.865	416520		98,062	98,062
<i>Pass-through from University of Alabama</i>	93.865	U01 HD39939		133,244	133,244
<i>Pass-through from University of Illinois</i>	93.865	9R01HD4134207	39,970	5,949,473	5,989,443
<i>Pass-through from Yale University</i>	93.865	5P50HD25802		64,698	64,698
Aging Research	93.866		3,167,729	18,712,004	21,879,733
<i>Pass-through from Amersa</i>	93.866	104782		21,240	21,240
<i>Pass-through from Baylor College of Medicine</i>	93.866	5 P01 NS38660-0		76,869	76,869
<i>Pass-through from Baylor College of Medicine</i>	93.866	502398		22,380	22,380
<i>Pass-through from Mount Sinai     School of Medicine</i>	93.866	116089		29,095	29,095
<i>Pass-through from University of Michigan</i>	93.866	M05		19,645	19,645
<i>Pass-through from University of     California at Davis</i>	93.866	502692		4,976	4,976
<i>Pass-through from University of Maryland</i>	93.866	416960		14,497	14,497
<i>Pass-through from University of Michigan</i>	93.866	115201		248,790	248,790
<i>Pass-through from Wake Forest University</i>	93.866	417340		11,331	11,331
Vision Research	93.867		156,876	16,543,747	16,700,623
<i>Pass-through from Columbia University</i>	93.867	5-R01 EY09076-12		64,921	64,921
<i>Pass-through from Jaeb Center     for Health Research</i>	93.867	U10EY09867		261	261
<i>Pass-through from Kestrel Corporation</i>	93.867	2R44EY12174-02		26,995	26,995
<i>Pass-through from Kestrel Corporation</i>	93.867	2R44EY12590-02		32,533	32,533
<i>Pass-through from Ohio State University     Research Foundation</i>	93.867	902261		(28,308)	(28,308)
<i>Pass-through from Ohio State University     Research Foundation</i>	93.867	906517		34,287	34,287
<i>Pass-through from Ohio State University     Research Foundation</i>	93.867	742811		273,963	273,963
<i>Pass-through from Ohio State University     Research Foundation</i>	93.867	G087886		19,564	19,564
<i>Pass-through from Oregon Health Science Center</i>	93.867	108015		5,132	5,132
<i>Pass-through from Oregon Health     Sciences University</i>	93.867	1R01EY13139		26,862	26,862
<i>Pass-through from Oregon Health     Sciences University</i>	93.867	2U10EY05874		115,601	115,601
<i>Pass-through from Retina Foundation of the SW</i>	93.867	R01 EY05235		2,667	2,667
<i>Pass-through from State University     of NY at Buffalo</i>	93.867	1U10EY09953		(14,213)	(14,213)
<i>Pass-through from The Johns Hopkins University</i>	93.867	410030		168,468	168,468
<i>Pass-through from University of     Nebraska Medical Center</i>	93.867	R01EY10542		22,621	22,621
<i>Pass-through from University of Pennsylvania</i>	93.867	U10 EY006266 16		(5,221)	(5,221)
<i>Pass-through from University of Pennsylvania</i>	93.867	U10 EY006266 17		13,642	13,642
<i>Pass-through from University of Rochester</i>	93.867	412274-G		11,721	11,721
Medical Library Assistance	93.879		84,224	303,757	387,981
<i>Pass-through from Medical Library Assistance</i>	93.879	LM13515		11,255	11,255

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
Medical Library Assistance (continued)					
<i>Pass-through from Rice University</i>	93.879	415540		59,601	59,601
<i>Pass-through from Rice University</i>	93.879	R20261-73993		2,870	2,870
<i>Pass-through from Rice University</i>	93.879	R20773-73900003		33,579	33,579
<i>Pass-through from Rice University</i>	93.879	T15LM07093		12,679	12,679
<i>Pass-through from Smillex Inc.</i>	93.879	LR43LM06777		(1,109)	(1,109)
<i>Pass-through from University of California Berkeley National Laboratory</i>	93.879	415240		145,624	145,624
Minority Access to Research Careers	93.880			393,328	393,328
Grants for Residency Training in General Internal Medicine and/or General Pediatrics	93.884			503,617	503,617
Physician Assistant Training in Primary Care	93.886			204,447	204,447
<i>Pass-through from Amersa</i>	93.886	6U78HP00001		15,988	15,988
Health Care and Other Facilities	93.887			365,550	365,550
Resource and Manpower Development in the Environmental Health Sciences	93.894			2,964,355	2,964,355
Grants for Faculty Development in Family Medicine	93.895		6,439	264,501	270,940
Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	93.896			204,487	204,487
Grants for Faculty Development in General Internal	93.900		9,962	26,871	36,833
Rural Health Medical Education Demonstration Project	93.906			19,917	19,917
Rural Health Outreach and Rural Network Development Program	93.912			315,942	315,942
HIV Care Formula Grants	93.917			299,009	299,009
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919			127,082	127,082
Ryan White HIV/AIDS Dental Reimbursements	93.924			24,342	24,342
Special Projects of National Significance <i>Pass-through from Camino De Vida Center for HIV</i>	93.928	1H97HA00186		(81)	(81)
<i>Pass-through from Centro De Salud Familia La Fe, Inc.</i>	93.928	1H97HA0018		53,871	53,871
Center for Medical Rehabilitation Research	93.929			311,125	311,125
<i>Pass-through from Baylor College of Medicine</i>	93.929	5R24HD39629		37,666	37,666
Fogarty International Research Collaboration Award	93.934		58,034	83,343	141,377
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health <i>Pass-through from Nat'l Assoc of Student Personnel</i>	93.938	U87/CCU313		6,669	6,669
HIV Prevention Activities--Non-Governmental Organization Based <i>Pass-through from Westat</i>	93.939	N01 HD3-3162		5,147	5,147
HIV Prevention Activities--Health Department Based <i>Pass-through from Harris County Health Department</i>	93.940	01GEN0161		1,062	1,062
<i>Pass-through from Harris County Health Department</i>	93.940	01GEN0188		11,440	11,440
<i>Pass-through from Harris County Health Department</i>	93.940	01GEN0189		1,628	1,628

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<b>RESEARCH AND DEVELOPMENT CLUSTER (continued)</b>					
<b>U.S. Department of Health and Human Services (continued)</b>					
HIV Demonstration, Research, Public and Professional Education Projects	93.941		347,619	473,929	821,548
Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944			1,006,545	1,006,545
Tuberculosis Demonstration, Research, Public and Professional Education	93.947			2,357	2,357
Block Grants for Prevention and Treatment of Substance Abuse	93.959			444,014	444,014
Special Minority Initiatives	93.960		110,068	485,174	595,242
<i>Pass-through from University of Michigan</i>	93.960	730760		37,725	37,725
Public Health Traineeships	93.964			9,006	9,006
Geriatric Education Centers	93.969			39,573	39,573
<i>Pass-through from Baylor College of Medicine</i>	93.969	1D31HP70112-01		19,566	19,566
<i>Pass-through from Baylor College of Medicine</i>	93.969	416230		17,530	17,530
<i>Pass-through from Baylor College of Medicine</i>	93.969	5D31HP70112-02		19,576	19,576
Preventive Health Services--Sexually Transmitted Diseases Control Grants	93.977			219,727	219,727
Preventive Health Services--Sexually Transmitted Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978			523,714	523,714
Academic Administrative Units in Primary Care Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988			1,084,491	1,084,491
Senior International Fellowships	93.989		105,800	347,871	453,671
<i>Pass-through from University of California San Diego</i>	93.989	1R01TW05860-01		5,131	5,131
Preventive Health and Health Services Block Grant Maternal and Child Health Services	93.991			23,414	23,414
Block Grant to the States	93.994			356,300	356,300
Adolescent Family Life--Demonstration Projects					
<i>Pass-through from Arlington I.S.D.</i>	93.995	OR 02-315		4,752	4,752
Total - U.S. Department of Health and Human Services				<u>42,647,391</u>	<u>605,263,245</u>
				<u>605,263,245</u>	<u>647,910,636</u>
<b>Corporation for National and Community Service</b>					
Retired and Senior Volunteer Program	94.002			57,048	57,048
AmeriCorps	94.006			1,037,878	1,037,878
Total - Corporation for National and Community Service				<u>—</u>	<u>1,094,926</u>
<b>Total Research and Development Cluster</b>				<u>66,689,647</u>	<u>1,031,424,552</u>
				<u>1,031,424,552</u>	<u>1,098,114,199</u>
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>					
<b>U.S. Department of Education</b>					
Federal Supplemental Educational Opportunity Grants	84.007			20,660,671	20,660,671
Federal Family Education Loans					
Loans Disbursed	84.032		1,810,912	1,167,698,635	1,169,509,547
Interest Subsidy on Student Loans	84.032			729,940	729,940
Special Allowance on Student Loans	84.032			2,910,942	2,910,942
Federal Work-Study Program	84.033			19,259,890	19,259,890

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<b>STUDENT FINANCIAL ASSISTANCE CLUSTER (continued)</b>					
<b>U.S. Department of Education (continued)</b>					
Federal Perkins Loan Program	84.038			30,836,764	30,836,764
Federal Pell Grant Program	84.063			331,643,165	331,643,165
Federal Direct Student Loans	84.268			95,598,436	95,598,436
Total - U.S. Department of Education			1,810,912	1,669,338,443	1,671,149,355
<b>U.S. Department of Health and Human Services</b>					
Health Education Assistance Loans	93.108			71,000	71,000
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342			2,535,913	2,535,913
Nursing Student Loans	93.364			555,520	555,520
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925			2,336,543	2,336,543
Total - U.S. Department of Health and Human Services			—	5,498,976	5,498,976
<b>Total Student Financial Assistance Cluster</b>			1,810,912	1,674,837,419	1,676,648,331
<b>AGING CLUSTER</b>					
<b>U.S. Department of Health and Human Services</b>					
Special Programs for the Aging--Title III, Part B-- Grants for Supportive Services and Senior Centers	93.044		27,758,545	1,742,555	29,501,100
<i>Pass-through from Area Agency On Aging</i>	93.044	37415	13,000	99,544	112,544
Special Programs for the Aging--Title III, Part C-- Nutrition Services	93.045			26,257,389	26,257,389
Total - U.S. Department of Health and Human Services			54,028,934	1,842,099	55,871,033
<b>Total Aging Cluster</b>			54,028,934	1,842,099	55,871,033
<b>CHILD CARE CLUSTER</b>					
<b>U.S. Department of Health and Human Services</b>					
Child Care and Development Block Grant <i>Pass-through from Southeast Texas</i>	93.575		152,291,202	45,745,392	198,036,594
<i>Workforce Development Board</i>	93.575	WDB-1042		120,613	120,613
Child Care Mandatory and Matching Funds of the Child Care and Development Fund <i>Pass-through from Child Care Mandatory and Matching Funds of the Child Care and Development</i>	93.596		183,365,780	44	183,365,824
	93.596	1002CQC002		54,720	54,720
Total - U.S. Department of Health and Human Services			335,656,982	45,920,769	381,577,751
<b>Total Child Care Cluster</b>			335,656,982	45,920,769	381,577,751
<b>CHILD NUTRITION CLUSTER</b>					
<b>U.S. Department of Agriculture</b>					
School Breakfast Program	10.553		222,122,349	2,392,101	224,514,450
National School Lunch Program	10.555		683,842,793	3,725,866	687,568,659
Special Milk Program for Children	10.556		76,832		76,832
Summer Food Service Program for Children	10.559		24,790,799	1,893,890	26,684,689
Total - U.S. Department of Agriculture			930,832,773	8,011,857	938,844,630
<b>Total Child Nutrition Cluster</b>			930,832,773	8,011,857	938,844,630

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<b>CONSOLIDATED HEALTH CENTERS CLUSTER</b>					
<b>U.S. Department of Health and Human Services</b>					
Community Health Centers	93.224			1,731	1,731
Total - U.S. Department of Health and Human Services			—	1,731	1,731
<b>Total Consolidated Health Centers Cluster</b>			—	1,731	1,731
<b>DISABILITY INSURANCE/SSI CLUSTER</b>					
<b>Social Security Administration</b>					
Social Security--Disability Insurance	96.001			102,809,188	102,809,188
Total - Social Security Administration			—	102,809,188	102,809,188
<b>Total Disability Insurance/SSI Cluster</b>			—	102,809,188	102,809,188
<b>EMERGENCY FOOD ASSISTANCE CLUSTER</b>					
<b>U.S. Department of Agriculture</b>					
Emergency Food Assistance Program (Administrative Costs)	10.568		4,525,539	182,585	4,708,124
Emergency Food Assistance Program (Food Commodities)	10.569		34,027,096		34,027,096
Total - U.S. Department of Agriculture			38,552,635	182,585	38,735,220
<b>Total Emergency Food Assistance Cluster</b>			38,552,635	182,585	38,735,220
<b>EMPLOYMENT SERVICES CLUSTER</b>					
<b>U.S. Department of Labor</b>					
Employment Service	17.207		11,687,608	49,615,110	61,302,718
Disabled Veterans' Outreach Program (DVOP)	17.801		303,709	3,958,487	4,262,196
Local Veterans' Employment Representative Program	17.804		231,935	4,324,663	4,556,598
Total - U.S. Department of Labor			12,223,252	57,898,260	70,121,512
<b>Total Employment Services Cluster</b>			12,223,252	57,898,260	70,121,512
<b>FEDERAL TRANSIT CLUSTER</b>					
<b>U.S. Department of Transportation</b>					
Federal Transit--Capital Investment Grants	20.500		527,711		527,711
Federal Transit--Formula Grants	20.507		2,210,833	18,810	2,229,643
<i>Pass-through from City of Lubbock, Texas</i>	20.507	13331755/A146/1893/2021		62,475	62,475
Total - U.S. Department of Transportation			2,738,544	81,285	2,819,829
<b>Total Federal Transit Cluster</b>			2,738,544	81,285	2,819,829
<b>FISH AND WILDLIFE CLUSTER</b>					
<b>U.S. Department of the Interior</b>					
Sport Fish Restoration	15.605			11,363,450	11,363,450
Wildlife Restoration	15.611			8,667,595	8,667,595
Total - U.S. Department of the Interior			—	20,031,045	20,031,045
<b>Total Fish and Wildlife Cluster</b>			—	20,031,045	20,031,045
<b>FOOD STAMP CLUSTER</b>					
<b>U.S. Department of Agriculture</b>					
Food Stamps	10.551			1,828,958,222	1,828,958,222
State Administrative Matching Grants for Food Stamp Program	10.561		12,869,662	158,268,102	171,137,764
Total - U.S. Department of Agriculture			12,869,662	1,987,226,324	2,000,095,986
<b>Total Food Stamp Cluster</b>			12,869,662	1,987,226,324	2,000,095,986



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<b>FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER</b>					
<b>Corporation for National and Community Service</b>					
Foster Grandparent Program	94.011		12,403	1,888,888	1,901,291
Total - Corporation for National and Community Service			12,403	1,888,888	1,901,291
<b>Total Foster Grandparent/Senior Companion Cluster</b>			12,403	1,888,888	1,901,291
<b>HIGHWAY PLANNING AND CONSTRUCTION CLUSTER</b>					
<b>U.S. Department of Transportation</b>					
Highway Planning and Construction	20.205		54,641,941	2,519,417,401	2,574,059,342
Total - U.S. Department of Transportation			54,641,941	2,519,417,401	2,574,059,342
<b>Total Highway Planning and Construction Cluster</b>			54,641,941	2,519,417,401	2,574,059,342
<b>HIGHWAY SAFETY CLUSTER</b>					
<b>U.S. Department of Transportation</b>					
State and Community Highway Safety	20.600		5,917,518	6,706,165	12,623,683
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		431,685	190,358	622,043
Occupant Protection	20.602		1,884,614	37,062	1,921,676
Safety Incentive Grants for Use of Seatbelts	20.604		4,396,194	336,155	4,732,349
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605			121,770	121,770
Total - U.S. Department of Transportation			12,630,011	7,391,510	20,021,521
<b>Total Highway Safety Cluster</b>			12,630,011	7,391,510	20,021,521
<b>MEDICAID CLUSTER</b>					
<b>U.S. Department of Health and Human Services</b>					
State Medicaid Fraud Control Units	93.775			2,229,948	2,229,948
State Survey and Certification of Health Care Providers and Suppliers	93.777			48,850,605	48,850,605
Medical Assistance Program	93.778		15,804,615	9,972,201,386	9,988,006,001
Total - U.S. Department of Health and Human Services			15,804,615	10,023,281,939	10,039,086,554
<b>Total Medicaid Cluster</b>			15,804,615	10,023,281,939	10,039,086,554
<b>PUBLIC WORKS/ECONOMIC DEVELOPMENT CLUSTER</b>					
<b>U.S. Department of Commerce</b>					
Grants for Public Works and Economic Development Facilities	11.300			2,936,391	2,936,391
Economic Adjustment Assistance	11.307			587,061	587,061
<i>Pass-through from Department of Commerce</i>	11.307	08-66-0359		78,122	78,122
Total - U.S. Department of Commerce			—	3,601,574	3,601,574
<b>Total Public Works/Economic Development Cluster</b>			—	3,601,574	3,601,574
<b>SPECIAL EDUCATION CLUSTER</b>					
<b>U.S. Department of Education</b>					
Special Education--Grants to States	84.027		546,261,976	18,516,476	564,778,452
<i>Pass-through from Region XI Esc Ft Worth</i>	84.027	DEC SER		441,526	441,526
Special Education--Preschool Grants	84.173		23,403,161	44,109	23,447,270
Total - U.S. Department of Education			569,665,137	19,002,111	588,667,248
<b>Total Special Education Cluster</b>			569,665,137	19,002,111	588,667,248

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<b>TRIO CLUSTER</b>					
<b>U.S. Department of Education</b>					
TRIO--Student Support Services	84.042			4,249,248	4,249,248
TRIO--Talent Search	84.044			3,140,613	3,140,613
TRIO--Upward Bound	84.047			9,248,740	9,248,740
TRIO--Educational Opportunity Centers	84.066			1,188,823	1,188,823
TRIO--McNair Post-Baccalaureate Achievement	84.217			2,410,458	2,410,458
Total - U.S. Department of Education			—	20,237,882	20,237,882
<b>Total Trio Cluster</b>			—	20,237,882	20,237,882
<b>WORKFORCE INVESTMENT ACT CLUSTER</b>					
<b>U.S. Department of Labor</b>					
Workforce Investment Act	17.255			199,237	199,237
<i>Pass-through from Alamo Area     Development Corp</i>	17.255	AADC-2001-04		89,922	89,922
<i>Pass-through from Middle Rio Grande Workforce</i>	17.255	WFB-04-040-03		46,316	46,316
<i>Pass-through from Middle Rio Grande Workforce</i>	17.255	WFB-04-050-02		3,277	3,277
<i>Pass-through from South Plains Food Bank</i>	17.255	13541735		838	838
WIA Adult Program	17.258		74,779,586	12,612,032	87,391,618
<i>Pass-through from Lower Rio Grande     Valley Workforce Development</i>	17.258	01-TSOR01-426011		159,670	159,670
<i>Pass-through from San Jacinto College</i>	17.258	5192002		14,777	14,777
<i>Pass-through from Tarrant County     Workforce Develop Board</i>	17.258	02-FUS-WIA-001		62,546	62,546
WIA Youth Activities	17.259		81,898,762	6,735,391	88,634,153
<i>Pass-through from Lower Rio Grande     Valley Development Board</i>	17.259	03-WIAYS-001		160,648	160,648
WIA Dislocated Workers	17.260			64,349,781	7,337,690
Total - U.S. Department of Labor				221,028,129	248,450,473
<b>Total Workforce Investment Cluster</b>				221,028,129	27,422,344
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 5,134,684,829</b>	<b>\$ 23,983,652,673</b>	<b>\$ 29,118,337,502</b>

## STATE OF TEXAS

### Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

#### (1) Summary of Significant Accounting Policies

##### (a) Reporting Entity

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the activity of all federal award programs administered by the State of Texas, except for four component units, for the fiscal year ended August 31, 2003. Those components units, Texas Guaranteed Student Loan Corporation, Texas A&M Research Foundation, Boll Weevil Foundation of the Department of Agriculture, and Texas State Affordable Housing Corporation, are subject to separate audits in compliance with Office of Management Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The federal transactions for these four entities are excluded from the Schedule.

Federal award programs include expenditures, pass-throughs to non-state agencies (i.e., payments to subrecipients), non-monetary assistance, and loan programs.

##### (b) Basis of Presentation

The Schedule presents total federal awards expended for each individual federal program in accordance with OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA). Federal award program titles not presented in the Catalog are identified by Federal Agency number followed by (.xxx).

##### (c) Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented in the Schedule on a modified accrual basis. The modified accrual basis of accounting incorporates an estimation approach to determine the amount of expenditures incurred if not yet billed by a vendor. Thus, those Federal programs presenting negative amounts on the Schedule are the result of prior year estimates being overstated and/or reimbursements due back to the grantor.

##### (d) Matching Costs

Matching costs, the nonfederal share of certain program costs, are not included in the Schedule, except for the State's share of unemployment insurance (See Note 4).

#### (2) Relationship to Federal Financial Reports

The regulations and guidelines governing the preparation of Federal financial reports vary by Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1(c).

**STATE OF TEXAS**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

**(3) Relationship to Revenues in the State of Texas' Basic Financial Statements**

The following is a reconciliation of total Federal awards expended as reported in the Schedule to Federal revenues reported in the basic financial statements.

**Federal Revenues**

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds, Federal Revenue	\$ 23,017,445,668
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds, Federal Revenue	2,593,180,754
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds, Capital Contributions - Federal	8,621,123
Statement of Changes in Fiduciary Net Assets	1,409,281
Statement of Activities – Component Units, Operating Grants and Contributions	<u>103,816,965</u>
Total Federal Revenue Per Financial Statements	25,724,473,791

**Reconciling Items**

Non-Cash Federal Commodities/Vaccines/ Surplus Property/Other (Note 6)	234,485,576
Various Loans Processed by Universities and Agencies (Note 5)	1,307,265,506
State Unemployment Funds (Note 4)	2,298,439,981
Other *	(211,704,170)
Agencies not included in the Schedule of Expenditures of Federal Awards (Note 1(a))	<u>(234,623,182)</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 29,118,337,502</u>

\* This amount includes \$193,429,147 of cash rebates received on sales of infant formula to participants in the Special Supplemental Food Program for Women, Infants, and Children (WIC) program (CFDA 10.557). (See Note 7) This amount also includes \$18,435,033 of vendor transactions recognized as federal revenues.

## STATE OF TEXAS

### Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

#### (4) Unemployment Insurance Funds

State unemployment tax revenues and the government and non-profit contributions in lieu of State taxes (State UI funds) must be deposited into the Unemployment Trust Fund in the U.S. Treasury. Use of these funds is restricted to pay benefits under the federally approved State Unemployment Law. State UI funds as well as federal funds are reported in Schedule of Expenditures of Federal Awards under CFDA #17.225. The state portion in the amount of \$2,298,439,981 is a reconciling item in the reconciliation of the Schedule to revenues in the Basic Financial Statements (See Note 3).

#### (5) Federally Funded Loan Programs

The balances of loans as of August 31, 2002 for which the federal government imposes continuing compliance requirements are as follows. The current year disbursements of approximately \$34 million are included in the Schedule.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount</u>
84.038	Federal Perkins Loan Program (Perkins)	\$ 128,019,968
93.342	Health Professions Student Loans (HPSL)	16,185,020
93.364	Nursing Student Loans	<u>2,438,291</u>
	Total	<u>\$ 146,643,279</u>

The State also participates in the Federal Direct Loan Program (Direct) and the Federal Family Education Loans Program (FFELP) which includes the Federal Stafford Loan Program and the Federal Parents' Loans for Undergraduate Students Program. The programs do not require the Universities to disburse the funds. The proceeds are disbursed by the federal government for direct loans and by lending institutions for FFELP. Loans guarantees are issued by the Texas Guaranteed Student Loan Corporation and other for-profit and not-for-profit guarantee agencies. The federal government reinsures these guarantee agencies. New loans were made to students enrolled at State Universities for approximately \$96 million for Direct and approximately \$1.2 billion for FFELP during the year ended August 31, 2003; accordingly, these amounts are included in the Schedule.

The Texas Higher Education Coordinating Board (THECB) participated in the Federal Family Education Loan Program (CFDA 84.032), the Health Professions Student Loan Program (CFDA 93.342), and the Health Education Assistance Loan Program (CFDA 93.108) as a servicer of the loans. During the year ended August 31, 2003, THECB received approximately \$3.6 million in interest subsidy and special allowance payments (SAP) which is included in the Schedule. For the year ended August 31, 2003, THECB originated loans of approximately \$5.2 million to students of Texas Universities which are included in the Schedule. As of August 31, 2003, THECB services approximately \$100 million of FFELP loans and \$39 million of HEAL loans.

**STATE OF TEXAS**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

The Water Development Board receives capitalization grants to create and maintain Drinking Water State Revolving Funds (DWSRF) programs (CFDA 66.468). States can use capitalization grant funds to establish a revolving loan fund to assist public water systems finance the costs of infrastructure needed to achieve or maintain compliance with Safe Drinking Water Act requirements and protect the public health objectives of the Act. The DWSRF can be used to provide loans at interest rates lower than the market and other types of financial assistance for qualified communities, local agencies, and private entities. The DWSRF offers a net long-term interest lending rate of 1.2 percent below the rate the borrower would receive in the open market at the time of closing. The maximum repayment period for most DWSRF loans is 20 years from the completion of construction. Capitalization grants received for DWSRF for the year ended August 31, 2003, were approximately \$41 million and are included in the Schedule. DWSRF outstanding loans, with continuing audit requirements, at August 31, 2003, was approximately \$97.4 million.

The Water Development Board receives capitalization grants to provide a long-term source of State financing for construction of wastewater treatment facilities and implementation of other water quality management activities. The Clean Water State Revolving Fund (CWSRF) program (CFDA 66.458) provides loans at interest rates lower than what can be obtained through commercial markets. The CWSRF offers a net long-term interest lending rate of 0.7 percent below the rate the borrower would receive in the open market at the time of closing. The maximum repayment period for most CWSRF loans is 20 years from completion of construction. Capitalization grants received for CWSRF for the year ended August 31, 2003, were approximately \$59 million and are included in the Schedule. CWSRF outstanding loans, with continuing audit requirements, at August 31, 2003, was approximately \$2.2 billion.

**(6) Non-Monetary Assistance**

The State is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements and are therefore not recorded in the State's basic financial statements. Awards received by the State which include cash and non-cash amounts are included in the Schedule as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Grant Awards (in thousands)</u>
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 9,020
10.550	Food Distribution	75,603,096
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	374,277
10.565	Commodity Supplemental Food Program	1,712,142
10.569	Emergency Food Assistance Programs	34,027,096
39.003	Donation of Federal Surplus Personal Property	6,468,246
93.268	Immunization Grants	116,291,699
	Total	<u>\$ 234,485,576</u>

**STATE OF TEXAS**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2003

**(7) Rebates from the Special Supplemental Food Program for Women, Infants, and Children (WIC)**

During fiscal year 2003, the State received cash rebates from infant formula manufacturers in the amount of approximately \$193 million on sales of formula to participants in the WIC program (CFDA 10.557) which are netted against total expenditures included in the Schedule. Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the State to extend program benefits to 3,992,437 more persons than could have been served this fiscal year in the absence of the rebate contract.

**(8) Depository Libraries for Government Publications**

Several State agencies and universities participate as depository libraries in the Government Printing Office's Depository Libraries for Government Publication program, CFDA 40.001. The State agencies and universities are the legal custodian of government publications, which remain the property of the federal government. The publications are not assigned value by the Government Printing Office.

**(9) Petroleum Violation Escrow Funds**

Petroleum Violation Escrow Funds received by the State as restitution relative to litigation involving violations of federal price controls are not federal funds and therefore are not included in the Schedule. However, the uses of Petroleum Violations Escrow funds are subject to OMB Circular A-133. Those Petroleum Violations Escrow funds subject to OMB Circular A-133 were used in the following programs in fiscal year 2003:

CFDA	Program Name	Amount
81.041	State Energy Conservation	\$ 13,280,441
	Nongrant Projects:	
	Stripper Well Program	650,702
	Refined Products Programs	63,627
	Diamond Shamrock Program	9,061
	Total	\$ 14,003,831

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**Schedule of Findings and Questioned Costs**

Federal Portion of  
Statewide Single Audit Report

For the Year Ended August 31, 2003

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Section 1:

**Summary of Auditors' Results**

**Financial Statements**

Issued under separate cover. See State Auditor's Office report entitled the Financial Portion of the 2003 Statewide Single Audit Report dated February 23, 2004.

**Federal Awards**

- 1. Internal Control over major programs:
  - a. Material weakness(es) identified? Yes
  - b. Reportable condition(s) identified  
not considered to be material weaknesses? Yes

**Major Programs with Reportable Conditions:**

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.871	Section 8 Housing Choice Vouchers
93.283	Center for Disease Control and Prevention-Investigations and Technical Assistance
93.556	Promoting Safe and Stable Families
93.558	Temporary Assistance for Needy Families
93.566	Refugee and Entrant Assistance – State Administered Programs
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.940	HIV Prevention Activities-Health Department Based
Cluster	Medicaid
Cluster	Student Financial Assistance, including loan servicing of Federal Family Education Loans
Cluster	Research and Development

**Major Programs with Material Weaknesses:**

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.239	HOME Investment Partnerships Program
14.871	Section 8 Housing Choice Vouchers
93.217	Family Planning Services
93.268	Immunization Grants
93.283	Center for Disease Control and Prevention-Investigations and Technical Assistance
93.917	HIV Care Formula Grants
93.940	HIV Prevention Activities-Health Department Based
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
93.958	Block Grants for Community Mental Health Services
93.994	Maternal and Child Health Services Block Grant to the States
Cluster	Food Stamps
Cluster	Medicaid
Cluster	Student Financial Assistance, including loan servicing of Federal Family Education Loans

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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2. Type of auditors' report issued on compliance for major programs? See below

**Scope limitation:**

14.871 Section 8 Housing Choice Vouchers  
93.917 HIV Care Formula Grants

**Adverse:**

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children  
93.217 Family Planning Services  
93.268 Immunization Grants  
93.917 HIV Care Formula Grants  
93.940 HIV Prevention Activities-Health Department Based  
93.994 Maternal and Child Health Services Block Grant to the States

**Qualification:**

14.239 HOME Investment Partnerships Program  
14.871 Section 8 Housing Choice Vouchers  
93.283 Center for Disease Control and Prevention-Investigations and Technical Assistance  
93.556 Promoting Safe and Stable Families  
93.558 Temporary Assistance for Needy Families  
93.568 Low-Income Home Energy Assistance  
93.658 Foster Care – Title IV-E  
93.958 Block Grants for Community Mental Health Services  
Cluster Food Stamp Cluster  
Cluster Medicaid  
Cluster Research and Development  
Cluster Student Financial Assistance, including loan servicing of Federal Family Education Loans

**No Qualification:**

14.228 Community Development Block Grants/State's Program  
16.588 Violence Against Women Formula Grants  
21.000 Federal Relief Funds – Block Grant  
83.544 Public Assistance Grants (FEMA)  
84.002 Adult Education-State Grant Program  
84.010 Title I Grants to Local Educational Agencies  
84.048 Vocational Education – Basic Grants to States  
84.352 School Renovation Grants  
84.365 English Language Acquisition State Formula Grant  
84.367 Improving Teacher Quality State Grants  
93.566 Refugee and Entrant Assistance – State Administered Programs  
93.659 Adoption Assistance  
93.667 Social Services Block Grant  
93.767 State Children's Insurance Program  
Cluster Child Nutrition  
Cluster Highway Planning and Construction

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

3. Any audit findings disclosed that are required to be reported in accordance with *OMB Circular A-133*, Section 510(a)? Yes
4. Dollar threshold used to distinguish between Type A and Type B programs: \$44,119,126
5. Auditee qualified as low-risk auditee? No
6. Identification of major programs:

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.228	Community Development Block Grants/State's Program
14.239	HOME Investment Partnerships Program
14.871	Section 8 Housing Choice Vouchers
16.588	Violence Against Women Formula Grants
21.000	Federal Relief Funds – Block Grant
83.544	Public Assistance Grants (FEMA)
84.002	Adult Education-State Grant Program
84.010	Title I Grants to Local Educational Agencies
84.048	Vocational Education – Basic Grants to States
84.352	School Renovation Grants
84.365	English Language Acquisition State Formula Grant
84.367	Improving Teacher Quality State Grants
93.217	Family Planning Services
93.268	Immunization Grants
93.283	Center for Disease Control and Prevention-Investigations and Technical Assistance
93.556	Promoting Safe and Stable Families
93.558	Temporary Assistance for Needy Families
93.566	Refugee and Entrant Assistance – State Administered Programs
93.568	Low-Income Home Energy Assistance
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	State Children's Insurance Program
93.917	HIV Care Formula Grants
93.940	HIV Prevention Activities-Health Department Based
93.958	Block Grants for Community Mental Health Services
93.994	Maternal and Child Health Services Block Grant to the States
Cluster	Child Nutrition
Cluster	Food Stamp
Cluster	Highway Planning and Construction
Cluster	Medicaid
Cluster	Research and Development
Cluster	Student Financial Assistance, including loan servicing of Federal Family Education Loans

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Section 2:

**Financial Statement Findings**

Issued under separate cover. See State Auditor's Office report entitled the Financial Portion of the 2003 Statewide Single Audit Report dated February 23, 2004.

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Section 3a:

**Federal Award Findings and Questioned Costs - KPMG**

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, as required to be reported by *Office of Management and Budget Circular A-133*, Section .510(a). This section is organized by state agency or university.

**Higher Education Coordinating Board**

Reference No. 04-01

**Special Tests and Provisions - Student Status Changes**

**Student Financial Assistance Cluster - Loan Servicing of Federal Family Education Loans (FFELP)**

**Type of finding - Reportable Condition Control**

Texas Guaranteed Student Loan Corporation (TGSLC) communicates student status changes to the Higher Education Coordinating Board (HECB) on a weekly basis. HECB downloads the electronic file each week for processing. Processing includes reviewing each student and determining if the TGSLC information is more accurate than the HECB records. Occasionally the students or schools will contact the HECB directly with information. Once an update is determined to be necessary, staff at HECB manually input the change through one of two processes. The less complex updates are input by data processing staff within the loan services department. HECB procedures over this process do not include supervisor review, record counts, reperformance, etc., which could be considered controls for assisting in ensuring the processing of all student status changes.

Questioned Cost: \$ 0  
U.S. Department of Education

Federal regulations require that once the HECB is notified of a student status change, they must use the data to make proper and timely adjustments to each loan. For purposes of this requirement, “timely” means adjustments are made in time to satisfy the time requirements outlined in 34 CFR 682.209 for converting and beginning collection of loans. Of the 40 student status changes reviewed, all were processed timely in accordance with regulations.

Recommendation

HECB should implement controls to ensure the complete processing of all student status changes.

Management Response and Corrective Action Plan:

*Through a programming request we have implemented a procedure to document exit processing using a batch process for data entry requests. A field has been added to the data entry request cover sheet reflecting a total of the last 2 digits of the social security number for each entry in that batch. After keying a batch, data entry will run a tape to insure the totals balance. This new procedure was implemented in January 2004.*

*Implementation Date: January 2004*

*Responsible Person: Katherine Carson*

Reference No. 04-02

**Special Tests and Provisions - Interest Benefit Payments**

**Student Financial Assistance Cluster - Loan Servicing of Federal Family Education Loans (FFELP)**

**Type of finding - Reportable Condition Control and Non-Compliance**

Interest subsidy calculations have specific start dates based on the type of loan being serviced. The Higher Education Coordinating Board (HECB) utilizes its mainframe to calculate interest benefits. Occasionally a change is necessary to the specific start date, or "note date". The process at HECB included the completion of a data change form, which is to be processed by the information systems department. This data change form was not always being utilized.

Questioned Cost: \$602
U.S. Department of Education

When the form was used, information was then being passed to a sub routine called loan note due date correction (LNDDC). HECB discovered that an error existed in the programming of the field sizes so the sub routine did not return the correct values for interest benefits.

In a sample of 30 FFELP loan disbursements, one loan's start date was processed incorrectly resulting in an undercharge of 16 cents to Department of Education. HECB determined the number of potentially affected loans to be 163 ranging from 1993 to 2003. HECB has reviewed 85 of these loans and determined they owe the borrowers \$67.55 and U.S. Department of Education \$602.53.

Recommendation

HECB should implement controls to ensure the complete and accurate processing of all changes to note dates.

Management Response and Corrective Action Plan:

*The programming error that was discovered in sub routine LNDDC was corrected December 2003. We are working on completing our review of the affected loans to determine the amount of interest owed to the respective parties. All loan "note date" changes will now be requested using the LNDDC correction form. The completed forms will be returned to the loan services supervisor who will be able to perform a management review prior to the documentation being sent to imaging.*

*Implementation Date: April 2004*

*Responsible Person: Katherine Carson*

Reference No. 04-03

**Reporting**

**CFDA 84.048 - Vocational Education-Basic Grants to State**

**Type of finding - Non-Compliance**

The Higher Education Coordinating Board (HECB) is required to file an Accountability Report (Form IV), Consolidated Annual Performance, Accountability, and Financial Status Report. The accountability report contains data to be used in determining whether HECB met their adjusted performance levels for each of its core indicators of performance. The four indicator areas are: (1) attainment of academic and vocational skills, (2) attainment of diploma or credential, (3) placement and retention, and (4) participation in, preparation for, and completion of programs leading to non-traditional occupations. HECB maintains certain databases to track these performance indicators. Per review of a report which measured core indicators #2 above, the information appears to be captured in a complete and accurate fashion from the secondary schools. While inputting of the number of male and females who received diplomas, HECB input the total number of received diplomas in the male line item and the males count in the female line item on the on-line report. Therefore, the on-line report total for that indicator category was incorrect and entirely omitted the female count. The information for ethnic breakouts and special populations breakouts was correctly input.

Questioned Cost: \$ 0  
  
U.S. Department of Education

Recommendation

HECB has contacted U.S. Department of Education and will resubmit the correct information within the next 90 days during the adjustment period.

Management Response and Corrective Action Plan:

*We will submit revised data with the correct information during the adjustment period.*

*Implementation Date: March 2004*

*Responsible Person: David Gill*

**Education Agency**

Reference No. 04-04

**Reporting**

**CFDA 84.002 - Adult Education-State Grant Program**

**Type of finding - Non-Compliance**

The Adult Education program requires two financial status reports to be filed each year for (1) the Adult Education and Literacy Expenses (all expenses) and (2) the EL-Civics Expenditures. For the July 2000 to September 2002 grant, the financial status reports filed during fiscal year 2003 noted the following differences:

Questioned Cost: \$ 0  
U.S. Department of Education

- The EL-Civics Federal expenditures of \$1,693,509 were not included in the total expenses reported in the Adult Education and Literacy Expenses report.
- Federal funds spent on institutionalized persons of \$2,207,285 were correctly reported as programs of instruction but should have also been included in column (e) for institutionalized persons programs in the Adult Education and Literacy Expenses report.
- Also, \$1,000,000 spent on family literacy was included in the state leadership total rather than instruction expenditures in the Adult Education and Literacy Expenses report.

Texas Education Agency amended the report and corrected the above items in October 2003. Also, the July 2001 to September 2003 grant interim financial status reports were noted to be prepared correctly.

Recommendation

The Texas Education Agency should ensure consistent reporting of adult education expenditures.

Management Response and Corrective Action Plan:

*TEA agrees with the points above. The report in question has been amended and the reports filed in December 2003 follow the recommendations.*

*Implementation Date: October 2003*

*Responsible Person: Diane Wheeler*

## Department of Health

Reference No. 04-07

### Subrecipient Monitoring

(Prior Audit Issue – 03-21, 02-11, 02-15, 02-19, 01-555-36)

#### Major Programs:

- CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
- CFDA 93.217 - Family Planning Services
- CFDA 93.268 - Immunization Grants
- CFDA 93.917 - HIV Care Formula Grants
- CFDA 93.940 - HIV Prevention Activities-Health Department Based
- CFDA 93.994 - Maternal and Child Health Block Grant to the States

#### Non-Major Programs:

- CFDA 10.572 - WIC Farmers' Market Nutrition Program
- CFDA 14.241 - Housing Opportunities for Persons with AIDS
- CFDA 93.110 - Maternal and Child Health Federal Consolidated Programs
- CFDA 93.116 - Project Grants and Cooperative Agreements for Tuberculosis Control Programs
- CFDA 93.118 - Acquired Immunodeficiency Syndrome (AIDS) Activity
- CFDA 93.197 - Childhood Lead Poisoning Prevention Program (CLPPP)
- CFDA 93.215 - Hansen's Disease National Ambulatory Care Program
- CFDA 93.234 - Traumatic Brain Injury – State Demonstration Grant Program
- CFDA 93.235 - Abstinence Education
- CFDA 93.259 - Rural Access to AEDs
- CFDA 93.566 - Refugee and Entrant Assistance – State Administered Programs
- CFDA 93.576 - Refugee and Entrant Assistance – Discretionary Grants
- CFDA 93.631 - Development Disabilities Projects of National Significance
- CFDA 93.919 - Cooperative Agreement for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program
- CFDA 93.941 - HIV Demonstration, Research, Public and Professional Education Projects
- CFDA 93.944 - HIV/AIDS Surveillance
- CFDA 93.977 - Preventive Health Services – Sexually Transmitted Disease Control Grants
- CFDA 93.978 - STD Research Public and Professional Education Projects
- CFDA 93.988 - State Based Diabetes Control Program
- CFDA 93.991 - Preventive Health and Health Services Block Grant

#### Type of finding - Material Weakness Control and Material Non-Compliance

The Texas Department of Health (TDH) is required by Federal regulations to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. TDH's subrecipient monitoring procedures include a risk assessment process, technical assistance, financial monitoring and OMB Circular A-133 audit report reviews. According to OMB Circular A-133, TDH must assure that subrecipients expending Federal funds in excess of \$300,000 have an OMB Circular A-133 Single Audit performed and provide a copy to TDH which should include any necessary management corrective actions.

Questioned Cost:	\$ 0
U.S. Department of Agriculture	
U.S. Department of Health and Human Services	
U.S. Department of Housing and Urban Development	

TDH passes through a significant amount of Federal funds to subrecipients. During fiscal year 2003 there were approximately 500 subrecipients that received Federal funds from TDH; 83 were assessed as high-risk subrecipients, and received \$121 million, and 176 were assessed as moderate risk and received \$52 million. In fiscal year 2003 TDH conducted financial monitoring for 33 subrecipients. Of the 33 monitored, 14 were high-risk subrecipients, 15 moderate risk subrecipients and 4 low risk subrecipients. The following were noted regarding subrecipient financial monitoring:

- We selected a sample of 30 subrecipients that were granted Family Planning funds during fiscal year 2003. TDH monitored three (two were assessed by TDH as high risk) of the 30 subrecipients selected for review. The Family Planning funding for the 30 subrecipients selected ranges from \$33,000 to \$1,315,000.

- We selected a sample of 30 subrecipients that were granted Immunization funds during fiscal year 2003. TDH monitored four (two were assessed by TDH as high risk) of the 30 subrecipients selected for testwork. Fifteen of the 30 selected were assessed as high-risk subrecipients. The funding for the 30 subrecipients selected ranges from \$4,000 to \$1,100,000.
- We selected a sample of 10 subrecipients that were granted HIV Care funds during fiscal year 2003. TDH monitored two of the 10 subrecipients selected. Seven of the eight subrecipients not monitored were assessed as high-risk subrecipients by TDH. The HIV care funding for the 10 subrecipients selected ranges from \$441,000 to \$3,185,000.
- We selected a sample of 30 subrecipients that were granted HIV Prevention funds during fiscal year 2003. Of the 30 subrecipients selected, 17 have not been monitored in the past 3 years. The HIV prevention funding for the 30 subrecipients selected ranges from \$128,000 to \$990,000.
- We selected a sample of 30 subrecipients that were granted MCH funds during fiscal year 2003. TDH monitored four (two were assessed by TDH as high risk) of the 30 MCH subrecipients selected for testwork. Eleven of the 30 selected were assessed as high-risk subrecipients. The MCH funding for the 30 subrecipients selected ranges from \$38,000 to \$773,000.

TDH program monitoring policy states that subrecipients will be monitored for programmatic compliance at least once every three years. A sample of 30 subrecipients was selected for compliance with program monitoring for the MCH program. It was noted that 1 of the 30 did not have a program monitoring visit since 1999.

In addition, for all the subrecipients selected the OMB Circular A-133 audit reports were requested. TDH is only requesting OMB Circular A-133 audit reports from subrecipients that expended more than \$300,000 of Federal funds provided by TDH. TDH is not tracking subrecipients that expended more than \$300,000 in Federal funds from all sources of funding. There were two subrecipients in our sample that expended more than \$300,000 in Federal funds from which TDH should have received an OMB Circular A-133 audit report but which they did not.

Lastly, on an annual basis, TDH renews contracts with subrecipients and closes out the old contracts. According to TDH policy regarding contract closeouts, contracts should be closed out by January of each year for the preceding year. It was noted that as of October 2003 contracts related to fiscal year 2002 were not closed out.

Total payments to subrecipients charged to the major and non-major programs for fiscal year 2003 were:

<b>Federal Program</b>	<b>Amount Charged to the Federal Program</b>
CFDA 10.572	\$ 233,677
CFDA 14.241	2,226,221
CFDA 93.110	11,354
CFDA 93.116	3,330,406
CFDA 93.118	110,818
CFDA 93.197	262,655
CFDA 93.215	98,012
CFDA 93.217	10,163,955
CFDA 93.234	26,682
CFDA 93.235	4,011,806
CFDA 93.259	256,020
CFDA 93.268	6,309,294
CFDA 93.566	986,265
CFDA 93.576	138,502
CFDA 93.631	26,979
CFDA 93.917	16,601,348
CFDA 93.919	3,338,148



<u>Federal Program</u>	<u>Amount Charged to the Federal Program</u>
CFDA 93.940	9,200,477
CFDA 93.941	197,928
CFDA 93.944	740,759
CFDA 93.977	3,399,782
CFDA 93.978	197,629
CFDA 93.988	195,475
CFDA 93.991	1,913,237
CFDA 93.994	7,379,399
Total	\$ <u>71,356,828</u>

### Recommendation

TDH's subrecipient monitoring process relies heavily on the performance of financial reviews. TDH should ensure that it has the necessary resources to perform the reviews as determined by the risk assessment process. Additionally, TDH should monitor for program compliance and complete closeout procedures according to its policy. TDH should implement procedures to ensure that an OMB Circular A-133 audit reports are obtained from all subrecipients expending more than \$300,000 in Federal funds from all sources of funding.

### Management Response and Corrective Action Plan:

*TDH conducts a financial risk assessment each year to determine subrecipient compliance monitoring. Based on this assessment, on-site audits and desk reviews are performed for selected subrecipients to test and sample for overall performance. TDH recognized the need for more direct examination and in fiscal year 2003 and fiscal year 2004 developed plans to enhance financial compliance monitoring through additional on-site reviews, increased desk reviews, and procurement of limited scope audits. During fiscal year 2003 and early fiscal year 2004, increased staffing resulted in a higher number of desk reviews being completed. Increased travel funding in fiscal year 2004 has allowed for additional on-site examinations to be conducted. In addition, TD prepared a request for information (RFI) to solicit limit scope audits. Responses to that RFI are being reviewed by the Office of Inspector General as this function transferred effective January 1, 2004. It is anticipated that the consolidation of the compliance and audit functions across the Health and Human Services agencies will result in an increase in monitoring in continuation of our goals.*

*TDH's commitment to programmatic performance monitoring is reflected in the auditors' data which shows that 29 of the 30 subrecipients reviewed had received a programmatic monitoring review in the past three (3) years. The possibility of performing more joint reviews, including both programmatic and financial monitoring, has been part of TDH's planning and improvement processes during fiscal year 2003 and 2004.*

*The A-133/Single Audit function transferred to the Health and Human Services Commission (HHSC) on September 1, 2002. HHSC has implemented procedures to track the subrecipients who expended more than \$300,000 in federal funds from all sources of funding.*

*New procedures for contract close-out have been implemented and are included in the Procurement and Contracting Services (PCS) Division's PCS Procedures Manual. The PCS Division was consolidated as part of the HHSC procurement consolidation; however, the manual is continuing to be used by TDH programs and the new consolidated procurement unit at HHSC.*

*Implementation Date: See above*

*Responsible Person: Machele Pharr*

Reference No. 04-08

**Allowable Costs/Cost Principles**

**Major Programs:**

- CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
- CFDA 93.217 - Family Planning Services
- CFDA 93.268 - Immunization Grants
- CFDA 93.917 - HIV Care Formula Grants
- CFDA 93.940 - HIV Prevention Activities-Health Department Based
- CFDA 93.994 - Maternal and Child Health Block Grant to the States Medicaid Cluster

**Non-Major Programs:**

- CFDA 10.475 - Intrastate Meat and Poultry Program
- CFDA 10.572 - WIC Farmers' Market Nutrition Program
  
- CFDA 66.001 - Air Pollution Control Program Support
- CFDA 66.032 - State Indoor Radon Grant
- CFDA 66.701 - Toxic Substances Compliance Monitoring Cooperative Agreements
- CFDA 66.707 - TSCA Title IV State Lead Grants
- CFDA 81.106 - Transport of Transuranic Wastes
- CFDA 81.119 - State Energy Program Special Projects
- CFDA 83.552 - Emergency Management Performance Grants
- CFDA 93.003 - Public Health and Social Services Emergency Fund
- CFDA 93.043 - Disease Prevention and Health Promotion Services
- CFDA 93.103 - Food and Drug Administration - Research
- CFDA 93.110 - Maternal and Child Health Federal Consolidated Programs
- CFDA 93.116 - Project Grants and Cooperative Agreements for Tuberculosis Control Programs
- CFDA 93.118 - Acquired Immunodeficiency Syndrome (AIDS) Activity
- CFDA 93.127 - Emergency Medical Services for Children
- CFDA 93.130 - Primary Care Services - Resource Coordination and Development
- CFDA 93.136 - Injury Prevention and Control Research and State and Community Based Programs
- CFDA 93.161 - Health Program for Toxic Substances and Disease Registry
- CFDA 93.184 - Disabilities Prevention
- CFDA 93.215 - Hansen's Disease National Ambulatory Care Program
- CFDA 93.234 - Traumatic Brain Injury - State Demonstration Grant Program
- CFDA 93.235 - Abstinence Education
- CFDA 93.262 - Occupational Safety and Health Research Grants
- CFDA 93.566 - Refugee and Entrant Assistance - State Administered Programs
- CFDA 93.576 - Refugee and Entrant Assistance - Discretionary Grants
- CFDA 93.631 - Development Disabilities Projects of National Significance
- CFDA 93.667 - Social Services Block Grant
- CFDA 93.855 - Allergy, Immunology and Transplantation Research
- CFDA 93.919 - Cooperative Agreement for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program
- CFDA 93.944 - HIV/AIDS Surveillance
- CFDA 93.977 - Preventive Health Services - Sexually Transmitted Disease Control Grants
- CFDA 93.978 - STD Research Public and Professional Education Projects
- CFDA 93.988 - State Based Diabetes Control Program
- CFDA 93.991 - Preventive Health and Health Services Block Grant
- CFDA 96.007 - Social Security - Research and Demonstration Highway Safety Cluster

**Type of finding - Material Weakness Control and Material Non-Compliance**

Per OMB Circular A-87, section H – support of salaries and wages, the following standards are applicable:

- Where employees are expected to work solely on a single Federal award, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Questioned Cost:

Multiple Awards \$11,491,742  
Single Award \$29,697,773

U.S. Department of Agriculture

U.S. Environmental Protection Agency

U.S. Department of Energy

U.S. Federal Emergency Management Administration

U.S. Department of Health and Human Services

Social Security Administration

U.S. Department of Transportation

- Where employees work on multiple activities or cost objectives, a distribution of their salaries and wages will be supported by personnel activity reports or equivalent documentation which:
  - 1) Reflect an after-the-fact distribution of the actual activity of each employee,
  - 2) Account for the total activity for which each employee is compensated,
  - 3) Are prepared at least monthly and coincide with the pay period,
  - 4) Are signed by the employee, and
  - 5) Budget estimates before the services are performed do not qualify as support for charges to Federal awards but may be used for interim purposes provided that at least quarterly, comparisons of actual costs to budgeted amounts are made and any adjustments are reflected in the amounts billed to the Federal program. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent.

From September 1 to November 30, 2002, the Texas Department of Health's (TDH) legacy payroll system did include the certification of time for individuals who worked solely on one federal award. Also time sheets were completed for employees who worked on multiple awards. Our audit procedures for this time period included a review of 15 employees selected from the major programs noted above. For each item selected, we were able to see respective monthly certifications or timesheets which met the requirements noted above.

In addition, for the period from September 1, 2002 to November 30, 2002, TDH's grant management department was responsible for manually comparing the allocation of time from the payroll system, which was based on budget, to a summary of the time sheets. Their procedures included adjusting the grants on a quarterly basis. The results of our audit procedures follow:

<u>Major Program</u>	<u>Program Year</u>	<u>Over (under) Expenses</u>	<u>Frequency of Adjustment</u>	<u>Within 10% Tolerance</u>
CFDA 10.557	2002	\$ 15	Two	Yes
CFDA 10.557	2003	45,272	One	Yes
CFDA 93.217	2002	2,695	One	Yes
CFDA 93.217	2003	—	One	No, 11%
CFDA 93.268	2002	—	Two	No, 10%
CFDA 93.268	2003	3,410	One	Yes
CFDA 93.917	2002	(16,154)	One	Yes
CFDA 93.917	2003	23,056	None	Yes
CFDA 93.940*	2002	(47,633)	One	Yes
CDDA 93.940	2003	(192,510)	None	No, 14%
CFDA 93.994	2002, 2003	**	None	Unknown
Medicaid Cluster	2003	919,587	None	Unknown
		\$ <u>737,738</u>		

\* The correct amount was adjusted. However the approximate \$(48,000) adjustment was posted to CFDA 93.977 instead of CFDA 93.940.

\*\* Comparison of estimated expenses to actual charges was not prepared for the 2003 grant year.

**HEALTH, DEPARTMENT OF**

Effective December 1, 2002, the TDH implemented a new payroll system. Under the new system, employees whose salaries are charged to multiple activities had profiles programmed into the system based on the amount of time spent on each activity during fiscal year 2002. As of December 1, 2002, timesheets are only being completed by employees when they take sick leave or vacation time. Therefore, all salary and benefit expenses charged to the grants are based on estimated time to be incurred.

Also under the new payroll system, the payroll department did send payroll registers to the program directors for certification; however, (1) the payroll register showed employees time as charged 100% to the grants when it should have been allocated among multiple activities, and (2) employees were not signing the certifications when multiple activities were involved. In September 2003 the payroll register began showing the employees' time being allocated among multiple activities.

Total salary and benefits costs charged to the major and non-major programs for fiscal year 2003 for the period December 1, 2002 to August 31, 2003 were:

<b>Federal Program</b>	<b>Amount Charged to the Federal Program- Multiple Awards</b>	<b>Amount Charged to the Federal Program- Single Award</b>	<b>Total</b>
CFDA 10.475	\$ 707,676	2,720,272	3,427,948
CFDA 10.557	2,747,834	7,487,462	10,235,296
CFDA 10.572	222	—	222
CFDA 66.001	142,593	66,896	209,489
CFDA 66.032	21,582	—	21,582
CFDA 66.701	65,794	14,271	80,065
CFDA 66.707	38,894	99,934	138,828
CFDA 81.106	65,742	47,025	112,767
CFDA 81.119	45,607	33,033	78,640
CFDA 83.552	18,244	145,195	163,439
CFDA 93.003	—	107,382	107,382
CFDA 93.043	1,407	—	1,407
CFDA 93.103	14,337	—	14,337
CFDA 93.110	58,827	503,996	562,823
CFDA 93.116	139,104	1,196,463	1,335,567
CFDA 93.118	—	80,413	80,413
CFDA 93.127	50	61,487	61,537
CFDA 93.130	7,553	177,970	185,523
CFDA 93.136	19,572	79,362	98,934
CFDA 93.161	21,187	283,354	304,541
CFDA 93.184	3,780	—	3,780
CFDA 93.197	31,989	153,195	185,184
CFDA 93.215	19,318	32,608	51,926
CFDA 93.217	200,095	148,815	348,910
CFDA 93.234	22,269	55,012	77,281
CFDA 93.235	74,158	148,210	222,368
CFDA 93.262	194,889	108,564	303,453
CFDA 93.268	554,233	2,016,428	2,570,661
CFDA 93.566	3,129	—	3,129
CFDA 93.576	51,150	36,969	88,119
CFDA 93.631	770	—	770

<u>Federal Program</u>	<u>Amount Charged to the Federal Program- Multiple Awards</u>	<u>Amount Charged to the Federal Program- Single Award</u>	<u>Total</u>
CFDA 93.667	550,818	110,959	661,777
CFDA 93.855	2,265	—	2,265
CFDA 93.917	56,421	1,007,701	1,064,122
CFDA 93.919	22,125	48,885	71,010
CFDA 93.940	173,518	837,954	1,011,472
CFDA 93.944	38,201	543,080	581,281
CFDA 93.977	259,881	512,490	772,371
CFDA 93.978	4,265	13,757	18,022
CFDA 93.988	146,616	130,324	276,940
CFDA 93.991	161,304	1,424,066	1,585,370
CFDA 93.994	1,537,430	3,386,193	4,923,623
CFDA 96.007	26,960	275,929	302,889
Highway Safety Cluster	30,251	317,559	347,810
Medicaid Cluster	2,471,944	5,284,560	7,756,504
Total	\$ 10,754,004	29,697,773	40,451,777

#### Recommendation

TDH should implement procedures to ensure that employee time is adjusted to actual for employees who work on multiple grants. Additionally, procedures should be implemented to ensure that employees certify that the time spent working on Federal programs is accurate and in accordance with OMB Circular A-87.

#### Management Response and Corrective Action Plan:

As noted, TDH implemented a new payroll system in December 2002. This new system provided for time allocation profiles for employees with 100% of their salary charged to a single grant (\$29,967,773) and employees performing tasks under multiple grants (\$10,754,004). In addition, TDH had a monthly payroll affidavit for certification of time. This monthly certification did accurately reflect the salaries paid from a single federal grant, although it did not properly reflect the time allocation for employees paid from multiple grants. TDH misinterpreted the requirements of OMB Circular A-87 to only require employees who deviated from their profiles to complete a weekly timesheet. On September 1, 2003, TDH implemented processes and procedures so that these payroll affidavits accurately reflected the time allocation for employees paid from multiple grants. In addition, TDH has implemented procedures to require weekly timesheets from all employees so that any time may be certified and appropriately reported in compliance with OMB Circular A-87.

Implementation Date: January 26, 2004

Responsible Person: Wanda Thompson and James Williams

Reference No. 04-09

**Allowable Costs/Cost Principles**

**CFDA 93.917 - HIV Care Formula Grants**

**Type of finding - Non-Compliance**

The Texas Department of Health (TDH) is awarded Federal funds to establish a program to provide therapeutics to treat HIV disease or prevent the serious deterioration of health arising from HIV disease. The awarding agency provides TDH with a list of approved medications that can be charged to the grant.

Questioned Cost: \$ 1,329

U.S. Department of Health and  
Human Services

Our audit procedures included a review of 30 expenditures charged to the grant. Two medications charged to the grant for \$1,329 were not on the list of approved medications. The related invoices appeared to be reviewed as noted by notations. It appears that the medications in question were overlooked. The total amount of drug charges to the program for fiscal year 2003 were approximately \$58,555,000.

Recommendation:

TDH should ensure that only approved medications are charged to the HIV Care Formula Grant. Additionally, it is recommended that TDH reverse the identified charges made to the grant.

Management Response and Corrective Action Plan:

*TDH sets up two unique purchase order numbers to distinguish between STD drugs and HIV drugs. It appears that the Pharmacy Division accidentally ordered a STD drug on the HIV purchase order. Processes are in place and have been strengthened to review orders to ensure that all drugs are placed and paid off the proper purchase order number. A voucher adjustment will be processed to remove this charge off the Ryan White Grant.*

*Implementation Date: February 9, 2004*

*Responsible Party: Gary Lawrence*

Reference No. 04-10

**Earmarking**

(Prior Audit Issue - 03-22, 02-16)

**CFDA 93.917 - HIV Care Formula Grants**

**Type of finding - Material Weakness Control and Scope Limitation**

For the purpose of providing health and support services to women, infants, and children with the HIV disease, including treatment measures to prevent the prenatal transmission of the disease, a State shall use no less than the percentage of Title II funds in a fiscal year, constituted by the ratio of the population of women, infants and children with AIDS, to the general population of individuals with AIDS in the State. This information is provided to the State by the Health Resources and Services Administration in the annual application guidance.

Questioned Cost:	\$0
U.S. Department of Health and Human Services	

The amount of funds spent to benefit women, infants and children with HIV are not tracked, and therefore, the earmarking requirement was not auditable.

Recommendation:

TDH should track the amount of funds expended to benefit women, infants, and children with HIV and the amount of funds that subcontractors spend on administrative costs. TDH should also track and monitor the amount of funds expended for quality management programs.

Management Response and Corrective Action Plan:

*TDH's practice of estimating expenditures on women, infants, children and youth based on client utilization data is an accepted practice by the Health Resource Services Administration. This practice allows TDH to gauge compliance with the legislative intent to assure women, infants, children and youth (all assumed to be especially vulnerable populations) are adequately served by Ryan White funds.*

*TDH continues to make progress in implementing the AIDs Real-Time Information & Evaluation System/Regional Education Counseling (ARIES/REC) and has moved to fee for service contracts for the HIV program. This system is anticipated to be completed in April 2005 and will track the amount of funds spent to benefit women, infants and children with HIV.*

*Implementation Date: April 2005*

*Responsible Person: Linda Moore*

Reference No. 04-11

**Cash Management**

(Prior Audit Issue - 03-20)

**Major Programs:**

CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children  
CFDA 93.217 - Family Planning Services  
CFDA 93.268 - Immunization Grants  
CFDA 93.917 - HIV Care Formula Grants  
CFDA 93.940 - HIV Prevention Activities-Health Department Based  
CFDA 93.994 - Maternal and Child Health Services Block Grant to States  
Medicaid Cluster

**Non-Major Programs:**

CFDA 10.475 - Intrastate Meat and Poultry Program  
CFDA 10.572 - WIC Farmers' Market Nutrition Program  
CFDA 11.419 - Coastal Zone Management Administration Awards  
CFDA 14.241 - Housing Opportunities for Persons with AIDS  
CFDA 66.001 - Air Pollution Control Program Support  
CFDA 66.032 - State Indoor Radon Grant  
CFDA 66.605 - Performance Partnership Grants  
CFDA 66.606 - Surveys, Studies, Investigations, and Special Purpose Grants  
CFDA 66.701 - Toxic Substances Compliance Monitoring Cooperative Agreements  
CFDA 66.707 - TSCA Title IV State Lead Grants  
CFDA 66.930 - Pesticide Poisoning - Child Prevention  
CFDA 81.106 - Transport of Transuranic Wastes  
CFDA 81.119 - State Energy Program Special Projects  
CFDA 83.548 - Hazard Mitigation Grant  
CFDA 83.552 - Emergency Management Performance Grants  
CFDA 93.003 - Public Health and Social Services Emergency Fund  
CFDA 93.043 - Disease Prevention and Health Promotion Services  
CFDA 93.103 - Food and Drug Administration - Research  
CFDA 93.110 - Maternal and Child Health Federal Consolidated Programs  
CFDA 93.116 - Project Grants and Cooperative Agreements for Tuberculosis Control Programs  
CFDA 93.118 - Acquired Immunodeficiency Syndrome (AIDS) Activity  
CFDA 93.127 - Emergency Medical Services for Children  
CFDA 93.130 - Primary Care Services - Resource Coordination and Development  
CFDA 93.136 - Injury Prevention and Control Research and State and Community Based Programs  
CFDA 93.161 - Health Program for Toxic Substances and Disease Registry  
CFDA 93.184 - Disabilities Prevention  
CFDA 93.197 - Childhood Lead Poisoning Prevention Program (CLPPP)  
CFDA 93.215 - Hansen's Disease National Ambulatory Care Program  
CFDA 93.234 - Traumatic Brain Injury - State Demonstration Grant Program  
CFDA 93.235 - Abstinence Education  
CFDA 93.259 - Rural Access to AEDs  
CFDA 93.262 - Occupational Safety and Health Research Grants  
CFDA 93.558 - Temporary Assistance for Needy Families  
CFDA 93.566 - Refugee and Entrant Assistance - State Administered Programs  
CFDA 93.576 - Refugee and Entrant Assistance - Discretionary Grants  
CFDA 93.631 - Development Disabilities Projects of National Significance  
CFDA 93.667 - Social Services Block Grant  
CFDA 93.855 - Allergy, Immunology and Transplantation Research  
CFDA 93.919 - Cooperative Agreement for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program  
CFDA 93.941 - HIV Demonstration, Research, Public and Professional Education Projects  
CFDA 93.944 - HIV/AIDS Surveillance  
CFDA 93.945 - Chronic Disease Prevention and Control  
CFDA 93.947 - Tuberculosis Demonstration, Research, Public and Professional Education  
CFDA 93.977 - Preventive Health Services - Sexually Transmitted Disease Control Grants  
CFDA 93.978 - STD Research Public and Professional Education Projects  
CFDA 93.988 - State Based Diabetes Control Program  
CFDA 93.991 - Preventive Health and Health Services Block Grant  
CFDA 96.007 - Social Security - Research and Demonstration  
Highway Safety Cluster



**Type of finding - Material Weakness Control and Material Non-Compliance**

The Cash Management Improvement Act (CMIA) states that State agencies are required to match disbursements with specific drawdowns of Federal funds. An agency is required to identify the date the funds were deposited in the State Treasury and the date payments were issued by the Comptroller. Per 31 CFR, Chapter II, Part 205, Section 12 (b), “a state will incur an interest liability to the Federal government on a refund transaction of Federal funds. A State interest liability will accrue from the day the refund is credited to a State account to the day the refund is either paid out for program purposes or credited to a Federal government account.”

The Texas Department of Health (TDH) uses the pre-issuance funding technique. TDH calculates the clearance pattern for the Type A programs based on the dates and amounts of the deposit and disbursement of Federal funds. The amounts reported as disbursements for the period 1 calculation were not based on what was paid out by the Comptroller, but rather an estimate of payments, as it included the current days payables less the prior days payables. TDH does not have an accounting or information system that provides the necessary information for matching disbursements with specific drawdowns.

Questioned Cost:	\$ 0
U.S. Department of Agriculture	
U.S. Department of Commerce	
U.S. Department of Housing and Urban Development	
U.S. Environmental Protection Agency	
U.S. Department of Energy	
U.S. Federal Emergency Management Administration	
U.S. Department of Health and Human Services	
Social Security Administration	
U.S. Department of Transportation	

Total Federal revenue for the major and non-major programs for fiscal year 2003 was:

<u>Federal Program</u>	<u>Federal Revenue by Program</u>
CFDA 10.475	\$ 4,069,271
CFDA 10.557	410,377,840
CFDA 10.572	1,459,651
CFDA 11.419	29,694
CFDA 14.241	2,226,220
CFDA 66.001	218,705
CFDA 66.032	4,001
CFDA 66.605	58,609
CFDA 66.606	2,387
CFDA 66.701	75,878
CFDA 66.707	240,188
CFDA 66.930	11,737
CFDA 81.106	174,903
CFDA 81.119	271,943
CFDA 83.548	103,054
CFDA 83.552	213,120
CFDA 93.003	7,892,043
CFDA 93.043	101,079
CFDA 93.103	59,183
CFDA 93.110	891,431
CFDA 93.116	5,688,798
CFDA 93.118	329,454
CFDA 93.127	78,426
CFDA 93.130	266,123
CFDA 93.136	3,519,855
CFDA 93.161	437,180
CFDA 93.184	30,455
CFDA 93.197	580,453
CFDA 93.215	243,772

<u>Federal Program</u>	<u>Federal Revenue by Program</u>
CFDA 93.217	13,757,632
CFDA 93.234	132,946
CFDA 93.235	4,598,306
CFDA 93.259	256,020
CFDA 93.262	387,993
CFDA 93.268	130,733,573
CFDA 93.558	22,345,994
CFDA 93.566	1,050,199
CFDA 93.576	323,364
CFDA 93.631	30,969
CFDA 93.667	10,991,846
CFDA 93.855	9,947
CFDA 93.917	70,555,321
CFDA 93.919	6,352,120
CFDA 93.940	12,908,454
CFDA 93.941	406,090
CFDA 93.944	2,464,352
CFDA 93.945	186,354
CFDA 93.947	7,681
CFDA 93.977	5,678,695
CFDA 93.978	236,265
CFDA 93.988	641,809
CFDA 93.991	5,402,530
CFDA 93.994	27,173,792
CFDA 96.007	662,548
Highway Safety Cluster	1,518,503
Medicaid Cluster	389,018,031
Total	\$ <u>1,147,486,787</u>

Recommendation:

TDH should develop a process to determine the actual disbursements, including related dates and amounts made by the Comptroller for each program. Also, TDH should request funds based on actual cash needs, not estimated cash needs, and monitor draw requests and disbursements to ensure that funds drawn are disbursed timely.

Management Response and Corrective Action Plan:

*On September 1, 2003, TDH implemented procedures to ensure the accurate and timely draw down of federal funds. A report was developed during fiscal year 2003 to capture pending accounts payable transactions. This report has allowed staff to draw only those amounts needed for processing of federally funded payments.*

*Implementation Date: September 1, 2003*

*Responsible Person: Wilson Day*

Reference No. 04-12

**Special Tests and Provisions - Food Instrument Disposition****CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children****Type of finding - Reportable Condition Control and Material Non-Compliance**

In accordance with 7 CFR section 246.12(q), the state agency must account for the disposition of all food instruments as either issued or voided, and as either redeemed or unredeemed. Redeemed food instruments must be identified as validly issued, lost, stolen, expired, duplicate, or not matching valid enrollment and issuance records. This process must be performed within 150 days of the first valid date for participant use of the food instruments.

Questioned Cost: \$ 0

U.S. Department of Agriculture

As of June 2003, the Texas Department of Health (TDH) should have reconciled food instruments with the related issuance records through January 2003. However, during review of the reconciliations it was noted that TDH's reconciliations were through July 2002. As of October 2003, TDH had completed the reconciliations and was in compliance with the requirement.

Recommendation

TDH should implement procedures to ensure that the reconciliation process is completed in a timely manner throughout the year in accordance with Federal regulations.

Management Response and Corrective Action Plan:

*TDH implemented procedures for the timely reconciliation of all food instruments and formula exchange vouchers. These procedures include periodic status updates to management staff to monitor compliance with Federal regulations. With the implementation of these procedures, TDH was able to reconcile January 2003 through March 2003 by August 4, 2003. As of September 5, 2003, 100% of all food instruments and formula exchange vouchers for April 2003 were reconciled. This was accomplished prior to the due date of September 27, 2003. The Women, Infants, and Children program continues to meet the federal regulations for timely reconciliation and reporting.*

*Implementation Date: August 2003*

*Responsible Person: Debbie Brookshire*

Reference No. 04-14

**Allowable Costs/Cost Principles**

**CFDA 93.940 - HIV Prevention Activities-Health Department Based  
Type of finding - Reportable Condition Control and Non-Compliance**

The grant agreement between the Centers for Disease Control and the Texas Department of Health (TDH) outlines the allowable and unallowable uses of funds. The grant agreement states the following: Funds may not be used for acquisition of real property, building construction, alternations, renovations, or other capital improvement. Equipment purchases and contractual services are allowed only if justified and approved in advance.

Questioned Cost: \$ 226,200

U.S. Department of Health and  
Human Services

Additionally, the approved application includes a budget for grant expenditures, which specifies \$9,800 to be expended for the purchase of equipment for fiscal year 2002 and fiscal year 2003 grants combined.

TDH expended \$28,000 for capital expenditures and \$208,000 for leasehold improvements. TDH could not provide approval for capital expenditures and leasehold improvement expenditures.

Recommendation:

TDH should implement procedures to ensure that grant funds are spent as intended and approval is obtained from the Centers for Disease Control when required.

Management Response and Corrective Action Plan:

*TDH believes the questioned cost in the finding is not appropriate based on the information provided to the auditors. TDH provided the documentation to show the \$208,000 was not a leasehold improvement but instead a coding error for which a correction will be done.*

*TDH also believes that although the approved grants awarded only \$9,800 in equipment purchases for fiscal year 2002 and fiscal year 2003 combined, TDH is allowed the following based on the Public Health Service Grants Policy Statement: "Grantees may re-budget among direct cost categories up to 25% of the grant award or \$250,000 whichever is less without prior approval." Therefore, TDH does not believe prior approval is necessary, but voucher adjustments will be made to correct the incorrect object code entries.*

*However TDH must request prior approval if increasing an existing approved equipment category if equipment purchases exceeds \$25,000 per unit according to the Policy Statement. Through this review, TDH discovered that we failed to receive prior approval on a piece of equipment that did exceed the \$25,000 per unit threshold. TDH will contact the awarding agency to determine how best to resolve the situation.*

Implementation Date: March 1, 2004

Responsible Person: Gary Lawrence

Reference No. 04-15

**Special Tests and Provisions - Monitoring For-Profit Subrecipients**

(Prior Audit Issue - 03-19)

**CFDA 93.268 - Immunization Grants****Type of finding - Non-Compliance**

The grant agreement between the Texas Department of Health (TDH) and the Centers for Disease Control requires that TDH obtain Vaccine Usage Reports (VUR) from the providers, as TDH is required to report vaccine usage to the Federal government. Our audit procedures included a review of two of the monthly Vaccine Usage Reports for a sample of 30 for-profit subrecipients. For one of the providers, TDH could not locate the report for one of the months selected.

Questioned Cost: \$ 0

U.S. Department of Health and  
Human Services**Recommendation:**

At the beginning of fiscal year 2003, TDH implemented procedures to ensure for-profit subrecipients submit monthly Vaccine Usage Reports by requiring the receipt of the reports prior to filling new vaccine orders. While there has been an improvement in receipt of the VURs, TDH should ensure that 100 percent of the reports are submitted.

**Management Response and Corrective Action Plan:**

*As noted, TDH has implemented procedures to require all non-emergency vaccine orders have the Monthly Biological Report attached. TDH will strengthen its procedures to assure this report is attached prior to the biological order being processed. This will include development of desk procedures for staff in the Vaccine Services Branch to follow, and quality assurance on staffs' compliance with the desk procedures. An electronic printout of the reports received and entered will be created on a monthly basis and matched against the active clinic site list. Regional health departments will be notified via email regarding any missing reports and the regions will be asked to obtain and submit the missing reports.*

*Implementation Date: August 31, 2004*

*Responsible Person: Judi Beaman*

**Health and Human Services Commission**

Reference No. 04-05

**Special Tests and Provisions - Managed Care**

(Prior Audit Issue - 03-26 and 02-13)

**Medicaid Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

One element of the Managed Care waiver requires that the State have a system in place to ensure beneficiaries have adequate access to health care from managed care organizations. To meet this requirement, Health and Human Services Commission (HHSC) performs quarterly reviews of enrollment, ratio of providers to members, capacity assessments, etc. In addition, the waiver specifically states HHSC will contract with an external quality review organization (EQRO) to perform various procedures and studies to assist HHSC in monitoring beneficiaries' access to healthcare. These federally-agreed upon procedures which included spot-checks and desk reviews of Managed Care Health Maintenance Organizations/Primary Care Providers were not performed by the EQRO. Effective March 1, 2003, HHSC contracted with a new EQRO. The new EQRO did not perform the spot-checks but did visit each Medicaid health maintenance organization (HMO) and complete the CMP Protocol "Determining MCP/PIHP Compliance with Federal Medicaid Managed Care Regulations".

Questioned Cost: \$ 0

U.S. Department of Health and  
Human Services

Recommendation

HHSC has applied to CMS for a new waiver to align the scope of work of the EQRO with the waiver. HHSC should continue to work with CMS to receive an approved waiver. Also, HHSC should comply with its existing requirements until its new waiver is approved.

Management Response and Corrective Action Plan:

*The 1915(b) STAR Consolidated Waiver which was submitted for renewal in July 2003 is currently under review by CMS. In the renewal waiver, all references to spot checks in the "Upcoming Waiver Period" (9/01/03 - 8/31/05) were removed except for the spot check activities outlined in "Previous Waiver Period" where we discuss the spot check activities which were conducted by HHSC staff in 2001.*

*Our spot check process is currently in the process of being outsourced to the state's External Quality Review Organization, the Institute for Child Health Policy (ICHP). HHSC has been in recent communications with ICHP to augment HHSC's existing spot check policy and procedures and spot check tool by developing scenarios to spot check the Member Services hotline. In addition, ICHP will develop procedures (and scenarios) to spot check individual providers (PCPs and specialists) related to the following: 1) appointment availability, 2) the type and frequency of training providers are receiving from HMOs; and 3) to determine when providers are receiving their Member Panel Reports.*

Implementation Date: September 1, 2004

Responsible Person: Pam Coleman

## Department of Housing and Community Affairs

Reference No. 04-16

### Reporting

#### CFDA 14.239 - HOME Investment Partnerships Program

#### Type of finding - Material Non-Compliance

Eligible matching contributions of 25% of all funds drawn are required to be provided by the end of the fiscal year. In addition, the Department of Housing and Community Affairs (DHCA) is required to report the match annually on the *HOME Match Report*, Form HUD-40107-A. The regulations stated in 24 CFR 92.221, state that a cash contribution is credited on a fiscal year basis at the time the funds are expended.

Questioned Cost: \$165,627

U.S. Department of Housing  
and Urban Development

Our audit procedures included a review of 14 State Energy Conservation Office (SECO) and 16 subrecipient matching expenditures. In this sample, we noted that each of the selected items were properly included in line 2, Match contributed during current Federal fiscal year, of the fiscal year 2002 HOME Match Report. Also the items appeared to be properly supported and allowable as eligible forms of matching. However, for two of the 14 SECO expenditures, the disbursement dates were October 2002, which would qualify the \$156,442 of expenditures for fiscal year 2003 match. Also, four of the 16 subrecipient match expenditures included fiscal year 2001 transactions totaling \$9,185. When the report was prepared, inaccurate dates were used resulting in SECO expenditures from October 2002 transactions and subrecipient amounts from 2001 transactions being included. DHCA does meet the minimum 25% matching requirement after excluding the above questioned amounts since the 2002 HOME Match Report included excess matching contributions.

### Recommendation

DHCA should ensure the proper dates are used to prepare the matching reports. In addition, DHCA should amend the 2001 and 2002 HOME Match Reports for the above discrepancies.

### Management Response and Corrective Action Plan:

*The Department has proper procedures in place to ensure that match is credited to the correct Federal fiscal year and that a system is in place to track match credit as it is made. The two exceptions noted by KPMG related to isolated instances whereby the staff member responsible for entering match information unintentionally used October 31 as the Federal fiscal year end date as opposed to the actual end date of September 30.*

*The State has amended the fiscal year 2002 match report and submitted it to HUD to correct the errors noted during the audit. As mentioned in the audit finding, the State's amended fiscal year 2002 match amount exceeded the required match, which carries over to the fiscal year 2003.*

*To ensure accuracy going forward, the Portfolio Management and Compliance (PMC) Division will enhance its quality assurance processes, effective for the fiscal year 2003 match report. PMC will use a combination of management and peer review to ensure proper cut-off for match reporting and to ensure that match is attributed to the correct Federal fiscal year prior to reporting match information to HUD.*

Implementation Date: November 19, 2003

Responsible Person: Sandy Mauro

Subrecipient Match:

The Department agrees with the recommendation to establish procedures to ensure that match is credited during the proper period. The Department implemented a new contract tracking system in December 2003 that includes controls to record match at the time a draw is approved. In connection with implementing the system, staff reviewed matching contribution for fiscal year 2003 to ensure that the data was accurate and in accordance with the new procedure of recording match as of the draw date. Procedures were also established for the payment of accruals at year-end to ensure proper cut-off and that match is reported in the proper year.

Implementation Date: Completed

Responsible Person: Lucy Trevino

Reference No. 04-17

**Allowable Costs/Cost Principles**

**CFDA 14.239 - HOME Investment Partnerships Program**

**Type of finding - Non-Compliance**

OMB Circular A-87 provides general guidelines for allowable costs. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objectives in accordance with relative benefits received. For two of six non-payroll expenditure items selected for test work, the method of allocation of \$8,595 to the various Federal programs was not documented. These items were for professional fees for financial audits for the Department of Housing and Community Affairs (DHCA) which management believes benefited all programs, both Federal and non-federal. Total professional fees allocated to the program for fiscal year 2003 were approximately \$129,000.

Questioned Cost: \$8,595 U.S. Department of Housing and Urban Development
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Recommendation

Documentation of the allocation methods of costs incurred should be maintained to support the allocability of the expenditures.

Management Response and Corrective Action Plan:

DHCA has reviewed its allocation methods and corresponding documentation. In the future, DHCA will ensure that documentation clearly supports the allocability of expenditures.

Implementation Date: March 31, 2004

Responsible Person: David Cervantes



Reference No. 04-18

**Reporting****CFDA 14.871 - Section 8 Housing Choice Vouchers****Type of finding - Reportable Condition Control and Material Non-Compliance**

The Department of Housing and Community Affairs (DHCA) is required to submit HUD-50058 - Family Report (OMB No. 2577-0083) electronically to U.S. Department of Housing and Urban Development each time DHCA completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family. DHCA must also submit the Family Report when a family ends participation in the program or moves out of DHCA's jurisdiction under portability (24 CFR part 908 and 24 CFR section 982.158).

Questioned Cost: \$0

U.S. Department of Housing  
and Urban Development

In our sample of 30 recipient files, the following 13 discrepancies were noted in 11 of the 30 family reports. It appears the majority of the information was entered into the database in prior years and is being carried forward as the family is reexamined for eligibility.

- The social security number (line 3n) for the head of the household of one report did not agree to the social security card on file.
- The social security numbers (line 3n) for a dependent on three different reports did not agree to the social security cards on file.
- The social security number (line 3n) for a dependent for one report did not agree to the TANF benefits history which was obtained in lieu of a social security card.
- The date of birth (line 3e) for a child on three different reports did not agree to the personal declaration form completed by the head of the household.
- The name of the child (lines 3b and 3c) on two reports was spelled differently than the supporting documentation.
- The unit address (line 5a) for two reports did not agree to supporting documentation.
- The inspection date (line 5h and 5i) did not agree to the inspection form for one report.

In addition, the U.S. Department of Housing and Urban Development (HUD) issued a Rental Integrity Monitoring Review dated August 28, 2003 with five deficiencies sited with regard to the family reports. HUD noted the following:

- Eleven of 35 files lacked adequate third party verification of assets, public assistance, social security, and child support income.
- Twenty-seven of 35 files did not record the correct amount of payment on line 12j.
- Three of the 35 files failed to record or exclude food stamp income.
- Two of the 35 files failed to verify immigration eligibility.
- DHCA is maintaining the criminal background check documentation in the files.

**Recommendation**

DHCA should compare all data related to each family in the database as they are reviewed for renewal during fiscal year 2004 to supporting documentation in the file. Differences should be corrected. DHCA should continue to implement their responses to the HUD report.

**Management Response and Corrective Action Plan:**

*DHCA recognizes the importance of providing HUD accurate information. In an effort to do this, DHCA has enhanced its quality assurance processes for the Section 8 Program in August 2003 by requiring a second review of all files to minimize errors relating to data entry and the manual environment. DHCA revised the Section 8 Management Assessment Program (SEMAP) quality control checklist to include a more detailed review of the contract package.*

*Each renewal year, DHCA must re-certify Section 8 client eligibility and create a new file for that client. In each newly created client file for the renewal year, DHCA includes all permanent eligibility verification documentation, including birth certificates, social security cards, citizenship, and criminal history. Using the SEMAP quality control checklist, DHCA's Regional Coordinator annually reviews the eligibility documentation for accuracy. The Regional Coordinator then enters the data in the HUD Form 50058. The Regional Coordinator certifies the accuracy of the information and forwards the client file to the Section 8 Coordinator for final review and certification.*

*Implementation Date: Completed*

*Responsible Person: Willie Faye Hurd*

*Implementing HUD's Recommendations:*

*DHCA has implemented the recommendations resulting from HUD's August 2003 report regarding its Rental Integrity Monitoring Review. HUD letter dated October 30, 2003 closed each of the deficiencies noted in its review. The corrective actions taken by DHCA to address each of the deficiencies noted included the following:*

- DHCA began requiring its Local Operators to work with its Regional Coordinators in October 2003 to utilize DHCA's online electronic reporting systems to access the Tenant Assessment Sub System (TASS) of the Texas Workforce Commission and the Child Support Interactive System of the Attorney General's Office for third party verification. The tenant files are being documented with the reasons when third-party verification is not available. DHCA added a section to its Administrative Plan on the methods of verification and the order of acceptability for the tenant file to be properly documented.*
- DHCA's Information Systems staff completed modification to the software program in August 2003 to accurately display the payment standard on the form HUD-50058, and Section 8 staff is now inputting the appropriate Payment Standard on line 12j of the form.*
- In September 2003, Section 8 staff began properly recording food stamp information in Section 7 of the form HUD-50058 when calculating tenant eligibility.*
- DHCA set up and began using the Immigration and Naturalization Service (INS) automated system, Systematic Alien Verification for Entitlements (SAVE), in September 2003. Persons claiming eligible immigration status must present appropriate immigration documents that will be verified utilizing this system.*
- In September 2003, Section 8 staff removed and destroyed the criminal background checks that were locked in a separate file and began destroying them after eligibility has been determined.*

*Implementation Date: Completed*

*Responsible Person: Willie Faye Hurd*

Reference No. 04-19

**Reporting****CFDA 14.871 - Section 8 Housing Choice Vouchers****Type of finding - Non-Compliance**

The U.S. Department of Housing and Urban Development's (HUD) Section 8 Management Report dated September 19, 2000 noted the Department of Housing and Community Affairs (DHCA) had not implemented a family self-sufficiency (FSS) program. DHCA is required to provide a FSS program or apply for a waiver from HUD. Correspondence from HUD dated June 26, 2003, indicated that DHCA received a waiver for all areas outside of Houston, Texas.

Questioned Cost: \$0

U.S. Department of Housing  
and Urban Development

The correspondence also indicated that DHCA should submit a FSS action plan for the Houston area for HUD approval within 30 days. As of November 2003, DHCA has not submitted the required action plan. Additionally, lines 2k and 17a, Family's participating in the Family Self-Sufficiency Program, and line 17k(2), FSS account, were not completed on the HUD-50058 - Family Report (OMB No. 2577-0083) for the families in the Houston area since the program was not implemented during fiscal year 2003.

Recommendation

DHCA should submit the required action plan for the FSS program in the Houston area. Once the action plan is approved by HUD, DHCA should ensure that it reports accurate FSS information on the HUD-50058 Family Reports.

Management Response and Corrective Action Plan:

*DHCA has completed the Family Self-Sufficiency Program (FSSP) Action Plan for the Houston area and submitted the plan to the Fort Worth HUD Office on November 19, 2003, which was approved by HUD letter dated January 12, 2004. The approved timetable for program implementation is April 1, 2004 through March 31, 2005. We anticipate implementing FSSP contracts no later than March 2005, at which time DHCA will have processes in place to ensure that FSSP information for lines 2k, 17a, and 17k(2) is properly completed.*

*Implementation Date: Completed*

*Responsible Person: Willie Faye Hurd*

Reference No. 04-20

**Eligibility**

(Prior Audit Issue - 03-16)

**CFDA 14.871 - Section 8 Housing Choice Vouchers**

**Type of finding - Non-Compliance**

24 CFR section 5.508 requires each family member to provide evidence to the Department of Housing and Community Affairs (DHCA) of at least a signed declaration of their U.S. citizenship or U.S. nationality. DHCA may request additional documentation. DHCA's policy is that additional documentation, such as U.S. passport, be provided. For one of 30 tenants selected for test work, documentation was not available to determine if the tenant met the requirements of citizenship or eligible immigration status. The tenant noted, was admitted to the program on February 1, 2000 without the proper citizenship documentation. During the renewal process in 2003, DHCA noted in the tenant's file that the required citizenship information was not provided and requested the information from the tenant. However, the documentation was not obtained and benefits of \$1,262 were paid during the 2003 fiscal year. Total benefits paid for fiscal year 2003 were approximately \$9,495,000.

Questioned Cost: \$1,262

U.S. Department of Housing  
and Urban Development

Recommendation

DHCA should not renew a tenant when the tenant has not provided all the required documentation. DHCA should track these open files and follow up on the pending items on a periodic basis.

Management Response and Corrective Action Plan:

*DHCA set up and began using the Immigration and Naturalization Service (INS) automated system, Systematic Alien Verification for Entitlement (SAVE), in September 2003. DHCA will use SAVE to verify the immigration status of persons claiming eligible immigration status. Open files will be tracked until all pending items are completed.*

*Implementation Date: Completed*

*Responsible Person: Willie Faye Hurd*

Reference No. 04-21

**Special Tests and Provisions - Reasonable Rent**

**CFDA 14.871 - Section 8 Housing Choice Vouchers**

**Type of finding - Non-Compliance**

24 CFR 982.507 requires the Department of Housing and Community Affairs (DHCA) to certify that the rent charged to the housing choice voucher tenant is not more than the rent charged for other unassisted comparable units. 24 CFR 982.507(c) notes that the owner of the units must provide DHCA with rent information for other comparable units. DHCA's policy is for local operators to complete a standard rent reasonableness determination worksheet including rents for unassisted comparable units. For one of 30 tenants selected for test work, documentation of the comparable rents for the unit was not available. Section 8 Housing Choice Voucher payments made on behalf of the noted tenant totaled \$1,870. Total benefits paid for fiscal year 2003 were approximately \$9,495,000.

Questioned Cost: \$1,870

U.S. Department of Housing  
and Urban Development

Recommendation

DHCA should continue its management review of the rent reasonableness worksheets submitted by the local operators and remain cognizant of the need to complete the worksheet with all required information.

Management Response and Corrective Action Plan:

*DHCA expanded the Section 8 Management Assessment Program quality control checklist form to include additional information pertaining to rent reasonableness in August 2003. The Regional Coordinator certifies the accuracy of the information and forwards the client file to the Section 8 Coordinator for final review. The additional information and review ensures that rent to be charged to the Section 8 tenant is not more than the rent charged for other unassisted comparable units prior to processing a file for housing assistance payments.*

*Implementation Date: Completed*

*Responsible Person: Willie Faye Hurd*

Reference No. 04-22

**Special Tests and Provisions - Housing Quality Standards Inspections**

(Prior Audit Issue - 03-18)

**CFDA 14.871 - Section 8 Housing Choice Vouchers****Type of finding - Non-Compliance**

24 CFR sections 982.159(d) and 982.405(b) require the inspection and reinspection of a unit leased to a family at least annually to determine if the unit meets housing quality standards. A unit inspection report must be prepared as a result of the inspection process. The Department of Housing and Community Affairs (DHCA) utilizes the Form HUD-52580-A, *Inspection Form for the Housing Choice Voucher Program*. In order to properly perform an inspection or reinspection, each area of the form should be completed and the reinspections should be completed within three months of the original inspection. Our review of 38 reinspections noted that three HUD-52580-A forms were not properly completed. For these three reinspections, the inspections were performed timely and the form was in the file. However, certain areas of the three reinspection forms were left blank.

Questioned Cost: \$0

U.S. Department of Housing  
and Urban Development

Recommendation

Individuals performing quality control inspections should be required to complete each section of the HUD-52580-A form. In addition, the program manager should incorporate into the quality control inspection process a review of the forms for completion.

Management Response and Corrective Action Plan:

*DHCA is complementing the Section 8 resources by cross training and certifying Weatherization Assistance Program (WAP) monitors to perform the Section 8 Management Assessment Program inspections. The WAP monitors will complete the U.S. Department of Housing and Urban Development (HUD) 52580-A Inspection Form for Housing Choice Voucher Program. Energy Assistance and Section 8 staff will conduct quality assurance reviews to ensure that all applicable areas of the form are completed.*

*Additionally, over 30 DHCA employees have been trained by Bernard J. Morosco Consulting – Inspection and Training Services and took an exam on January 29, 2004 to be certified as Federal Housing Quality Standards Inspectors. Those employees who successfully pass the examination will be available to assist the Section 8 program when necessary.*

*Implementation Date: March 31, 2004*

*Responsible Person: Willie Faye Hurd*

Reference No. 04-23

**Special Tests and Provisions - Housing Quality Standards Enforcement**

(Prior Audit Issue - 03-17)

**CFDA 14.871 - Section 8 Housing Choice Vouchers**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

In accordance with 24 CFR sections 982.158(d) and 982.404, owners of units under housing assistance payment contracts that fail to meet housing quality standards (HQS) must be required to correct any life threatening HQS deficiencies within 24 hours after the inspection and all other HQS deficiencies within 30 calendar days or within a specified approved extension period. If the owner does not correct the cited HQS deficiencies within the specified correction period, housing assistance payments must be stopped beginning no later than the first of the month following the specified correction period or the housing assistance payment contract must be terminated. For family caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the Department of Housing and Community Affairs (DHCA) must take prompt and vigorous action to enforce the family obligations.

Questioned Cost: \$0
U.S. Department of Housing and Urban Development

For 14 of the 30 contracts selected for test work, the HQS inspections noted a non-life threatening deficiency and the documentation in the file showing the deficiency was corrected but not within 30-calendar days. For three additional files, there were notes in the file of an extension but no specific information as to the revised deadline. For all of the 17 deficiencies, the corrections were made before the end of the reporting period so no abatements were required.

Recommendation

The date of the correction is usually the date the local operator returns to the site to determine if the correction has been made. Often these visits are not within the 30-calendar days requirement although the work was done within the 30 calendar days. DHCA should amend their policy so the local operators inspect invoices for purchased materials or other documentation to determine if the correction was made within 30 calendar days when their return site visit is later than the initial 30-day requirement. Also, DHCA should create a standard extension notification letter to be sent to the owners and a copy kept in the respective files.

Management Response and Corrective Action Plan:

*DHCA will complement the Section 8 resources by cross training and certifying Weatherization Assistance Program monitors to perform Housing Quality Standards (HQS) inspections for the Section 8 program. When DHCA identifies deficiencies during HQS inspections, it formally notifies the landlord with standardized forms that the deficiencies must be corrected. Copies of the form are used by DHCA to track the status of a deficiency until it is satisfactorily corrected.*

*After the landlord corrects the deficiencies, the landlord notifies the DHCA that the deficiencies have been corrected. On behalf of DHCA, a local operator will conduct an on-site inspection to verify that the landlord corrected the deficiencies within the required timeframe. DHCA will develop a standard notice letter for landlords to request an extension when repairs cannot be completed within the required timeframe.*

*Implementation Date: February 29, 2004*

*Responsible Person: Willie Faye Hurd*

Reference No. 04-24

### **Special Tests and Provisions - Utility Allowance Schedule**

#### **CFDA 14.871 - Section 8 Housing Choice Vouchers**

#### **Type of finding - Material Weakness Control and Scope Limitation**

In accordance with 24 CFR sections 982.517, the Texas Department of Housing and Community Affairs (DHCA) must maintain an up-to-date utility allowance schedule. DHCA must review the utility rate data for each utility category each year and must adjust its utility allowance schedule if there had been a rate change of 10% or more for a utility category or fuel type since the last time the utility allowance schedule was revised. The most recent utility allowance survey certification was noted to be July 2002 for certain areas and August 2002 for other areas. DHCA did not obtain new surveys with which to compare the utility allowance schedule. Total July and August 2003 payments made on behalf of tenants that had revised rent calculations subsequent to June 30, 2002, were \$72,587.

Questioned Cost: \$72,587

U.S. Department of Housing  
and Urban Development

#### **Recommendation**

DHCA should obtain a new survey certification on an annual basis and adjust the utility allowance schedule for any changes greater than 10%.

#### **Management Response and Corrective Action Plan:**

*DHCA has entered into a technical assistance agreement with the Nelrod Company to review the present utility allowance schedules to assess whether there has been a change of 10 percent or more in a utility rate since the last time the schedule was revised in August 2002. DHCA will revise its utility allowance schedule to reflect the rate increase if there has been a rate change of 10 percent or more for a utility category or fuel type.*

*Implementation Date: March 15, 2004*

*Responsible Person: Willie Faye Hurd*

Reference No. 04-25

**Allowable Costs/Cost Principles**

**Major Programs:**

- CFDA 14.239 - HOME Investment Partnerships Program
- CFDA 14.871 - Section 8 Housing Choice Vouchers
- CFDA 93.568 - Low-Income Home Energy Assistance

**Non-Major Programs:**

- CFDA 14.231 - Emergency Shelter Grants Program
- CFDA 81.042 - Weatherization Assistance for Low-Income Persons
- CFDA 93.569 - Community Services Block Grant

**Type of finding - Material Weakness Control and Material Non-Compliance**

Per OMB Circular A-87 section H - support of salaries and wages, the following standards are applicable:

- Where employees are expected to work solely on a single Federal award, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.
- Where employees work on multiple activities or cost objectives, a distribution of their salaries and wages will be supported by personnel activity reports or equivalent documentation which:
  - 1) Reflect an after-the-fact distribution of the actual activity of each employee,
  - 2) Account for the total activity for which each employee is compensated,
  - 3) Prepared at least monthly and coincide with the pay period,
  - 4) Signed by the employee, and
  - 5) Budget estimates before the services are performed do not qualify as support for charges to Federal awards but may be used for interim purposes provided that at least quarterly, comparisons of actual costs to budgeted amounts are made and any adjustments are reflected in the amounts billed to the Federal program.

Questioned Cost: \$439,842

U.S. Department of Housing  
and Urban Development

U.S. Department of Energy

U.S. Department of Health and  
Human Services

The Department of Housing and Community Affairs (DHCA) allocated salaries and benefits to all their Federal grants during the fiscal year 2003 based on budget allocations. Secondly, for the major programs CFDA 14.239 and 93.568, certification of the time sheets was in compliance with OMB Circular A-87 requirements. However for the major program CFDA 14.871, certification of the time sheets was not in compliance with OMB A-87. Total amount of salaries and benefits for CFDA 14.871 was approximately \$439,842. Thirdly, DHCA's indirect cost rate is applied to a base of direct salaries and wages excluding all fringe benefits.



During November 2003, DCHA did adjust the allocated salaries, benefits, and indirect costs charged to its Federal grants for the fiscal year 2003 by comparing employee timesheets to budgeted amounts. These adjustments are included in the final Federal expenditure amounts in the accompanying schedule of Federal awards. The results are noted below:

<u>Federal Program</u>	<u>Reduction Needed in Amount Charged to the Federal Program</u>	<u>Additional Amount Charged to the Federal Program</u>
CFDA 14.231	\$ —	155,307
CFDA 14.239	—	138,112
CFDA 81.042	—	278,737
CFDA 93.568	(389,104)	—
CFDA 93.569	(183,052)	—
Total	<u>\$ (572,156)</u>	<u>572,156</u>

Recommendation

DHCA should adjust their budgeted salaries and benefits expenditures to actual based on timesheets submitted each reporting period. Once salary and benefit charges are adjusted to actual, then DHCA should calculate the amount of reimbursable indirect cost. Also DHCA should establish and implement a certification policy for the agency and ensure that all programs certify their timesheets in accordance with the policy.

Management Response and Corrective Action Plan:

*DHCA will comply with the provisions of OMB Circular A-87 by incorporating policies and procedures that will ensure an interface between its automated time keeping system and its payroll distribution system. The agency's procedures will also include certification measures for all federal programs. DHCA will periodically adjust salaries and benefits to actual and calculate indirect costs accordingly. These processes will be implemented in state fiscal year 2004.*

*Implementation Date: March 31, 2004*

*Responsible Person: David Cervantes*

**HOUSING AND COMMUNITY AFFAIRS, DEPARTMENT OF**

Reference No. 04-26

**Allowable Costs/Cost Principles**

**Major Programs:**

- CFDA 14.239 - HOME Investment Partnerships Program
- CFDA 14.871 - Section 8 Housing Choice Vouchers
- CFDA 93.568 - Low-Income Home Energy Assistance

**Non-Major Programs:**

- CFDA 14.231 - Emergency Shelter Grants Program
- CFDA 81.042 - Weatherization Assistance for Low-Income Persons
- CFDA 93.569 - Community Services Block Grant

**Type of finding - Material Non-Compliance**

The Department of Housing and Community Affairs (DHCA) indirect cost rate agreement with the U.S. Department of Health and Human Services (HHS) was discontinued effective August 31, 2000 when HHS was no longer the designated cognizant agency for DHCA. DHCA has continued to use the rate in effect prior to August 31, 2000 of 44% of a base of direct salaries and wages excluding all fringe benefits. Indirect costs charged to the grants for fiscal year 2003 are noted below:

Questioned Cost: \$1,422,826

U.S. Department of Housing and Urban Development

U.S. Department of Energy

U.S. Department of Health and Human Services

<u>Federal Program</u>	<u>Indirect Costs Charged to the Federal Program</u>
CFDA 14.231	\$ 51,708
CFDA 14.239	528,869
CFDA 14.871	154,419
CFDA 81.042	92,312
CFDA 93.568	308,531
CFDA 93.569	286,987
Total	\$ <u>1,422,826</u>

**Recommendation**

DHCA should contact HHS, the cognizant agent as of August 31, 2003, and obtain a current indirect cost rate agreement or amend the grant agreements for each program to include a stated indirect cost rate.

**Management Response and Corrective Action Plan:**

*DHCA has initiated discussions with the U.S. Department of Health and Human Services (HHS). The purpose of these discussions is to determine if HHS will officially serve as DHCA's cognizant agency. Should HHS agree, DHCA will pursue the issuance of a provisional 2004 indirect cost rate. In the event that HHS does not wish to issue a rate agreement, DHCA will contact other federal grantors to secure a rate. DHCA will adopt appropriate measures in state fiscal year 2004.*

*Implementation Date: June 30, 2004*

*Responsible Person: David Cervantes*

## Department of Human Services

Reference No. 04-28

### Procurement and Suspension and Debarment

**CFDA 93.558 - Temporary Assistance for Needy Families  
Food Stamps Cluster**

**Type of finding - Material Weakness Control and Material Non-Compliance**

Federal regulations prohibit Federal grantees from contracting with parties that have been suspended or debarred. In addition, Federal grantees are required to maintain internal controls over compliance with the suspension and debarment process. The Department of Human Services (DHS) contract terms and conditions include an affirmation from the awarded vendor(s) that they are not suspended and debarred for contracts issued by DHS over \$25,000. For contracts procured through an existing state contract, that is, by Department of Information Resources (DIR) or Texas Building and Procurement Commission (TBPC), affirmations are not included because the contract terms and conditions are set utilizing state rules and procedures. Procurement staff are instructed to check the federal and state debarment websites for new or renewal contracts that do not have a current affirmation where the contract amount exceed \$100,000. However the staff does not document this review.

Questioned Cost: \$ 0

U.S. Department of Agriculture

U.S. Department of Health and  
Human Services

Sixteen of 30 contract files selected in our sample were greater than \$100,000, and therefore subject to the suspension and debarment requirements. Eleven of the 16 contracts did not have current documentation of vendor non-debarment or non-suspension compliance. Five of the eleven were procured utilizing TBPC or DIR contracts and six contracts were issued by DHS with affirmation clauses in the original contract term, but no current documentation of non-debarment or non-suspension compliance related to the renewal contract was available.

We reviewed the Excluded Parties List System and found that none of the vendors in our sample were suspended or debarred. DHS has multiple Federal programs that use grant funds to pay vendors for goods and services. DHS was unable to determine how many contracts issued during fiscal year 2003 without the suspension and debarment clause affected Federal program expenditures.

#### Recommendation

DHS should document that they have verified that vendors are not suspended or debarred during the certification or affirmation process noted above. For example if a certification or affirmation process is not utilized in the current term of a contract used by DHS, DHS procurement staff should document that they have verified vendors are not suspended or debarred prior to award.

#### Management Response and Corrective Action Plan:

*DHS procurement staff will continue to check the federal and state debarment websites for new or renewal contracts that do not have a current affirmation where the contract amount exceed \$100,000, and additionally will be required to document the verification in the contract files. Requirements for documenting the verification will be included in the Administration Management Handbook (AMH) and Contract Administration Handbook (CAH).*

*Implementation Date: February 15, 2004*

*Responsible Person: John Altman*

Reference No. 04-29

**Allowable Costs/Cost Principles**

**CFDA 93.566- Refugee and Entrant Assistance - State Administered Programs**

**Type of finding - Reportable Condition Control and Non-Compliance**

Per OMB Circular A-87 section H – support of salaries and wages, the following standards are applicable:

- Where employees are expected to work solely on a single Federal award, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Questioned Cost: \$338,000

U.S. Department of Health and  
Human Services

Each program area at Department of Human Services (DHS) is responsible for establishing their own time keeping policies and procedures. DHS charged 100% of salaries and benefits for eight employees to CFDA 93.566. However, there is no periodic certification that these employees worked solely on that Federal program. During fiscal year 2003, approximately \$338,000 of salaries and benefits for the eight employees was charged to the program. Total salary charged to the program was approximately \$586,000.

Recommendation

DHS should implement a payroll effort system that requires employees working solely on a single Federal award to certify at least semi-annually that they work solely on the program.

Management Response and Corrective Action Plan:

*DHS management and budget staff were under the impression that the DHS job description and the annual performance and assessment plan (signed by the employee and supervisor) which specifies that the staff person is working on the refugee program was sufficient support for charging the salary to the refugee grant.*

*Since the finding notes otherwise, refugee program staff will implement procedures to ensure there are periodic certifications as required for employees that work on the refugee program and whose salaries are charged 100% to the federal refugee grant.*

*State office and regional staff will hold a meeting to determine policies/procedures for the certifications, and a timeline for implementation.*

*Implementation Date: In process*

*Responsible Person: Judy Denton*

**Department of Mental Health and Mental Retardation**

Reference No. 04-30

**Allowable Costs/Cost Principles**

(Prior Audit Issue - 03-29)

**Major Programs:**

**CFDA 93.958 - Block Grants for Community Mental Health Services  
Medicaid Cluster**

**Non-Major Programs:**

**CFDA 83.539 - Crisis Counseling  
CFDA 83.552 - Emergency Management Performance Grants  
CFDA 93.119 - State Indicator Grant  
CFDA 93.150 - Projects for Assistance in Transition from Homelessness  
CFDA 93.982 - Mental Health Disaster Assistance and Emergency Mental Health  
Foster Grandparent/Senior Companion Cluster**

**Type of finding - Material Weakness Control and Material Non-Compliance**

Per OMB Circular A-87 section H, support of salaries and wages, the following standards are applicable:

- Where employees are expected to work solely on a single Federal award, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.
- Where employees work on multiple activities or cost objectives, a distribution of their salaries and wages will be supported by personnel activity reports or equivalent documentation which:
  - 1) Reflect an after-the-fact distribution of the actual activity of each employee,
  - 2) Account for the total activity for which each employee is compensated,
  - 3) Prepared at least monthly and coincide with the pay period,
  - 4) Signed by the employee, and
  - 5) Budget estimates before the services are performed do not qualify as support for charges to Federal awards but may be used for interim purposes provided that at least quarterly, comparisons of actual costs to budgeted amounts are made and any adjustments are reflected in the amounts billed to the Federal program.

Questioned Cost: \$248,164,909

U.S. Department of Health and Human Services

U.S. Federal Emergency Management Administration

Corporation for National and Community Service

The Department of Mental Health and Mental Retardation (DMHMR) does not currently require employees whose salary is charged to the program to complete time sheets that reflect an allocation of activity between various state and Federal programs or those that work on a single Federal award. Accounting personnel have been estimating time spent on the grant based on employees' assigned responsibilities.

**MENTAL HEALTH AND MENTAL RETARDATION, DEPARTMENT OF**

Total salary and benefits costs charged to the major and non-major programs for fiscal year 2003 was:

<u>Federal Program</u>	<u>Amount Charged to the Federal Program</u>
CFDA 83.539	\$ 91,141
CFDA 83.552	61,417
CFDA 93.119	23,918
CFDA 93.150	83,945
Medicaid Cluster	245,695,499
CFDA 93.958	1,589,636
CFDA 93.982	154,385
Foster Grandparent/ Senior Companion Cluster	464,968
Total	\$ <u>248,164,909</u>

Recommendation:

DMHMR should implement a payroll effort system that requires supervisors of employees working solely on a single Federal award to certify at least semi-annually that the respective employee worked solely on the program. For individuals working on multiple activities, the time sheets should (1) reflect an after-the-fact distribution of actual activity, (2) account for total activity each pay period, (3) be prepared at least monthly, and (4) be signed by the employee. Any substitute systems for allocating salaries should be approved by the U.S. Department of Health and Human Services.

Management Response and Corrective Action Plan:

*In compliance with applicable Federal requirements, OMB Circular A-87, regarding Cost Principles for State, Local, and Indian Tribe Governments, DMHMR has developed and implemented procedures for Federal awards as of October 1, 2003. These procedures will determine and support items of cost associated with compensation for personnel services that are charged to Federal awards.*

*The Texas Community Mental Health Services Plan (Mental Health Block Grant) encompasses the entire community-based mental health services system. Therefore, departmental personnel whose job duties are solely directed at the community mental health service delivery system are considered to be working on the Mental Health Block Grant. Certification of these employees will be completed semi-annually according to §11h(2), Attachment B, OMB Circular A-87. For individuals working on multiple activities, monthly time sheets will reflect an after-the-fact distribution of actual activity spent on the community mental health service delivery system. Time sheets will be prepared by employee and confirmed by immediate supervisor having first hand knowledge of the work performed by the employee with appropriate signatures in accordance to §11h(4) - (5), Attachment B, OMB Circular A-87.*

*Implementation Date: October 2003*

*Responsible Person: Laura Phillips*

Reference No. 04-31

**Special Tests and Provisions - Independent Peer Review**

(Prior Audit Issue - 03-27)

**CFDA 93.958 - Block Grants for Community Mental Health Services**

**Type of finding - Material Weakness Control and Material Non-Compliance**

The United States Code, Title 42, Section 300X-53, requires the State to ensure that independent peer reviews are performed for at least five percent of the entities it funds to provide treatment services. The entities reviewed must be representative of all the entities the Department of Mental Health and Mental Retardation (DMHMR) uses to provide treatment services. Peer reviewers must be independent. Therefore, DMHMR must ensure reviewers do not review their own programs and the peer review is not part of the licensing or certification processes.

Questioned Cost:	\$ 0
U.S. Department of Health and Human Services	

DMHMR does not have a process to ensure that independent peer reviews of funded treatment programs are performed. DMHMR's Austin-based mental health quality management teams monitor the quality and appropriateness of the clinical care provided by the Community Centers for Mental Health and Mental Retardation. However, these teams cannot conduct peer reviews because they are not independent of the entities needing review.

Recommendation

DMHMR should develop and implement an independent peer review process for entities that provide treatment services or obtain clarification of this requirement from the Center for Mental Health Services.

Management Response and Corrective Action Plan:

*DMHMR and the Substance Abuse and Mental Health Services Administration (SAMHSA) negotiated an agreement that resolved this finding in January of 2002. The agreement called for the Texas Mental Health Planning Advisory Committee (MHPAC) to form a subcommittee of 3 non-DMHMR members to participate with the DMHMR's Quality Management staff in the required independent peer review process of the Mental Health Block grant recipients. The MHPAC independent peer review subcommittee was formed and has met several times during calendar years 2002 and 2003.*

*Notwithstanding the aforementioned agreement, SAMHSA published a request for comments notice in the Federal Register (Vol. 67, No. 247 / Tuesday, December 24, 2002, Notices, pages. 78496-78504) in which SAMHSA proposed the elimination of the requirement that States independently peer review five (5) percent of facilities under the program each year because the States, while they fulfilled their obligation under the provision, did not use it to improve performance. In addition, the SAMHSA believed that this provision not only required that it be done but that it stipulated the way it should be done when there was nothing to suggest that an independent peer review was the best way to accomplish the goal of the provision.*

*SAMHSA did not require the independent peer review component in the 2004 Block Grant Application.*

*Implementation Date: Ongoing*

*Responsible Person: James Smith*

Reference No. 04-33

**Special Tests and Provisions - Provider Eligibility and Provider Health and Safety Standards**

**Medicaid Cluster**

**Type of finding - Material Weakness Control**

In order to receive Medicaid payments, providers of medical services furnishing services must be licensed in accordance with Federal, State, and local laws and regulations to participate in the Medicaid program (42 CFR sections 431.107 and 447.10 and section 1902(a)(9) of the Social Security Act) and the providers must make certain disclosures to the State (42 CFR part 455, subpart B (sections 455.100 through 455.106)). Also, providers must meet the prescribed health and safety standards for hospital, nursing facilities, and ICF/MR (42 CFR part 442). The standards may be modified in the State plan.

Questioned Cost: \$ 0

U.S. Department of Health and  
Human Services

The Department of Mental Health and Mental Retardation (DMHMR) has developed a checklist as the control for determining both provider eligibility and provider safety. Our audit procedures included a sample of twenty new providers. In this sample we found that two checklists could not be located.

Recommendation

DMHMR should establish procedures to ensure the checklists are maintained.

Management Response and Corrective Action Plan:

*The two checklists referenced above were missing from these contract files. The checklist is a list intended to be an aide to staff to ensure a file is complete and it is not in itself a determinate of provider eligibility or safety. All items listed on the checklist were present in the files in question, which demonstrates that these providers met the standards for health and safety. Every effort will be made to retain the checklist in the contract file. To support this effort, written procedures have been developed for staff to follow in utilizing this checklist for reviewing documentation for determining provider eligibility.*

Implementation Date: February 16, 2004

Responsible Person: Larry North



Reference No. 04-34

**Cash Management**

(Prior Audit Issue - 03-32)

**Medicaid Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

31 CFR, Chapter II, Part 205, Subpart A, Negotiation of Intergovernmental Agreements for Financing Federal Assistance Programs – Interest Liabilities on Intergovernmental Funds Transfers, establishes the regulations for the implementing the Cash Management Improvement Act of 1990 (CMIA). Per section 205.8(c)(1), “if a State has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program’s clearance activity, or if the program undergoes operational changes that may affect clearance activity, the State shall...(ii) Develop a new clearance pattern and certify that it corresponds to a program’s clearance activity.” The Texas Comptroller of Public Accounts (Comptroller) includes in its CMIA training/update programs instructions on how the agencies should monitor for changes in their clearance patterns within the 5-year certification period.

Questioned Cost: \$ 9,300  
U.S. Department of Health and Human Services

Under the State of Texas CMIA agreement with the Department of Treasury, the majority of the Department of Mental Health and Mental Retardation’s (DMHMR) Federal programs subject to CMIA Subpart A provisions utilize the pre-issuance funding technique, which requires a clearance pattern. Our audit procedures for clearance patterns developed prior to fiscal year 2003 included selecting a three-month period from fiscal year 2003, calculating the clearance pattern, and comparing the calculation to the clearance pattern being utilized as part of the 2003 Statewide CMIA report. The result of the comparison between our calculated clearance pattern for fiscal year 2003 and DMHMR’s clearance pattern calculated from 1999 data indicated that a change in the payment patterns had taken place that warranted a revision in the clearance pattern. The fiscal year 2003 clearance pattern from our three-month sample was .61 days versus the DMHMR clearance pattern calculated from 1999 data of (.12) days. Although DMHMR does have a written policy in place concerning the calculation of clearance patterns for the 5-year certification period, this policy should also address periodic review of actual clearance patterns during each fiscal year in order to identify if changes in the clearance pattern have occurred.

DMHMR did not calculate new clearance patterns for fiscal year 2003 because they did not believe that the clearance pattern had significantly changed. The questioned costs are the differences in the interest liabilities created if the new clearance patterns had been incorporated into the 2003 CMIA report. Using the interest rate for fiscal year 2003 of 1.2% (the 2003 average of the 13-week Treasury Bill equivalent yield as provided by the U.S. Department of Treasury – Financial Management Service), additional interest is approximately \$9,300.

Recommendation

DMHMR should establish procedures to monitor the clearance patterns of all programs subject to CMIA Subpart A on a yearly basis. For those programs where the clearance pattern changes, DMHMR should notify the State of Texas Comptroller’s Office during the CMIA report preparation process.

Management Response and Corrective Action Plan:

*DMHMR strongly disagrees with this finding and recommendation. The Comptroller’s Office is the Single State Agency responsible for administering CMIA activities in the State of Texas including reporting and coordinating with the Federal government. The Comptroller’s Office is also responsible for regulating and assisting each individual State agency to ensure all relevant CMIA requirements are met. According to the Comptroller’s Office, an agency’s clearance patterns are certified for a five-year period unless there has been a significant operational change, such as a change in an agency’s accounting system, that could affect a clearance pattern. DMHMR has undergone no significant operational change since the Medicaid cluster’s clearance pattern was certified in fiscal year 1999 that would indicate a recalculation in the clearance pattern for the Medicaid cluster was necessary before the five-year period had concluded.*

*Therefore, DMHMR, as well as the Comptroller's Office, conclude that the agency's activities concerning calculating clearance patterns are in full compliance with Comptroller regulations and expectations and a recalculation of the clearance pattern for the Medicaid cluster is not necessary until fiscal year 2004.*

*The \$9,300 questioned cost is based on a projection of assumed increase of interest liability to the State. This does not represent an expenditure for DMHMR. The Comptroller's Office is responsible for handling all interest liabilities with the Federal government. Moreover, the use of a pre-issuance funding technique (as applied to our Medicaid cluster) always results in an interest liability to the State because Federal funds are drawn down before the expenditure is made. An important aspect of the pre-issuance technique is that Federal funds cannot be drawn down more than three days before the expenditure is made. DMHMR is in full compliance with this requirement.*

*In conclusion, DMHMR believes it is in full compliance with the agreement the Comptroller's Office has entered into with the Federal government and all other relevant CMIA requirements issued by the Comptroller to State agencies. DMHMR is confident it has designed and maintained the necessary control system to identify any risk or irregularities that may affect its ability to meet these requirements.*

*Implementation Date: Not applicable*

*Responsible Person: James Dawson*

**Protective and Regulatory Services**

Reference No. 04-35

**Cash Management**

(Prior Audit Issue – 03-31, 02-02)

**Major Programs:**

- CFDA 93.556 - Promoting Safe and Stable Families
- CFDA 93.558 - Temporary Assistance for Needy Families
- CFDA 93.658 - Foster Care - Title IV-E
- CFDA 93.659 - Adoption Assistance
- CFDA 93.667 - Social Services Block Grant

**Non-Major Programs:**

- CFDA 93.566 - Refugee and Entrant Assistance – State Administered Programs
- CFDA 93.586 - State Court Improvement Program
- CFDA 93.590 - Community Based Family Resource and Support
- CFDA 93.603 - Adoptive Incentive Payments
- CFDA 93.643 - Children’s Justice Grants to States
- CFDA 93.645 - Child Welfare Services – State Grants
- CFDA 93.652 - Adoption Opportunities
- CFDA 93.656 - Temporary Child Care and Crisis Nurseries
- CFDA 93.669 - Child Abuse and Neglect State Grants
- CFDA 93.670 - Child Abuse and Neglect Discretionary Activities
- CFDA 93.674 - Independent Living
- CFDA 93.959 - Prevention and Treatment of Substance Abuse
- Medicaid Cluster
- Child Care Cluster

**Type of finding - Reportable Condition Control**

The Protective and Regulatory Services’ (PRS) cash management funding technique (i.e., pre-issuance) documented in the State’s Treasury-State Agreement requires that Federal funds to the State will be paid to the State not more than three days prior to the State’s issuance of checks or initiation of EFT payments. Both PRS’ and the State’s accounting systems are configured to post and pay invoices, respectively, with a future scheduled pay date. However, PRS does not have the appropriate information technology controls in place to ensure the cash management (i.e., pre-issuance) funding from the Federal programs will be paid out by PRS within three days after the receipt of Federal funds. PRS has not been able to successfully re-configure the cash drawdown report logic to include both the posting and expected payment dates. As a result, PRS’ cash management methodology is to determine draw amounts and timing based on total balances at the appropriation level that results in a FIFO method of disbursements.

Questioned Cost:           \$ 0  
 U.S. Department of Health and  
 Human Services

Total Federal revenue for the major and non-major programs for fiscal year 2003 was:

Federal Program	Federal Revenue by Program
CFDA 93.556	\$ 40,902,446
CFDA 93.558	225,225,279
CFDA 93.566	21,284
Child Care Cluster	32,468,311
CFDA 93.586	352,476
CFDA 93.590	1,592,580
CFDA 93.603	1,088,362
CFDA 93.643	1,522,829

<u>Federal Program</u>	<u>Federal Revenue by Program</u>
CFDA 93.645	25,940,047
CFDA 93.652	195,635
CFDA 93.656	(42,484)
CFDA 93.658	166,664,430
CFDA 93.659	46,996,474
CFDA 93.667	32,846,302
CFDA 93.669	1,368,688
CFDA 93.670	(3,030)
CFDA 93.674	5,395,989
Medicaid Cluster	84,123,252
CFDA 93.959	(30,540)
Total	<u>\$ 666,628,330</u>

Recommendation:

PRS should review and enhance existing cash management reporting capabilities to include information necessary to draw Federal funds in accordance with the requirements of the pre-issuance technique specified in the State-Treasury Agreement. Specifically, the cash management drawdown reports should include a listing, by appropriation, of accounts payable with scheduled pay dates. PRS cash management personnel should then use the schedule pay data to ensure the timing of Federal draws adheres to pre-issuance technique requirements documented in the Treasury-State agreement.

Management Response and Corrective Action Plan:

*In response to Texas' payment scheduling requirements, the Statewide ISAS Team developed improvements to the Grant Draw Down Report (GDDR) that detail the amount of accounts payable scheduled for payment. PRS was unable to use the Statewide ISAS Team developed Grant Draw Down Supplemental Report, and did not attempt to modify this report in fiscal year 2003 as we were in the process of migrating/implementing the Health and Human Service Administrative System (HHSAS). PRS is in the process of modifying a version of the HHSAS Grant Draw Down Supplemental Report to resolve the issue of the current GDDR information not providing strict compliance with the pre-issuance funding technique due to the current absence of actual scheduled payment data. PRS implemented, and is continuing to use a compensating control through the use of an analysis of the total appropriation cash balances. Using this information, PRS approximates the three-day requirement by utilizing non-federal funds and/or delaying federal cash draws.*

*Implementation Date: September 1, 2004*

*Responsible Person: James R. Wall III (Trey)*

Reference No. 04-36

**Allowable Costs/Cost Principles**

**CFDA 93.659 - Adoption Assistance**

**Type of finding - Non-Compliance**

Per OMB Circular A-87 section H – support of salaries and wages, charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the government unit and approved by a responsible official(s) of the governmental unit.

Questioned Cost: \$ 3  
 U.S. Department of Health and  
 Human Services

The Department of Protective and Regulatory Services (PRS) utilizes Form 710 (Exception Time Report) to report adjustments or hours reported for personnel who are on leave without pay. In the allowable cost sample, 19 employees were selected for review of which 5 were on leave without pay. For these 5 employees, we noted one payroll expenditure where the employee was paid for hours that did not agree to Form 710. The employee was overpaid \$3 due to mathematical oversight.

Recommendation

PRS should consistently use Form 710 to document any exceptions and amount paid to employees should be based on Form 710.

Management Response and Corrective Action Plan:

*PRS uses Form 515 (Employee Leave Without Pay (LWOP) Report) for immediate reporting of exhaustion of all leave to human resources so that proper payments are made. PRS uses Form 710 (Exception Time Report) to record the employee's leave activity within a week, but is not the standard document used to report LWOP to human resources.*

*A mathematical error did occur that caused the overpayment of \$3. PRS payroll is in the process of recouping this amount from the employee. In addition, PRS program support delivery will re-evaluate the quality control methods used by regional staff and timekeepers for the accurate reporting of LWOP.*

*Implementation Date: March 15, 2004*

*Responsible Person: Maggi Collins and Sue Weiss*

Reference No. 04-37

**Eligibility**

**CFDA 93.659 - Adoption Assistance**

**Type of finding - Reportable Condition Control and Non-Compliance**

In accordance with 45 CFR section 1356.30, the State must provide documentation that criminal records checks have been conducted with respect to prospective foster and adoptive parents. In order for a childcare institution to be eligible for Title IV – E funding, the licensing file for the institution must contain documentation, which verifies that safety considerations with respect to the staff of the institution have been addressed.

Questioned Cost: \$ 0  
 U.S. Department of Health  
 and Human Services

A sample of 40 adoption assistance cases was selected for review. Our review disclosed three of 40 cases where the Department of Protective and Regulatory Services (PRS) could not provide documentation that safety considerations with respect to the caretaker(s) have been addressed.

Recommendation:

PRS should ensure that criminal background and safety standard checks are completed and supporting documentation should be maintained.

Management Response and Corrective Action Plan:

PRS will revise eligibility documentation forms to require that safety standard checks are filed in the adoption assistance record.

Implementation Date: March 2004

Responsible Person: Kromrei Brown

Reference No. 04-38

**Eligibility**

**CFDA 93.658 - Foster Care - Title IV-E**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

In accordance with 45 CFR section 1356.30 (a) and (b), unless an election provided for in paragraph (d) of this section is made, the State must provide documentation that criminal records checks have been conducted with respect to prospective foster and adoptive parents. The State may not approve or license any prospective foster or adoptive parent, nor may the State claim FFP for any foster care maintenance or adoption assistance payment made on behalf of a child placed in a foster home operated under the auspices of a child placing agency or on behalf of a child placed in an adoptive home through a private adoption agency, if the State finds that, based on a criminal records check conducted in accordance with paragraph (a) of this section, a court of competent jurisdiction has determined that the prospective foster or adoptive parent has been convicted of a felony involving:

Questioned Cost: \$ 0
U.S. Department of Health and Human Services

1) Child abuse or neglect,

2) Spousal abuse,

3) A crime against a child or children (including child pornography), or

4) A crime involving violence, including rape, sexual assault, or homicide, but not including other physical assault or battery.

Additionally, per Title 40 Part 19 of Texas Administrative Code Chapter 745 Subchapter F Division 2, providers must request background checks for employees. Providers must submit a request for a background check when a new person is hired, but no later than two business days after the new employee is hired or is present in the provider's operation. In addition, requests for criminal background checks are to be submitted by the provider to the Licensing Division of the Texas Department of Protective and Regulatory Services (PRS) every 24 months after each employee's name was first submitted.

A sample of 30 children for whom Foster Care – Title IV-E payments were made during fiscal year 2003 was selected for review. For each child, we selected one foster care provider and verified that the provider satisfactorily met the criminal records check. For foster care providers other than individual homes, we obtained a listing of employees and verified that a criminal background check was performed for each employee.

Our review of compliance with the eligibility requirements disclosed the following:

- For one of the providers, the criminal background check for 1 employee was overdue.
- For one of the providers, 3 employees were employed for twelve days before a request for a background check was submitted.
- For one of the providers, the 24-month follow-up background check was overdue for 2 employees. Additionally, 1 employee was hired on October 5, 2001 and a background check was done on September 11, 2003.
- For one of the providers, background checks were missing for 11 employees.
- For three of the providers, each had 1 employee whose name was misspelled on the background check.
- For one of the providers, background checks were missing for 22 employees.

Recommendation:

PRS should implement procedures to ensure that background checks be completed in accordance with Federal regulations.

Management Response and Corrective Action Plan:

*PRS has submitted all of the required information for the criminal background checks noted above.*

*Child Care Licensing state office program will retrain Residential Child Care Licensing (RCCL) staff on the policies and procedures for background checks at the next RCCL meeting on February 20, 2004. RCCL management has developed and is implementing a quality assurance system of case review and case reading to ensure policies are being followed appropriately.*

*Implementation Date: State office will address background check policy and procedures at the next RCCL meeting on February 20, 2004.*

*Responsible Person: CCL State Office program – Diana Spiser  
RCCL – Char Bateman*

**PROTECTIVE AND REGULATORY SERVICES, DEPARTMENT OF**

Reference No. 04-39

**Allowable Costs/Cost Principles**

**Major Programs:**

- CFDA 93.556 - Promoting Safe and Stable Families
- CFDA 93.558 - Temporary Assistance for Needy Families
- CFDA 93.658 - Foster Care-Title IV-E

**Non-Major Programs:**

- CFDA 93.590 - Community Based Family Resource and Support Grants
- CFDA 93.603 - Adoption Incentive Payments
- CFDA 93.643 - Children’s Justice Grants to States
- CFDA 93.645 - Child Welfare Services-State Grants
- CFDA 93.652 - Adoption Opportunities
- CFDA 93.669 - Child Abuse and Neglect State Grants
- CFDA 93.674 - Chafee Foster Care Independent Living Child Care Cluster

**Type of finding - Reportable Condition Control and Material Non-Compliance**

Per OMB Circular A-87 section H – support of salaries and wages, where employees are expected to work solely on a single Federal award, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Questioned Cost: \$ 32,294,434  
  
U.S. Department of Health and Human Services

The sample for allowable costs included 19 employees who were selected for salary testwork and an additional five for fringe benefits testwork. We noted that 100% of salary and fringe benefits for the 24 of \$4,224 employees were charged to the Federal program. However, there was no periodic certification that these employees work solely on the program. Additionally, these employees do not complete timesheets.

<u>Federal Program</u>	<u>Amount of Salaries and Benefits Charged to the Federal Program</u>
CFDA 93.556	\$ 11,352,821
CFDA 93.558	1,522,580
Child Care Cluster	15,711,691
CFDA 93.590	257,475
CFDA 93.603	133,352
CFDA 93.643	113,485
CFDA 93.645	1,276,999
CFDA 93.652	69,730
CFDA 93.658	39,883
CFDA 93.669	791,134
CFDA 93.674	1,025,284
Total	<u>\$ 32,294,434</u>



Recommendation:

The Department of Protective and Regulatory Services (PRS) should implement a payroll effort system that requires employees working solely on a single Federal award to certify at least semi-annually that they worked solely on the program. For individuals working on multiple activities, the time sheets should (1) reflect an after-the-fact distribution of actual activity, (2) account for total activity each pay period, (3) be prepared at least monthly, and (4) be signed by the employee. Any substitute systems for allocating salaries should be approved by the U.S. Department of Health and Human Services.

Management Response and Corrective Action Plan:

*PRS will assist in developing policy and procedures for the HHS Enterprises on the certification of employees working 100% on a single Federally funded program. The policy and procedures will be included in the Public Assistance Cost Allocation Plan for PRS in fiscal year 2005. This action plan will be implemented in fiscal year 2005 for a consistent policy across the HHS Enterprise departments.*

*Implementation Date: September 1, 2004*

*Responsible Person: James R. Wall III (Trey)*

Reference No. 04-32

**Allowable Costs/Cost Principles**

**CFDA 93.658 - Foster Care - Title IV-E**

**Medicaid Cluster**

**Type of finding - Material Non-Compliance**

The Center of Medicare and Medicaid Services (CMS) of the Department of Health and Human Services (HHS) issued a report based on a review of the Quarterly Statements of Medicaid and CHIP Expenditures (CMS-64 and CMS-21) for the fourth quarter of Federal fiscal year 2003, dated January 7, 2004. Per the report, the Dallas CMS Regional Office (RO) performed a focused review of targeted case management (TCM) services rendered during the April 1, 2002 through June 30, 2002 quarter by the Texas Department of Protective and Regulatory Services (PRS). The RO review disclosed that the State claimed reimbursement from the Medicaid program for certain services performed by PRS that were, in the RO's opinion, foster care and child welfare services that should not have been billed to the Medicaid program. The RO has submitted a request to CMS Central Office for approval to defer reimbursement to the State for the \$15,298,470 Federal share of TCM services claimed by PRS in the State's September 30, 2003 CMS 64 expenditure report. That deferral would remain in effect until such time as a final decision has been made by CMS regarding the findings included in that report. The RO had similarly deferred reimbursement of \$15,643,852 Federal share for TCM services claimed by PRS in the State's June 30, 2003 CMS 64 expenditure report.

Questioned Cost: \$30,942,322  
U.S. Department of Health and  
Human Services

Recommendation

PRS should resolve the Medicaid difference with the HHS.

*Management Response and Corrective Action Plan:*

*PRS is working to resolve the Medicaid difference with HHS. On December 11, 2003, PRS responded to the HHS regarding the Medicaid deferred for the quarter ended June 30, 2003, requesting clarification. Similar correspondence will be transmitted for the deferral of Medicaid for the quarter ended September 30, 2003. PRS has not been notified of a disallowance to date, and will continue to claim Federal reimbursement for Targeted Case Management services until the issue is resolved with HHS.*

*Implementation Date: September 1, 2004*

*Responsible Person: James R. Wall III (Trey)*

## Texas A&M University - College Station

Reference No. 04-40

### Special Tests and Provisions - Disbursements To or On Behalf of Students

#### Student Financial Assistance Cluster

#### Type of finding - Reportable Condition Control and Material Non-Compliance

If an institution credits a student's account at the institution with Perkins (FPL) or Family Education (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account at the institution, the institution must notify the student, or parent of (1) the date and amount of the disbursement, (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement on FFEL only applies if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic. If sent electronically, the institution must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation. (34 CFR 668.165).

Questioned Cost: \$ 0

U.S. Department of Education

The Student Information Management System (SIMS) performs a monthly query of all students who received a FFELP disbursement. From that query, a letter of notification is generated and sent to the student or parent. Copies of the letters sent to the students were not maintained. Beginning in February 2003, the listing of students sent letters were maintained. Per review of a listing, 1 of the 3 students disbursed loans for the corresponding period were not included on the list. Further test work revealed that a programming error in SIMS caused the monthly listings to be incomplete. Per a query of the student financial aid transaction history for the 2002-2003 award year, approximately \$27,911,000 of FFELP awards were disbursed and notifications were not sent.

Additionally, there were no FPL notifications sent. Texas A&M University College Station (the University) was unaware the regulation applied to FPL disbursements. For the award year 2002-2003, the University disbursed approximately \$5,431,000 of FPL.

#### Recommendation

Texas A&M University College Station is currently converting SIMS to an email notification process. Management should ensure that email notifications are retained within the Federal regulation requirements.

#### Management Response and Corrective Action Plan:

*Changes to the University's notification process and systems have been completed and, as of August 27, 2003, all required electronic notifications are being sent in accordance with program requirements. The fall 2003 notifications were the first to be sent after all modifications were completed. In addition, a process is now in place to periodically verify that federally required EFT notifications are being sent according to program requirements, and to maintain an adequate record of both the notices, and to whom they were sent. The statement in 34 CFR 668.165 requiring institutions to confirm receipt by the student or parent of electronic notification and to maintain documentation of that confirmation was eliminated from the regulations in November of 2002.*

*Implementation Date: Completed Fall 2003*

*Responsible Person: Bob Piwonka*

Reference No. 04-41

**Reporting - Pell Payment Data**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

Schools submit Pell origination records and disbursement records to the Common Origination and Disbursement (COD) System. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment. A school follows up with a disbursement record for that student no more than 30 days before a disbursement is to be paid. Institutions must report student payment data within 30 calendar days after the school makes a payment; or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data. Schools may do this by reporting once every 30 calendar days, bi-weekly, weekly or may set up their own system to ensure that changes are reported in a timely manner. (34 CFR 690.83)

Questioned Cost: \$ 0 U.S. Department of Education
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For the award year 2002-2003, Texas A&M University College Station (the University) had procedures to review and correct error reports received from the National Student Loan Data System (NSLDS) during the origination and disbursement records submission process. These procedures to review and correct rejected origination and disbursement records were not adhered to in a timely manner due to employee turnover. We did note that the required data elements for both disbursement and origination records are properly included in the transmission files. Our audit procedures included a query of the University's 2002-2003 Pell reporting information. Through this procedure, we determined that \$308,182 (2% of total Pell disbursements) were not reported within 30 days.

Recommendation

Texas A&M University College Station should implement supervisory review procedures to ensure Pell origination and disbursement rejected transactions are corrected within the required timeframes.

Management Response and Corrective Action Plan:

*The University does not dispute the findings and has already taken the necessary action to comply with the recommendation. Steps have been taken to prevent a recurrence of this finding. A recently hired Program Coordinator with financial aid experience is being trained on Pell origination and disbursement reporting. The Assistant Director supervising this employee is also closely monitoring the Pell reporting for the 2003-2004 academic year to ensure proper procedures are followed. In addition, the frequency of Pell reporting has been increased to allow for additional time to correct any errors in the process. With these measures in place now, the University is completing the Pell reporting process in a timely manner.*

Implementation Date: Completed Fall 2003

Responsible Person: Arnold Trejo

## Texas A&M University - Corpus Christi

Reference No. 04-42

### Special Tests and Provisions - Student Status Changes

#### Student Financial Assistance Cluster

#### Type of finding - Material Weakness Control and Material Non-Compliance

Under the Federal Family Education Loan programs, schools must complete and return within 30 days of receipt the Roster File sent by the National Student Loan Data System (NSLDS) (OMB No. 1845-0035). The Roster File is transmitted electronically. The institution determines how often it receives the Roster File, but the minimum is twice a year. Once received, the institution must correct and submit any changes electronically. Unless the school expects to complete its next Roster File within 60 days, the school must notify NSLDS within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (34 CFR section 682.610). Per the NSLDS reporting guide, schools are recommended to report a minimum of five times an academic year. Also if the next enrollment report roster file is not scheduled within 60 days of a student status change, then the school must submit an ad hoc report or update the student records online.

Questioned Cost: \$ 0

U.S. Department of Education

For the award year 2002-2003, Texas A&M Corpus Christi set up four enrollment reporting cycles with NSLDS. The four dates selected are September 2, 2002, November 1, 2002, February 3, 2003, and April 1, 2003. One of the four rosters was returned to NSLDS in 45 days instead of the required 30 days. Also for 7 of the 30 students reviewed, their respective change in status was not reporting to NSLDS within 30 days or included in a roster file update within 60 days. There were no questioned costs as the changes in status were reported in adequate time to transfer the student from in-school to grace to repayment status.

#### Recommendation

NSLDS recommends a minimum of five enrollment reporting cycles to minimize the number of ad-hoc reports required. Texas A&M Corpus Christi should set up at least five reporting cycles to avoid a period of greater than 60 days between reporting.

#### Management Response and Corrective Action Plan:

*We are currently submitting SSCR reports September 1, November 1, February 1 and April 1. Due to the time lapse between SSCR reporting cycles, we created a report to identify students who withdraw after the last SSCR submission during the months of November, December, April and May. The enrollment status for these students will be manually updated in NSLDS. The students who graduate in May will also be manually updated in NSLDS.*

*Implementation Date: November 2003*

*Responsible Person: Dolly A. Zeriali and Tracie Perez*

Reference No. 04-43

**Reporting - Pell Payment Data**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

Schools submit Pell origination records and disbursement records to the Common Origination and Disbursement (COD) System. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment. A school follows up with a disbursement record for that student no more than 30 days before a disbursement is to be paid. Institutions must report student payment data within 30 calendar days after the school makes a payment; or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data. Schools may do this by reporting once every 30 calendar days, bi-weekly, weekly or may set up their own system to ensure that changes are reported in a timely manner. (34 CFR 690.83)

Questioned Cost: \$ 0
U.S. Department of Education

For the award year 2002-2003, Texas A&M Corpus Christi did not submit their first Pell disbursement report until October 8, 2002 due to the delayed implementation of changes to the SIS+ Application for Pell reporting. Initial Pell disbursements in August 2002 were not reported until October 2002, which is in excess of the 30-day reporting requirement. In addition, during the award year Texas A&M Corpus Christi's procedures to review and correct rejected origination records were not adhered to in a timely manner due to inadequate staffing. This resulted in additional delays in the submission of disbursement records. We did note that the required data elements for both disbursement and origination records are properly included in the transmission files. Our audit procedures included a query of Texas A&M Corpus Christi's 2002-2003 Pell reporting information. Through this procedure we determined that \$2,497,167 (43% of total Pell disbursements) were not reported within 30 days.

Recommendation

Texas A&M Corpus Christi should implement supervisory review procedures to ensure Pell origination and disbursement reports are submitted and rejected transactions are corrected within the required timeframes.

Management Response and Corrective Action Plan:

*Effective October 2003, the Office of Student Financial Assistance and the SIS+ Technical Support Staff have agreed to conduct a monthly meeting to discuss upcoming updates and installation problems to the FAM module of SIS+. The Office of Student Financial Assistance has also provided a master calendar to the SIS+ Technical Support Staff with important dates and timelines to better project the computer needs of the office. We have also implemented the use of a master calendar for the Office of Student Financial Assistance itself. We will use this calendar to better track submissions and other deadline dates. We have also been developing several reports to better identify Pell payments to our students in order to ensure compliance with reporting within 30 days of payment.*

Implementation Date:      October 2003

Responsible Person:      Dolly A. Zeriali

## Texas Southern University

Reference No. 04-44

### Special Tests and Provisions - Disbursements To or On Behalf of Students

#### Student Financial Assistance Cluster

#### Type of finding - Reportable Condition Control and Material Non-Compliance

If an institution credits a student's account at the institution with Perkins (FPL) or Family Education (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account at the institution, the institution must notify the student, or parent of (1) the date and amount of the disbursement, (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement on FFEL only applies if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic. If sent electronically, the institution must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation. (34 CFR 668.165).

Questioned Cost: \$ 0

U.S. Department of Education

Texas Southern University utilizes postcards to notify students of the FFELP and FPL disbursements. Per review of a sample postcard, the required notifications to the students are in the template. Texas Southern University generates labels per FFEL electronic fund transfer reports and various other system generated reports. However, Texas Southern University did not have a process in place to ensure all students and parents were notified or to track the notifications sent. Texas Southern University disbursed \$41,488,804 of FFELP loans and \$195,132 of Perkins loans during the fiscal year 2002-2003.

#### Recommendation

Texas Southern University should implement a process for ensuring all required notifications are sent and that documentation of the notification is maintained.

#### Management Response and Corrective Action Plan:

*Texas Southern University implemented the EFT letter Notification on August 21, 2003 to track notifications sent to students via the Banner system. Prior to the implementation of the EFT letter, this process was done manually with labels and postcards. No backup for mailed post cards was kept, in accordance with 34 CFR 682.207, 682.604, 685.301, 685.303, 34 and CFR 668.16 (c) (2). Based on the return of Title IV loan Programs only if the school notified the student electronically, then is the school required to maintain a copy of that confirmation.*

*Implementation Date: August 21, 2003*

*Responsible Person: Reginald Dickens*

Reference No. 04-45

**Special Tests and Provisions - Student Status Changes**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

Under the Federal Family Education Loan programs (FFELP), schools must complete and return student status confirmation reports (SSCR) sent by National Student Loan Data System (NSLDS) within 30 days of receipt. To comply with this regulation, Texas Southern University may work directly with NSLDS or the National Student Clearinghouse (NSC). Texas Southern University has elected to utilize the services of NSC. Our audit procedures included a review of the NSC enrollment management submission schedule.

Questioned Cost: \$ 0

U.S. Department of Education

Based on this audit procedure, it appears the schedule is designed to meet the 30-day submission requirement. However, one out of ten submissions reviewed was submitted after the designated due day causing the submission to be over 60 days after the previous submission. Additionally, six out of 30 students with status changes were not reported timely to NSC and an additional five students were not reported to NSC. The report query used to generate the list of status changes is defined by the school term. If a status change is posted to the system after the last scheduled submission of the term, the change was not reported to the NSC. The five students not reported remain in school status, and therefore, there are no questioned costs.

Recommendation

Texas Southern University should modify their report query parameters so all students with status changes are identified. Also management should ensure that the scheduled submissions are completed timely.

Management Response and Corrective Action Plan:

*The Office of the Registrar has revised its calendar of submissions to the National Student Clearinghouse and will now submit 8 reports annually instead of 6. First, the date for the last report in each semester has been extended to allow for completion of all end of the term processing before submission. Then, two new graduation report dates have been added to accommodate the clearance of graduates and any other late transactions occurring between the last term report and the first new term report. Additionally, the procedure has been modified to identify all changes in enrollment status. The process is called SWRCHT (Registered hours), which updates time status.*

*Implementation Date: March 2, 2004*

*Responsible Person: Norma Robinson*



<b>Texas Tech University</b>
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Reference No. 04-46

**Special Tests and Provisions - Disbursements To or On Behalf of Students****Student Financial Assistance Cluster****Type of finding - Reportable Condition Control and Material Non-Compliance**

If an institution credits a student's account at the institution with Perkins (FPL) or Family Education (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account at the institution, the institution must notify the student, or parent of (1) the date and amount of the disbursement, (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement on FFELP only applies if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic. If sent electronically, the institution must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation. (34 CFR 668.165).

Questioned Cost: \$ 0

U.S. Department of Education

Texas Tech University was unaware of the regulation and did not send notifications to either FFELP or FPL recipients. Per the schedule of Federal awards for the year ended August 31, 2003, approximately \$79,395,000 FFELP awards and approximately \$12,334,000 FPL awards were disbursed and notifications were not sent.

Recommendation:

Texas Tech University is currently implementing an email notification process. Management should ensure that email notifications are retained within the federal regulation requirements.

Management Response and Corrective Action Plan:

*Texas Tech University has taken corrective action beginning with the Fall 2003 semester (August). We are mailing notification letters of right to cancel with every billing statement.*

*Implementation Date: August 2003*

*Responsible Person: Becky Wilson*

Reference No. 04-47

**Reporting - Pell Payment Data**

**Student Financial Assistance Cluster**

**Type of finding - Non-Compliance**

Schools submit Pell origination records and disbursement records to the Common Origination and Disbursement (COD) System. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment. A school follows up with a disbursement record for that student no more than 30 days before a disbursement is to be paid. Institutions must report student payment data within 30 calendar days after the school makes a payment; or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data. Schools may do this by reporting once every 30 calendar days, bi-weekly, weekly or may set up their own system to ensure that changes are reported in a timely manner. (34 CFR 690.83)

Questioned Cost: \$ 0

U.S. Department of Education

For the award year 2002-2003, Texas Tech University delayed sending the February 2003 Pell Disbursement report due to the implementation of a system upgrade until March 12, 2003. Therefore, certain January and February 2003 disbursements were not reported within 30 days. The University was unable to quantify the amount of Pell disbursements affected by the delayed report, as the required query field was not populated for all students. Total Spring disbursements were \$5,753,475 (46.8% of total Pell disbursements).

Recommendation:

Texas Tech University College should ensure all reports are filed within the required timeframes. Consideration of reporting deadlines should be considered when allocating resources.

Management Response and Corrective Action Plan:

*All Pell disbursement reporting is now being done within the 30-day reporting requirement.*

*Implementation Date: March 12, 2003*

*Responsible Person: Dale Hymes and Becky Wilson*

## University of Houston

Reference No. 04-48

### Reporting - Pell Payment Data

#### Student Financial Assistance Cluster

#### Type of finding - Reportable Condition Control and Material Non-Compliance

Schools submit Pell origination records and disbursement records to the Common Origination and Disbursement (COD) System. Origination records can be sent well in advance of any disbursements, as early as the school chooses to submit them for any student the school reasonably believes will be eligible for a payment. A school follows up with a disbursement record for that student no more than 30 days before a disbursement is to be paid. Institutions must report student payment data within 30 calendar days after the school makes a payment; or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data. Schools may do this by reporting once every 30 calendar days, bi-weekly, weekly or may set up their own system to ensure that changes are reported in a timely manner. (34 CFR 690.83)

Questioned Cost: \$ 0

U.S. Department of Education

For the award year 2002-2003, the disbursement date in the disbursement records was actually the date the record was reported to Department of Education instead of the date the award was disbursed to the student. The software was programmed incorrectly to use the incorrect data field in the disbursement record file. Total Pell disbursed for the award year was \$20,194,431. Also, the disbursement reports for October 2002 and April 2003 were not submitted to the Department of Education resulting in \$8,164,011 of Pell disbursements not being reported within the required 30 days.

#### Recommendation

The University of Houston should correct the programming error so that the correct disbursement date is reported to the Department of Education. Also a supervisor should ensure that the disbursement reports are submitted monthly.

#### Management Response and Corrective Action Plan:

*We have contacted the software vendor, Wolffpack, to request a correction of this programming error. Until this programming error has been corrected, the Assistant Director for Processing is responsible for transmitting Pell disbursement records to the Department of Education on a bi-weekly basis to ensure that all changes are reported.*

*Implementation Date: January 31, 2004*

*Responsible Person: Robert Sheridan*

Reference No. 04-49

**Special Tests and Provisions - Student Status Changes**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

Under the Federal Family Education Loan programs, schools must complete and return within 30 days of receipt the Roster File sent by the National Student Loan Data System (NSLDS) (OMB No. 1845-0035). The Roster File is transmitted electronically. The institution determines how often it receives the Roster File, but the minimum is twice a year. Once received, the institution must correct and submit any changes electronically. Unless the school expects to complete its next Roster File within 60 days, the school must notify NSLDS within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (34 CFR section 682.610). According to the NSLDS reporting guide, it is recommended that schools report a minimum of five times an academic year. Also if the next enrollment report roster file is not scheduled within 60 days of a student status change, then the school must submit an ad hoc report or update the student records online.

Questioned Cost: \$ 0

U.S. Department of Education

For the award year 2002-2003, the University of Houston did not have a scheduled summer submission since it is not required per the NSLDS guide. However there were two of 30 students with status changes, which were known to the University of Houston but not submitted via an ad hoc report in a timely manner. There were no questioned costs as the change in status was reported in adequate time to notify students of repayment requirements.

Recommendation

The University of Houston should set up their enrollment management submissions to avoid a period of greater than 60 days between reporting, including the summer session, which would avoid the required use of ad hoc reporting.

Management Response and Corrective Action Plan:

*We will increase our summer ad hoc reports from one to two to ensure that all changes are reported within the 60 - day requirement.*

*Implementation Date: August 31, 2004*

*Responsible Person: Rob Sheridan*

Reference No. 04-50

**Special Tests and Provisions - Disbursements To or On Behalf of Students****Student Financial Assistance Cluster****Type of finding - Non-Compliance**

If an institution credits a student's account at the institution with Perkins (FPL) or Family Education (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account at the institution, the institution must notify the student, or parent of (1) the date and amount of the disbursement, (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement on FFEL only applies if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic. If sent electronically, the institution must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation. (34 CFR 668.165).

Questioned Cost: \$ 0

U.S. Department of Education

The University of Houston did send notifications to FFELP or FPL recipients. However the notifications did not include information related to the student or parent's right to cancel all or a portion of that loan. For the award year 2002-2003, the University of Houston disbursed approximately \$74,775,000 of FFELP and \$2,685,000 of FPL.

Recommendation:

University of Houston should add the required disclosure to the student and/or parent of their right to cancel the loan to be in compliance with federal regulations.

Management Response and Corrective Action Plan:

*We have modified the loan disbursement postcard to provide the appropriate disclosure notice and direct the student/family to the University financial aid web site to request loan cancellation. These postcards will continue to be sent to students when student loan disbursements are posted to their accounts. Additionally, students scheduled to receive an FFELP or Federal Perkins Loan will receive a letter informing them of their right to cancel the scheduled loan prior to the first day of classes.*

*Implementation Date: January 31, 2004*

*Responsible Person: Robert Sheridan*

University of North Texas

Reference No. 04-51

**Special Tests and Provisions - Disbursements To or On Behalf of Students**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

If an institution credits a student's account at the institution with Perkins (FPL) or Family Education (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account at the institution, the institution must notify the student or parent, of (1) the date and amount of the disbursement, (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement on FFEL only applies if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic. If sent electronically, the institution must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation. (34 CFR 668.165).

Questioned Cost: \$ 0  
U.S. Department of Education

The University of North Texas runs a program that extracts FFELP borrowers from the Billing Receivable System. From that query, which occurs after disbursements, email notifications are sent out to students with FFELP or FPL disbursements notifying them of the date and amount of disbursement and the right to cancel. If the University of North Texas does not have an active email address for a student, then the student is mailed the notification. These notifications are automatically tracked on the comments screen for each student. In our sample of 30 students, 19 had no indication on the comment screen that a notification had been sent for one or more of their FFELP disbursements. Per discussion with the University of North Texas personnel, the comment screen was not always automatically updated when a notification was sent, especially if the notification was sent by mail. There is also a listing maintained indicating students notified by mail. However, the University of North Texas was unable to verify if notifications had been sent via email for the 19 students in question. Their names were not on the mailing list maintained. The University of North Texas did confirm that several modifications to the notification programming were necessary during the 2002-2003 award year which did result in some students being omitted from the notification process. Total FFELP disbursed was \$74,627,462 for the 2002-2003 award year, along with \$345,519 of FPL. Based on our audit procedures performed on the notification process subsequent to the 2002-2003 award year, notifications appear to be sent in a timely manner to all FFELP and FPL recipients.

Recommendation

The University of North Texas should continue its quality review procedures to ensure that additional program modifications are not necessary.

Management Response and Corrective Action Plan:

*Management concurs with the identified auditor finding regarding Disbursements To or On Behalf of Students. As described, University of North Texas was unable to verify if notifications had been sent via email or by mail to all borrowers who were awarded or disbursed FFELP dollars during the 2002-2003 award year. However, University of North Texas did confirm that several modifications to programming processes occurred during the 2002-2003 award year that resulted in some students being omitted from the notification process.*

*Corrective action has been taken as of September 2003. University of North Texas will continue to monitor and quality control ongoing procedures to ensure that any additional modifications to the programming processes do not jeopardize the corrective action that has been implemented.*

*Implementation Date: September 2003*

*Responsible Person: Carolyn Cunningham*

University of Texas at Austin

Reference No. 04-52

**Cash Management**

(Prior Audit Issue - 03-06)

**Research and Development Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

The University of Texas at Austin has selected the reimbursement method of cash management. A weekly cash position report is produced from receivable for grants module (RGM) in DEFINE system (general ledger accounting system) denoting the cash position of each Federal research and development (R&D) grant. This report is based on expenditures posted to the general ledger and not expenses paid, which is required under the reimbursement method. The University of Texas at Austin's policy is to pay all vendors within 30 days of receipt of an invoice. We were unable to determine what portion of the amounts drawn were paid prior to initiation of the draw request.

Questioned Cost: \$ 0  
Federal Agencies that provide R&D grants

In addition, the weekly cash position report tracks the expenses incurred per grant in excess of the award amount or "amount over". Weekly draws for direct costs are then made from the respective agencies based on the excess of expenditures posted to the general ledger compared to the amount of cash drawn to date. In addition, monthly draws are made for indirect costs. Our audit procedures found that for 9 out of 40 weekly draws the amount drawn for direct expenses was in excess of the award amount. Total excess amount drawn for these nine awards was \$12,686. The University of Texas at Austin did not consider the "amount over" in the cash position report when calculating the draw amount for direct expenses. We reviewed the nine exceptions noting the associated overhead, which was not drawn until month end, exceeded the \$12,686.

Recommendation

The University of Texas at Austin implemented procedures in January 2003 to ensure the "amount over" was netted with the current cash position to arrive at the amount to be drawn for direct expenditures each week. The supervisory review implemented in January 2003 should be continued. In addition, the University of Texas at Austin should incorporate into its weekly cash position report the amount of expenses accrued but not paid. The amount should be deducted from the weekly draw calculation.

Management Response and Corrective Action Plan:

*The University of Texas at Austin has been working on development of a new methodology for drawdown on Federal Letters of Credit. The new methodology is centered on identification of specific cash outflows as the basis for initiation of drawdown activity, thus placing the University on a full reimbursement methodology. During our on-site review, the draft methodology and potential implementation concerns were discussed to ensure that appropriate programming specifications would be developed. It is anticipated that software development to resolve this matter will begin at the conclusion of the audit.*

*Because the University develops software that may be used by other institutions the development of a solution to resolve this finding involves working with users outside the institution to ensure the solution will work in multiple environments. Ensuring the new methodology meets the business models of all affected customers is being carefully coordinated prior to full software development.*



*In addition, the University implemented a new procedure and checklist to address handling situations of excess expenditures (“amount over”) in January 2004. Findings resulting from the population of 40 draws occurred prior to the implementation of the new procedure with the exception of one. A February draw inadvertently included a \$9 excess on a \$947,469 draw. This issue was identified immediately after the draw and its occurrence was noted on the draw checklist used during review by the auditors.*

*Implementation Date: On going during fiscal year 2004 for methodology refinement and implementation.*

*Responsible Person: Jason Richter*

Reference No. 04-53

### **Matching and Program Income**

(Prior Audit Issue - 03-09, 02-48)

#### **Research and Development Cluster**

#### **Type of finding - Reportable Condition Control**

The University of Texas at Austin administers its R&D programs through the Office of Sponsored Projects (OSP) and Grants and Contracts (G&C). The Principal Investigator (PI) is directly responsible for the research and coordinates necessary information back to OSP and G&C. Each grant has an electronic profile set-up in DEFINE accounting system by G&C once OSP, the PI, and the sponsor have approved the grant. The profile set-up has certain fields which are required or DEFINE will not process the grant.

Questioned Cost: \$ 0

Federal Agencies that provide  
R&D grants

Upon request for a population of matching grants and program income, the University of Texas at Austin did not have established procedures for monitoring this information. G&C is responsible for monitoring grant compliance as they have “working knowledge” of the various grants. However, no individual has been given the specific responsibility to monitor matching requirements or the use of program income. G&C review these provisions when a particular grant is closed, despite the length of the grant period. The University of Texas at Austin had to create a report module to gather the number of grants with matching provisions and/or generation of program income.

#### Recommendation

The University of Texas at Austin should establish policies and procedures to ensure matching requirements are being met timely and to ensure program income is spent in accordance with the provisions of the respective grant agreements. The profile set-up could be configured to have required fields of information for matching, program income and reporting requirements. Reports should be available which identify the applicable grants and the related amounts. G&C could then monitor these reports on a periodic basis for compliance with matching and program income requirements.

#### Management Response and Corrective Action Plan:

*Matching – Subsequent to the finding on matching in the 2002 audit, the University began development of a new institutional procedure for matching/cost sharing. In the June 2003 issue of the University’s Research Newsletter, the Vice President for Research notified the research community of the University’s new cost sharing procedure for sponsored projects to be implemented effective August 1, 2003. The new procedure requires a cost sharing recap form to be completed for each proposal and subsequent award in which a matching/cost sharing requirement (voluntary or committed) is included. This matching/cost-sharing information is captured for tracking and compliance purposes in the OSP Research Manager System, and the System can run a report which identifies the applicable awards and amount of matching/cost sharing.*

Implementation Date for Matching/Cost Sharing Procedures:      *Implemented August 1, 2003.*

Program Income –

*With respect program income, prior to final acceptance and processing of awards, each principal investigator (PI) is required to evidence his or her acceptance of the terms and conditions of the award, generally through an internal memo or by email. OSP will revise its procedures for acceptance to have the PI address whether any program income is anticipated to result from the project. OSP will also revise its Research Manager System to add a field to capture the response from the PI in order to track awards in which program income is expected.*

Implementation Date for Program Income:      *March 1, 2004*

Responsible Person:      *Bobby McQuiston*

Reference No. 04-54

**Subrecipient Monitoring**

(Prior Audit Issue - 03-08)

**Research and Development Cluster**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

The University of Texas at Austin has developed an annual questionnaire for each of its subrecipients to complete regarding the status of their respective OMB Circular A-133 reports. The questionnaire allows the subrecipients to note if their current OMB Circular A-133 has any findings. The responsible official must sign the questionnaire and certify to its accuracy. If there are findings, the questionnaire instructs the subrecipient to submit a copy of the report with the questionnaire. Also the University of Texas at Austin has established a policy that the respective principal investigator (PI) must approve all invoices for payment. Together with the signed grant contract which includes suspension and debarment provisions and the subcontract-awarding checklist, these policies comprise the major components of the University of Texas at Austin’s subrecipient monitoring procedures.

Questioned Cost: \$ 0
Federal Agencies that provide R&D grants

In our sample of 40 items, 26 subrecipients did not have a current questionnaire and 22 of the 40 subrecipients did not have evidence of an OMB Circular A-133 review on file. Four of the 40 files did not contain a suspension and debarment provision in the grant contract, and one of the 40 files did not have a subcontract-awarding checklist.

Recommendation

OMB Circular A-133 allows the subrecipient to provide written notification to the pass-through entity that an audit of the subrecipient was conducted in accordance with this part, the schedule of findings and questioned costs disclosed no audit findings related to the Federal award that the pass-through entity provided, and the summary schedule of prior audit findings did not report on the status of any audit findings related to the Federal award that the pass-through entity provided. The notification is to include the period covered by the audit and the name, amount, and CFDA number of the Federal awards provided by the pass through entity.

The University of Texas at Austin should ensure it receives all the certification notices in a timely fashion. Since the University of Texas at Austin does not conduct site visits as part of their subrecipient monitoring process, they are dependent upon the certification notices to communicate any deficiencies in the subrecipients’ controls or compliance procedures. A quarterly review of the status of the certifications would serve as a control to ensure timely receipt.

Additionally, the award contract template should include a suspension and debarment provision, and grants should not be allowed to be set-up in DEFINE without an approved subcontract-awarding checklist.

Management Response and Corrective Action Plan:

*Following the final audit findings for fiscal year 2001-2002 issued in 2003, the University implemented additional procedures with respect to subrecipient monitoring and tracking subrecipient audit questionnaires which require the certification.*

*The University of Texas at Austin (the University) has controls and procedures to ensure compliance with OMB Circular A-133 and ensure that all audit questionnaire forms or other evidence of audit are received from subrecipients. OSP uses both the federal internet database and OSP's internal Research Manager System (RMS) to determine and track the current status of the appropriate OMB Circular A-133 audit results or questionnaire required from the subrecipient.*

*OSP requests an OMB Circular A-133 audit questionnaire be completed by all subrecipients, and requires the return of the questionnaire or other evidence of audit compliance prior to set up of the subaward or subcontract. Effective March 2003, the University implemented additional controls and tracking with every new subaward action, e.g., without a certification or evidence of audit, the subaward is not released to the Office of Contracts and Grants.*

*The findings resulting from the population of 40 subrecipients selected for audit review for fiscal year 2003 did not take into account the March 2003 implementation by the University of the requirement of the certification in response to the fiscal year 2002 audit, and that of the 26 subrecipients without a current questionnaire, 20 either expired in fiscal year 2002 or the last action on the subaward occurred prior to March 2003, before implementation of the new requirement. Thus these 20 subawards would not have been expected to contain the questionnaire. In addition, two of the 26 subrecipients reported 2002 audit reports would not be available until a later date, and when requested again on a later subaward action, the University received the 2002 reports- in November and December 2003, again not taken into account in the finding.*

*Finally, additional programming of the Research Manager System was completed in November 2003 to address the status of subrecipient audits and certifications. Subrecipients' OMB Circular A-133 audits can now be uploaded and tracked through the RMS and specifically the Sponsor (subrecipient) database module of the RMS. The procedure for this includes an automatically generated quarterly report of all active sub-awards sorted and divided by subrecipient. This report lists the subrecipient, the last OMB Circular A-133 audit the University has on file and all currently active sub-awards to that subrecipient.*

*Implementation Date: New procedures implemented March 2003; additional programming completed November 2003 for tracking and report purposes*

*Responsible Person: Bobby McQuiston*

Reference No. 04-55

**Reporting - Pell Payment Data**

**Student Financial Assistance Cluster**

**Type of finding - Non-Compliance**

Schools submit Pell origination records and disbursement records to the Common Origination and Disbursement (COD) System. For the 2002-2003 award year, schools will participate in one of two ways: full or phase-in participation. Full participants in COD will submit the Common Record in the new XML format as specified in the COD Technical Reference, Appendix C COD Technical Reference Document for Full Participants. (34 CFR 690.83) The University of Texas at Austin is a full phase participant. The required elements for the origination records per chapter 3, Pell Reporting, of the Student Financial Aid Handbook for 2002-2003 include the estimated family contribution (EFC). However, the COD Technical reference noted the EFC as an optional field. The U.S. Department of Education's Student Financial Aid Handbook and the COD Technical Reference do not require the same data elements. The University of Texas at Austin did not include the EFC in the origination records submitted to U.S. Department of Education since they utilized the COD Technical Reference specifications.

Questioned Cost: \$ 0  
U.S. Department of Education

Recommendation

The University of Texas at Austin should keep abreast of the resolution and/or updates to the COD system provided by the U.S. Department of Education.

Management Response and Corrective Action Plan:

*The University of Texas at Austin concurs and regrets that the federal Department of Education provided conflicting information. As an early, full COD participant, The University, through its OSFS Information Technology Team, has been involved deeply in the institutional participation in the reporting system. UT will continue to do so and will maintain compliance.*

*Implementation Date: Summer 2004 for 2004-2005 processing*

*Responsible Person: Barbara Kolthoff*

Reference No. 04-56

**Special Tests and Provisions - Disbursements To or On Behalf of Students**

**Student Financial Assistance Cluster**

**Type of finding - Non-Compliance**

If an institution credits a student's account at the institution with Perkins (FPL) or Family Education (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account at the institution, the institution must notify the student, or parent of (1) the date and amount of the disbursement, (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement on FFEL only applies if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic. If sent electronically, the institution must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation. (34 CFR 668.165).

Questioned Cost: \$ 0  
U.S. Department of Education

At the time of disbursement, the system sends an automatic email message to the student notifying them of the disbursement and the right to cancel. The email contains a link for the student where the required information for the loan disbursement is displayed. Students without an active email address are sent a postcard with the same text as the email. The sending of the email is documented in the financial aid system and the date of transmission can be verified on the financial aid accounting screen. In our sample of 30 students, we noted 24 spring and 4 summer disbursements with no email notification information maintained in the financial aid accounting screen. Further test work revealed that a disruption in the mainframe processing caused some students to not receive their disbursement notifications. The disruption has been corrected. We obtained and reviewed a query of the student financial aid transaction history for the 2002-2003 award year and found, \$2,397,102 of Perkins, \$18,170,480 of subsidized FFELP, \$7,897,894 of unsubsidized FFELP awards, and \$6,732,824 of PLUS awards were disbursed and notifications were not sent.

Additionally, the University of Texas at Austin is not confirming the receipt of the email notifications. For the award year 2002-2003, \$4,695,714 of Perkins loans, \$40,719,850 of subsidized Stafford loans, \$36,953,002 of unsubsidized Stafford loans, and \$18,306,320 of PLUS loans were disbursed where confirmation of the email notifications were not obtained nor maintained.

#### Recommendation

University of Texas at Austin should ensure that email notifications are retained within the Federal regulation requirements.

#### Management Response and Corrective Action Plan:

*The University concurs. The Spring 2004 disbursement and notification process ran successfully without abends (abrupt endings) which caused the failure documented by the audit for Spring 2003. The transmission of e-mails and documentation of the notification within the \*famenu University database was closely monitored by management to insure compliance. Due to the lengthy (3+ days) processing of first disbursements to accommodate the transaction volume of some 20,000+ Title IV recipients, the multi-step process can be challenging to monitor. Notifications of deposits are also generated by the University's Office of Accounting. These e-mail notices have often historically motivated the few students who now wish to cancel their loans to contact our office for guidance and consequences.*

*The nature of the University's mainframe automated e-mails does not support confirmation of receipt of e-mails. The University will enhance its public Web pages about FFELP and Perkins to emphasis the student's right to cancel and the necessary mechanics and potential consequences.*

*Implementation Date: Mid-May for Summer 2004 disbursements*

*Responsible Person: Henry Urick*

Reference No. 04-57

**Special Tests and Provisions - Student Loan Repayments (Defaults)**

(Prior Audit Issue - 03-10)

**Student Financial Assistance Cluster**

**Type of finding - Material Non-Compliance**

For students with defaulted Perkins loans, the University of Texas at Austin is required to make at least two separate attempts to notify the student by phone after the loan is 75 days delinquent. These phone calls are to be made before the loan is turned over to the collection agency. The University of Texas at Austin's computer system generates a list of students in default over 75 days which is used to make the phone calls. Also management monitors phone call activity through employee meetings. However, upon review of 15 defaulted files, there were three files sent to the collection agency without the required two phone calls. Prior to May 2003, the system generated call logs were not maintained and records of the phone calls were documented in the student account records via the operators. However, the calls were not being consistently made or documented. Effective May 2003, the University of Texas at Austin changed its policy and is maintaining the call logs with the operators' notations. As of August 31, 2003, 5,167 borrowers were in default with loans outstanding of approximately \$10,470,000. Approximately 1,400 of the borrowers were defaulted less than 365 days for about \$3,361,000.

Questioned Cost: \$ 0

U.S. Department of Education

**Recommendation:**

The University of Texas at Austin has implemented policies in May 2003 to maintain the documentation of the required phone calls. Management should review the documentation to ensure all the students on the call list were contacted.

**Management Response and Corrective Action Plan:**

*Following the final audit finding for fiscal year 2001 – 2002, the University implemented additional procedures with respect to documenting loan collection due diligence efforts. A more pro-active process to document the due-diligence required calls was implemented in January 2003. Personnel changes and improved process will enhance the effectiveness of the University's controls in this area.*

*Implementation Date: May 1, 2004*

*Responsible Person: Karen DeRouen*

Reference No. 04-58

**Special Tests and Provisions - Institutional Eligibility****Student Financial Assistance Cluster****Type of finding - Reportable Condition Control and Non-Compliance**

An institution is not eligible to participate in Title IV programs if for the award year that ended during the institution's fiscal year (1) more than 50% of its courses were correspondence or telecommunications courses; (2) 50% or more of its regular students (i.e., students enrolled for the purpose of obtaining a degree, certificate, or diploma) were enrolled in correspondence courses; (3) 25% or more of its regular students were incarcerated; (4) 50% or more of its regular students were enrolled as "ability-to-benefit" students (i.e. without a high school diploma or the recognized equivalent and the institution did not provide a four or two year program for which it awards a bachelor's or associate degree, respectively). The University of Texas at Austin does not have a process in place to quantify the number of telecommunications courses provided.

Questioned Cost: \$ 0

U.S. Department of Education

Recommendation

The University of Texas at Austin should implement a system for tracking telecommunications courses.

Management Response and Corrective Action Plan:

*The University concurs. Please note that correspondence courses are offered only through the University Continuing and Extending Education system. Students enrolling in these course offerings ONLY are not deemed Title IV eligible; also the credit must be "transferred" back to the University.*

*Implementation Date: Fall 2004*

*Responsible Person: Henry Urick*

University of Texas at El Paso

Reference No. 04-59

**Special Tests and Provisions - Disbursements To or On Behalf of Students**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

If an institution credits a student's account at the institution with Perkins (FPL) or Family Education (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account at the institution, the institution must notify the student, or parent of (1) the date and amount of the disbursement, (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement on FFELP only applies if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic. If sent electronically, the institution must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation. (34 CFR 668.165).

Questioned Cost: \$ 0

U.S. Department of Education

The University of Texas at El Paso sent written notifications to students whose FFELP funds were processed before or at the beginning of each Fall and Spring semester. During testing, we noted four instances where notifications were not sent to recipients. The University of Texas at El Paso did not send notifications to those students that received FFEL loans after the beginning of the semester or during the summer sessions. The University of Texas at El Paso did not send notifications to FPL recipients during the 2003 fiscal year as the rule was interpreted as being for FFELP only. For the award year 2002-2003, University of Texas at El Paso disbursed approximately \$657,502 of FPL.

Recommendation

The University of Texas at El Paso has already implemented a process where students are notified of the disbursement by mail. Management should ensure that letters are also sent to students who received loans after the beginning of semesters.

Management Response and Corrective Action Plan:

*The University of Texas at El Paso has taken corrective action beginning with the Spring 2004 (January). We are mailing notification letters of right to cancel no later than 30 days from the date of disbursement. Notification will be run at least on a monthly basis. The notifications will include both FFELP and FPL loans.*

*Implementation Date: January 12, 2004*

*Responsible Person: Ron Williams*



## West Texas A&M University

Reference No. 04-60

### Special Tests and Provisions - Disbursements To or On Behalf of Students

#### Student Financial Assistance Cluster

#### Type of finding - Material Weakness Control and Material Non-Compliance

If an institution credits a student's account at the institution with Perkins (FPL) or Family Education (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account at the institution, the institution must notify the student, or parent of (1) the date and amount of the disbursement, (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedures and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement on FFEL only applies if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic. If sent electronically, the institution must confirm receipt by the student or parent of the electronic notification and must maintain documentation of that confirmation (34 CFR 668.165).

Questioned Cost: \$ 134,103

U.S. Department of Education

West Texas A&M University (the University) was aware of the regulation and sent notifications to FFELP loan recipients. However, they did not maintain confirmations of receipt of electronically delivered notifications to non-campus email accounts. In addition, the University did not send any notifications to FPL recipients. Per a query of the student financial aid transaction history for the 2002-2003 award year, \$47,774 FPL loans were disbursed and \$13,738,891 FFELP awards were disbursed to lenders without campus email accounts.

Secondly, the earliest an institution may distribute student financial aid funds, other than Federal Work Study, either by direct payment to the student, or by crediting the students' accounts, is 10 days before the first day of classes of the payment period for which the disbursement is intended (34 CFR 668.164). The University has only implemented procedures to comply with the 10-day disbursement requirement for FFELP. Due to a misinterpretation of the regulations, the University was not aware that this regulation applied to all types of Federal aid, except Federal Work Study. Per a query of the Datatel Colleague system, nine FPL loan disbursements for \$36,834 and Federal Supplemental Educational Opportunity Grants (FSEOG) disbursements of \$83,855 were disbursed prior to 10-days before the first day of classes.

Thirdly, effective October 1, 2002, institutions may not disburse or deliver the first installment of FFELP to first year undergraduates who are first time borrowers until 30 days after the student's first day of classes. The University has procedures in place to identify the first time borrowers and to report the 30-day delayed disbursement date to the guarantee agency. However, if the guarantee agency sends the disbursement file prior to the 30-day delay date, the University has no procedures to prevent the early disbursement of the loans. Per a query of the Datatel Colleague system, five disbursements to first-time borrowers for \$5,806 were made prior to the 30-day delay.

Lastly, an institution must return FFEL Program funds to a lender if the institution does not disburse those funds to a student or parent for a payment period within... (ii) Three business days following the date the institution receives the funds if the lender provides those funds to the institution by EFT and master check on or after July 1, 1999. (34 CFR 668.167) Two students out of a sample of 30 had loan funds of \$7,608 posted to their accounts more than three business days after the funds were received by the University.

#### Recommendation:

The University should implement systematic controls to ensure funds are not disbursed prior to Federal regulation specifications. The University should initiate a process of sending loan notifications to FPL borrowers. Also management should ensure that email notifications are retained within the Federal regulation requirements.

Management Response and Corrective Action Plan:

Item 1

Although as indicated by a member of the audit team, regulatory language no longer requires confirmation of electronic notification, the West Texas A&M University Financial Aid office (FAO) has begun with the Spring 2004 loan disbursements to retain in a separate electronic file all FFELP notifications. Additionally, the Office has begun sending notifications to Federal Perkins Loan borrowers effective with the Spring 2004 disbursement period. Print copies are retained of these notices.

Item 2

Systematic flow has been adjusted to insure that future delivery of funds is done within a proper time frame. All Title IV fund disbursements, other than Federal Work Study, now are scheduled to be applied no more than 10 days prior to the period of enrollment.

Item 3

A correction in a systematic error has assured that all first-year, first-time borrowers have their initial FFELP disbursement held until the 30-day delay has been accomplished. This has been in effect since the Fall 2003 semester.

Item 4

Regulations provide 10 days beyond the initial three business days to complete the return of undisbursed funds with disbursement being deemed as proper if eligibility issues are resolved within that period. Additionally, funds may be held for 10 days between the initial three days and the 10 days allocated for returning funds if the FAO reasonably believes and individually documents that an eligibility issue may be resolved thus making the disbursement eligible and proper. (Common Manual 8.7a)

Since no systematic remedy has been found at this point, the FAO has determined that during times of scheduled high volume disbursements the FAO will adopt a special organizational structure. One half of the office will maintain normal customer service both in the main reception area and on the telephones. The other half will work to resolve, deliver and where necessary, return all FFELP funds within the prescribed time frames. To further make sure this is accomplished, conversations have been initiated with the Texas Guaranty Agency to receive preliminary disbursement roster further in advance of the scheduled disbursement date to assist in meeting this regulation.

Implementation Date:      See above

Responsible Person:      Jim Reed

Section 3b:

## Federal Award Findings and Questioned Costs – Other Auditors

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, as required to be reported by *Office of Management and Budget Circular A-133*, Section .510(a). This section reported on the major program CFDA 93.283, Center for Disease Control and Prevention-Investigations and Technical Assistance, audited by other auditors.

### Department of Health

Reference No. 04-27

#### Subrecipient Monitoring

##### CFDA 93.283 - Center for Disease Control and Prevention-Investigations and Technical Assistance Type of finding - Material Weakness Control and Material Non-Compliance

Payments to subrecipients totaled \$21.6 million (or 59 percent) of the \$36.3 million in expenditures for CFDA 93.283 in fiscal year 2003 at the Texas Department of Health (TDH). Within this CFDA, our audit work focused on the Bioterrorism program, which represented 84 percent of expenditures by TDH for CFDA 93.283. Despite the large share of dollars awarded to subrecipients, TDH's monitoring of those expenditures was inadequate because it did not perform sufficient financial and program monitoring site visits at Bioterrorism program subrecipients during fiscal year 2003. As a result, TDH could not ensure that subrecipients administered awards in compliance with Federal laws, regulations, and grant requirements. In addition, subrecipient reporting was inadequate for TDH to accurately assess progress on the Bioterrorism program's performance goals. Furthermore, because TDH is not requiring audit reports from all appropriate program subrecipients, it may be unaware of important deficiencies that may exist at subrecipients. Additionally, TDH does not have adequate controls to ensure that subrecipients correct deficiencies identified through audits in a timely manner to prevent further performance and accountability issues.

Questioned Cost: \$ 0

U.S. Department of Health and  
Human Services

#### Financial and Program Monitoring

After TDH awards Federal funds to a subrecipient, it is responsible for monitoring the subrecipient's use of Federal awards through site visits or other means to provide reasonable assurance that (1) the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and (2) performance goals are achieved. While TDH reviewed progress reports that Bioterrorism program subrecipients submitted during fiscal year 2003 and engaged in numerous contacts with subrecipients, those activities alone did not provide adequate assurance of subrecipients' compliance with Federal laws, regulations, and grant requirements.

During fiscal year 2003, TDH's Contract Policy and Monitoring Division (CPMD) was responsible for conducting financial monitoring site visits to ensure that subrecipients' expenditures were allowable and made in compliance with Federal and state requirements. During that time, however, CPMD conducted financial monitoring site visits at only five of the 59 local health departments that had Bioterrorism program contracts. Financial monitoring site visits are particularly important because TDH's subrecipient reimbursement process does not include a review of subrecipients' supporting documentation (such as receipts). TDH reviews vouchers and quarterly Financial Status Reports that subrecipients submit, but those documents provide only summary level information regarding the nature of subrecipients' expenditures. In general, TDH relies on CPMD's financial monitoring site visits to verify that it reimburses subrecipients for only allowable expenditures. TDH sometimes performs desk audits if "red flags" are identified; however, in fiscal year 2003, TDH did not perform any desk audits for subrecipients that received Bioterrorism funding.

TDH Bioterrorism program staff are responsible for monitoring subrecipients to provide reasonable assurance that subrecipients comply with Federal requirements and achieve performance goals. However, Bioterrorism program staff conducted only two program monitoring site visits at the 59 local health departments that had Bioterrorism program contracts in fiscal year 2003; program staff conducted five program monitoring site visits in 2002. All seven of those site visits were to local health department laboratories. Staff did not perform any site visits in fiscal year 2001. TDH's fiscal year 2003 Bioterrorism program awards to local health department subrecipients ranged from less than \$10,000 to \$2.8 million.

Although Bioterrorism program staff received and reviewed progress reports for Bioterrorism program subrecipients during fiscal year 2003, the reporting mechanisms in place were not adequate for them to monitor subrecipient compliance and performance. Specifically, in fiscal year 2003, progress reports that local health departments submitted did not consistently provide adequate information to enable Bioterrorism program staff to assess progress on goals or compliance with contract terms. In some cases, TDH did not require subrecipients to submit progress reports. In addition, one large local health department's end-of-year progress report did not report on all planned activities and deliverables identified in the contract.

#### Obtaining and Following Up on OMB Circular A-133 Audit Reports

OMB Circular A-133 requires TDH to (1) ensure that a subrecipient that spends \$300,000 or more in federal funds during the subrecipient's fiscal year submits an OMB Circular A-133 audit report and (2) issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensures that the subrecipient takes appropriate and timely corrective action. However, in fiscal year 2003, TDH's procedure for identifying subrecipients that were required to submit OMB Circular A-133 audit reports erroneously took into account only the amount of funding that subrecipients received from TDH; it did not consider the amount of funding the subrecipients received from any Federal source. In addition, during that time, TDH did not monitor and follow up on deficiencies identified in OMB Circular A-133 audit reports that Bioterrorism program subrecipients submitted. Specifically, two subrecipients that received Bioterrorism program funding in fiscal year 2002 submitted OMB Circular A-133 audit reports that contained findings related to TDH. These subrecipients submitted their OMB Circular A-133 audit reports in June 2003 and July 2003; however, as of January 2004, TDH had not yet followed up on those findings.

#### Recommendation

TDH should ensure that it conducts an adequate number of financial monitoring and program site visits at Bioterrorism program subrecipients. In determining which sites to visit, TDH should consider various factors that may affect the nature, timing, and extent of monitoring while the subrecipient is receiving funds. These factors could include program complexity, percentage of program awards passed through to subrecipients, amounts of awards, and level of subrecipient risk. Furthermore, TDH should improve subrecipient progress reporting to ensure that it receives and reviews progress reports for all Bioterrorism program subrecipients and that those reports clearly refer to contract activities and deliverables.

In all contracts with subrecipients receiving Federal funds, TDH should include a requirement that the subrecipients submit OMB Circular A-133 audit reports in a timely manner when they spend at least \$300,000 in Federal funds in total from all sources. TDH should also require subrecipients that spend less than \$300,000 in Federal funds to submit documentation demonstrating that an OMB Circular A-133 audit was not required. Finally, TDH should strengthen its process for identifying relevant findings from OMB Circular A-133 audit reports and following up to ensure that subrecipients resolve those findings in a timely manner.

Management Response and Corrective Action Plan:

TDH conducts a financial risk assessment each year to determine subrecipient compliance monitoring. Based on this assessment, on-site audits and desk reviews are performed for selected subrecipients to test and sample for overall performance. TDH recognized the need for more direct examination and in fiscal year 2003 and fiscal year 2004 developed plans to enhance financial compliance monitoring through additional on-site reviews, increased desk reviews, and procurement of limited scope audits. During fiscal year 2003 and early fiscal year 2004, increased staffing resulted in a higher number of desk reviews being completed. Increased travel funding in fiscal year 2004 has allowed for additional on-site examinations to be conducted. In addition, TDH prepared a request for information (RFI) to solicit limit scope audits. Responses to that RFI are being reviewed by the Office of Inspector General at the Health and Human Services Commission as this function transferred effective January 1, 2004. It is anticipated that the consolidation of the compliance and audit functions across the Health and Human Services agencies will result in an increase in monitoring in continuation of our goals.

TDH Quality Assurance was begun in late fiscal year 2003 and provided thorough review and analysis of quarterly reports, budget/spending reviews, conference calls, and provision of technical assistance. The plan, in fiscal year 2004, is to conduct much more in-depth quality assurance of the contracts. The fiscal year 2004 plan includes 1) approximately 10 on-site visits by August 31, 2004, 2) ongoing review and analysis of quarterly reports to identify compliance with contractual requirements and progress in building public health preparedness contracts, and 3) conducting tabletop and functional exercises to evaluate local, regional and state bioterrorism response plans and systems developed with bioterrorism contract funds.

The A-133/Single Audit function transferred to Health and Human Services Commission (HHSC) on September 1, 2002. HHSC is developing procedures to track the subrecipients who expended more than \$300,000 in federal funds from all sources of funding.

Implementation Date: August 31, 2004

Responsible Person: Mary Ann Roberts, HHSC, and Suzanne Sparks

Reference No. 04-06

**Allowable Costs/Cost Principles****CFDA 93.283 - Center for Disease Control and Prevention-Investigations and Technical Assistance  
Type of finding - Material Weakness Control**

Payroll expenditures represented 26 percent of total fiscal year 2003 expenditures for CFDA 93.283 at the Texas Department of Health (TDH). Our audit work focused on payroll within the Bioterrorism program, as this program represented 84 percent of TDH's total expenditures under this CFDA in fiscal year 2003. We did not identify any unallowable payroll expenditures associated with the Bioterrorism program. TDH used a monthly payroll certification process to help ensure that employees charged their time appropriately to the Bioterrorism program in fiscal year 2003. Furthermore, the majority of the employees in the sample we tested spent 100 percent of their time on the Bioterrorism program. However, we found the following exceptions.

Questioned Cost: \$ 0

U.S. Department of Health and  
Human Services

- Two employees stated that they sometimes worked on projects other than the Bioterrorism grant-funded activities although their primary responsibilities and most of their work hours related to Bioterrorism. These deviations were not reflected in payroll certification documents.

- In addition, for one of the Bioterrorism-related divisions we reviewed, the signer of the payroll affidavits was not properly authorized to certify payroll during the first four months of fiscal year 2003. This occurred because TDH lacks a process for reviewing signature authorization forms to ensure that an authorized individual properly completes them.

Without adequate controls to ensure that all grant-funded employee hours are charged properly and that payroll certifications are properly authorized, TDH may not have sufficient and accurate information to support the payroll expenditures it charges to the Bioterrorism program.

Recommendation

TDH should implement additional controls over time keeping and payroll systems to ensure that grant-funded employee time is properly documented and charged, especially in the cases of employees who may spend time on non-grant-related activities. It should also implement additional controls over the establishment of signature authority for payroll certifications to ensure that only appropriate individuals are given signature authority. These controls could include guidelines, procedures, policies, and training on how individuals who certify payroll should be designated and what they should review during the certification process.

Management Response and Corrective Action Plan:

*TDH has recently implemented additional controls over time keeping and payroll systems to ensure that grant-funded employee time is properly documented and charged. TDH will research the issues provided and make appropriate changes to reflect any time that should have been charged to another funding source.*

*In addition, TDH will conduct a review of payroll affidavit signature authority and establish procedures for periodic agency-wide updates and confirmations to include training to staff on the certification process.*

*Implementation Date: June 1, 2004*

*Responsible Person: Wilson Day*

Reference No. 04-61

**Reporting****CFDA 93.283 - Center for Disease Control and Prevention-Investigations and Technical Assistance****Type of finding - Reportable Condition Control**

The Bioterrorism program represented 84 percent of the Texas Department of Health's (TDH) expenditures under CFDA 93.283 in fiscal year 2003. TDH was not able to support all accomplishments it reported in the Bioterrorism program end-of-year progress report it submitted to the U.S. Centers for Disease Control and Prevention (CDC). Specifically, we could not fully verify the status of 10 of 40 activities that TDH reported to CDC as having been completed.

Questioned Cost: \$ 0

U.S. Department of Health and  
Human Services

Federal grant recipients are required to submit performance reports at least annually, but not more frequently than quarterly. For each award, performance reports generally contain a comparison of actual accomplishments with the goals and objectives established for the period; reasons the established goals were not met, if appropriate; and other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs. We tested activities reported as complete for Focus Areas A (Preparedness Planning and Readiness Assessment), B (Surveillance and Epidemiology Capacity), C (Laboratory Capacity–Biologic Agents), E (Health Alert Network/Communication and Information Technology), F (Risk Communication and Health Information Dissemination), and G (Education and Training) in the Bioterrorism program end-of-year progress report that TDH submitted to CDC in October 2003.

TDH could not supply adequate evidence to support completion of all activities it reported as completed. Of the 40 items TDH reported it had completed, we found that 30 were completed, 9 were partially completed, and 1 was not complete. For example, TDH reported that its surveillance pilots and the installation of CDC's NEDSS Based System (NBS) for disease surveillance were completed. However, our testing indicated that, while surveillance pilots were underway, TDH had not yet installed NBS and, therefore, TDH was not using NBS with the surveillance pilots. Similarly, while TDH reported to CDC that "all appropriate labs" had applied for Select Agent Rule certification, our testing indicated that 8 of the 10 regional labs had applied for this certification and that 2 were still in the process of applying. Select Agency Rule certification is important because it authorizes laboratory researchers to work with biological agents and toxins that have the potential to pose a severe threat to public health and safety.

Inadequate quality assurance processes within TDH led to the errors in its end-of-year progress report. Specifically, although management reviewed the report before it was submitted to CDC, management did not review the support for statements the report made to ensure consistency in the quality of those statements. Turnover among key staff and a lack of clear instructions regarding how the report should be compiled may also have contributed to staff's inability to provide support for all statements in the report.

**Recommendation**

TDH should institute a quality control review process to ensure that all statements included in its progress reports are properly supported before it submits those reports to CDC. TDH should also ensure that it maintains adequate records and conducts cross training to ensure that staff turnover does not result in program managers' being unable to provide consistency and continuity in reporting. In addition, TDH should obtain clarification from CDC regarding the purpose of and expectations for completing progress reports, and it should document the results of those communications.

Management Response and Corrective Action Plan:

*As noted, due to miscommunications, the end-of-year progress report reflects completion of a number of projects that were not completed until fiscal year 2004. TDH will verify with the cognizant agency if an amended end-of-year progress report is required.*

*The Center for Public Health Preparedness and Response will develop a procedure to review all responses to progress reports for accuracy and to adequately document all responses prior to submitting for program management approval and subsequent submission to the requesting agency.*

*Implementation Date: March 1, 2004*

*Responsible Person: Rolando Garza*

Reference No. 04-13

**Cash Management**

**CFDA 93.283 - Center for Disease Control and Prevention-Investigations and Technical Assistance**  
**Type of finding - Material Weakness Control**

The Bioterrorism program at the Texas Department of Health (TDH) represented 84 percent of CFDA 93.283 funds received in fiscal year 2003; therefore, the Bioterrorism program was the focus of our audit work regarding cash management for CFDA 93.283.

Questioned Cost: \$ 0

U.S. Department of Health and  
Human Services

The Cash Management Improvement Act of 1990 requires state recipients to enter into Treasury-State agreements that prescribe specific methods of drawing down Federal funds (funding techniques) for selected large programs. The Bioterrorism program is not covered by a Treasury-State agreement but is subject to procedures prescribed by Treasury in Subpart B of 31 Code of Federal Regulations (CFR), Part 205, Section 33. In fiscal year 2003, TDH did not comply with those cash management regulations. Specifically, TDH routinely rounded up cash amounts that it drew down from the Federal government. This led TDH to draw down amounts of Federal funds that exceeded the determined cash needs for the Bioterrorism program. For example, in January 2003, TDH processed a draw down request for \$500,000 for the Bioterrorism program; however, that amount exceeded the Bioterrorism program's identified cash needs by \$20,633.79. In addition, TDH had no assurance that it complied with the requirement to minimize the time between draw down requests and disbursement. It did not have controls in place to measure and minimize this time. TDH also lacked formal, approved policies and procedures for its cash management process.

The CFR requires that a Federal program agency must limit funds transferred to a state to the minimum amounts that state needs. It also requires that disbursement of funds must be made in accordance with the actual, immediate cash requirements of a state in carrying out a Federal assistance program or project. Federal requirements also specify that a state must minimize the time between draw down requests and the disbursement of funds for Federal program purposes. The timing and amount of fund transfers must be as close as is administratively feasible to a state's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs.

Recommendation:

TDH should comply with the CFR by requesting only fund amounts that equal actual cash needs and by ensuring that the time between draw down requests and disbursements is minimized. It should also implement formal, approved policies and procedures for its cash management process.



*Management Response and Corrective Action Plan:*

*In fiscal year 2003, TDH drew down federal funds based on estimated usage. In some circumstances, this resulted in either insufficient or excess federal funds available for allowable expenditures. To better manage the federal funds, on September 1, 2003, TDH implemented procedures to ensure accurate and timely draw down. A report was developed during fiscal year 2003 to capture pending accounts payable transactions. This report has allowed staff to draw only those amounts needed for processing of federally funded payments.*

*Implementation Date: September 1, 2003*

*Responsible Person: Machel Pharr*

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**Summary Schedule of Prior Audit Findings**

Federal Portion of  
Statewide Single Audit Report

For the Year Ended August 31, 2003

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Federal regulations (*Office of Management and Budget Circular OMB Circular A-133*) state, “the auditee is responsible for follow-up and corrective action on all audit findings.” As part of this responsibility, the auditee reports the corrective action it has taken for the following:

- Each finding in the 2002 Schedule of Findings and Questioned Costs
- Each finding in the 2002 Summary Schedule of Prior Audit Findings that was not identified as implemented or reissued as a current year finding

The Summary Schedule of Prior Audit Findings (year ended August 31, 2003) has been prepared to address these responsibilities.

## Commission on Alcohol and Drug Abuse

Reference No. 03-44

### Maintenance of Effort

#### CFDA 93.959 - Block Grants for Prevention and Treatment of Substance Abuse

##### Type of finding - Non-Compliance

The Texas Commission on Alcohol and Drug Abuse (TCADA) was not in compliance with its maintenance of effort requirements of the Block Grants for Prevention and Treatment of Substance Abuse. Under 45 C.F.R. 96.134, TCADA was required to maintain aggregate State expenditures for authorized activities at a level that is not less than the average level of such expenditures maintained by the State for the two year period preceding the fiscal year for which the State is applying for the grant. The base must be calculated using generally accepted accounting principles and the composition of the base must be applied consistently from year to year.

Initial Year Written: 2002  
Status: Partially Implemented

U.S. Department of Health and  
Human Services

In past fiscal years, TCADA reported revenue receipts rather than state expenditures as the base in calculating the maintenance of effort threshold. When TCADA revised the calculation to reflect actual state expenditures, TCADA was in compliance with the fiscal year 2002 maintenance of effort requirement. However, TCADA was not in compliance with its maintenance of effort requirement for fiscal year 2001 by approximately \$800,000.

#### Recommendation:

TCADA should monitor the spending patterns of state expenditures to timely identify potential noncompliance with the maintenance of effort requirements of the Block Grant.

#### Management Response and Corrective Action:

*TCADA did implement procedures to track and analyze expenditures of state funds that are expended for qualifying expenditures and, thus, can be counted as maintenance of effort (MOE). The analysis formed the basis for planning and decision making related to the MOE requirement during the fiscal year so that, to the extent available, state funds are expended within the timeframes specified for SAPT block grant reporting.*

*For fiscal year 2003, the state's ability to meet the MOE requirement of the block grant was adversely impacted by the retroactive reductions in appropriated general revenue due to the state deficit. TCADA has requested a waiver from the Substance Abuse and Mental Health Services Administration under 42 U.S.C.300x-30(c) and 45 C.F.R. 96.134(d), since management has determined that there will be a maintenance of effort deficiency for fiscal year 2003.*

*Implementation Date: February 2003 and ongoing*

*Responsible Person: Dianne Casey*



**Comptroller of Public Accounts**

Reference No. 03-28

**Cash Management**

**CFDA 16.606 - State Criminal Alien Assistance Program**

**Type of finding - Non-Compliance**

The Texas Comptroller of Public Accounts Office (Comptroller) is responsible for submitting the statewide CMIA report each December 31. Audit procedures on the 2002 CMIA report found the following two issues:

Initial Year Written: 2002  
 Status: Implemented

U.S. Department of Treasury,  
 Financial Management  
 Service

First, the funding technique for the State Criminal Alien Assistance Program (SCAAP), CFDA 16.606, has been defined by the Department of Treasury, Financial Management Service (FMS), as follows:

- The State is entitled to a Federal interest liability if it does not receive 1/12 of the annual grant award on the median business day of each month.
- Specifically, interest begins to accrue on the day following the median day of the month and terminates when Department of Justice (DOJ) issues the SCAPP award notice.

The fiscal year 2002 award was scheduled to be paid by DOJ on September 30, 2002. As a result, the State was entitled to monthly compensation equal to 1/12 of the annual award from October 2001 to September 2002. Texas was allocated \$34,144,499, which was received on April 2, 2002 rather than September 30, 2002. However, the Comptroller incorrectly interpreted the regulations and calculated interest receivable of \$173,096 using 1/6 of the amount over the months of October 2001 to March 2002. The Comptroller should have accrued interest receivable for the months of October 2001 to March 2002 at a rate of 1/12 of the award.

Corrective Action:

Corrective action was taken.

**Education Agency**

Reference No. 03-03

**Cash Management**

**CFDA 84.010 - Title I Grants to Local Educational Agencies**  
**CFDA 84.048 - Vocational Education - Basic Grants to States**  
**CFDA 84.186 - Safe & Drug Free Schools and Communities - State Grants**  
**Type of finding - Reportable Condition Control**

31 C.F.R., Chapter II, Part 205, Subpart A, Negotiation of Intergovernmental Agreements for Financing Federal Assistance Programs – Interest Liabilities on Intergovernmental Funds Transfers, establishes the regulations for implementing the Cash Management Improvement Act of 1990 (CMIA). Per section 205.8(c)(1), “if a State has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program’s clearance activity, or if the program undergoes operational changes that may affect clearance activity, the State shall...(ii) Develop a new clearance pattern and certify that it corresponds to a program’s clearance activity.”

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

Under the State of Texas CMIA agreement with the Department of Treasury, the majority of Texas Education Agency (TEA) federal programs are subject to CMIA Subpart A provisions utilizing the pre-issuance funding technique, requiring the calculation of clearance patterns. For clearance patterns developed in 1999 (see programs listed above), it was noted that payment patterns have changed at TEA for fiscal year 2002 and that the fiscal year 1999 clearance patterns no longer accurately reflect clearance activity. TEA’s policies for cash management should address periodic reviews of actual clearance patterns during each fiscal year in order to identify if changes in the clearance pattern have occurred.

During the audit, TEA was able to calculate new clearance patterns for fiscal year 2002 prior to the submission of the State of Texas fiscal year 2002 CMIA report. Therefore, there are no questioned costs as the new clearance patterns were utilized in calculating the fiscal year 2002 interest liability.

Corrective Action:

Corrective action was taken.

## Department of Health

Reference No. 03-19

### Special Tests and Provisions - Monitoring For-Profit Subrecipients

#### CFDA 93.268 - Immunization Grants

##### Type of finding - Reportable Condition Control and Non-Compliance

The Texas Department of Health's (TDH) monitoring of for-profit subrecipients includes conducting on-site evaluations, reviewing patient eligibility documentation, monitoring controls over vaccines, etc. As TDH is required to report vaccine usage to the federal government, TDH requires grantees to submit monthly vaccine usage reports. Although TDH was collecting reports, TDH did not have adequate controls in place to ensure that for-profit subrecipients submit the vaccine reports each month. Our review of the monitoring of for-profit subrecipients disclosed 4 of the 30 subrecipients tested did not have a monthly vaccine usage report for one or both of the months selected.

Initial Year Written: 2002  
Status: Partially Implemented

U.S. Department of Health and  
Human Services

#### Corrective Action:

This finding was reissued as current year reference number: 04-15.

Reference No. 03-21

### Subrecipient Monitoring

(Prior Audit Issue - 02-11, 02-15, 02-19, 01-555-36)

#### CFDA 93.217 - Family Planning Services

#### CFDA 93.268 - Immunization Grants

#### CFDA 93.917 - HIV Care Formula Grants

#### CFDA 93.991 - Preventive Health and Health Services Block Grant

#### CFDA 93.994 - Maternal and Child Health Services Block Grant to States

##### Type of finding - Material Weakness Control and Material Non-Compliance

The Texas Department of Health (TDH) is required by Federal regulations to monitor subrecipients to ensure compliance with Federal rules and regulations, as well as the provisions of the contracts or grant agreements. TDH's subrecipient monitoring procedures includes a risk assessment process, technical assistance, financial monitoring and OMB Circular A-133 reviews. The following exceptions were noted regarding financial monitoring:

Initial Year Written: 2000  
Status: Partially Implemented

U.S. Department of Health and  
Human Services

- For the Family Planning Services program, 23 of the 30 subrecipients selected did not have a financial review in the past two years. Fiscal year 2002 expenditures of Family Planning Federal funds for these subrecipients range from \$13,000 to \$1.1 million.
- For the Immunization program, 23 of the 30 subrecipients selected did not have a financial review in the past two years. Fiscal year 2002 expenditures of Immunization Federal funds for these subrecipients range from \$19,100 to \$674,000.
- For the HIV Care Formula Grants (HIV), 18 of the 34 subrecipients selected did not have a financial review in the past two years. Fiscal year 2002 expenditures of HIV Federal funds for the subrecipients range from \$28,000 to \$2.7 million. Additionally, 3 of the 34 subrecipients did not have a program compliance review to ensure compliance with the provisions of the contracts or grant agreements, as of October 2002 when they were due for review in July 2002.

- For the Preventive Health and Health Services Block Grant (PHHS), 28 of the 30 subrecipients did not have a financial review in the past two years. Fiscal year 2002 expenditures of PHHS Federal funds range from \$17,000 to \$88,000.
- For the Maternal and Child Health Services Block Grant (MCH), 22 of the 30 subrecipients selected did not have a financial review in the past two years. Fiscal year 2002 expenditures range from \$32,000 to \$1.2 million.

Secondly, TDH completes a risk assessment at the beginning of each fiscal year for all subrecipients. Per review of the risk assessment, we noted that the risk assessment was not completed at the beginning of the fiscal year. Of the 54 high-risk subrecipients, nine were monitored during fiscal year 2002. In addition, management of TDH informed us that they made the decision to redirect the grants department resources responsible for subrecipient monitoring to reconciliation tasks related to the new agency wide computer system.

Corrective Action:

This finding was reissued as current year reference number: 04-07.

Reference No. 03-22

**Earmarking**

(Prior Audit Issue - 02-16)

**CFDA 93.917 - HIV Care Formula Grants**

**Type of finding - Scope Limitation and Material Weakness Control**

For the purpose of providing health and support services to women, infants, and children with the HIV disease, including treatment measures to prevent the prenatal transmission of the disease, a State shall use no less than the percentage of Title II funds in a fiscal year, constituted by the ratio of the population of women, infants and children with AIDS, to the general population in the State of individuals with AIDS. This information is provided to the State by HRSA in the annual application guidance.

Initial Year Written:	2001
Status:	Partially Implemented
U.S. Department of Health and Human Services	

In addition, the aggregate of expenditures for administrative expenses by entities and subcontractors (including consortia), funded directly by the State from grant funds, may not exceed ten percent of the total allocation of grant funds to the State (without regard to whether particular entities spend more than ten percent for such purposes). Texas Department of Health (TDH) is also required to monitor expenditures for quality management programs to ascertain that funds used for this purpose may not exceed the lesser of five percent of the amount received under the grant, or \$3,000,000. Our review of the earmarking process disclosed the following:

- The amount of funds spent to benefit women, infants and children with HIV are not tracked, and therefore, we were unable to test this requirement.
- The amount of funds subcontractors spend on administrative expenses is not tracked; therefore, we were unable to test this requirement.
- The amount of funds used for quality management program is not tracked; therefore, we were unable to test this requirement.

Corrective Action:

This finding was reissued as current year reference number: 04-10.

Reference No. 03-23

**Level of Effort****CFDA 93.991 - Preventive Health and Health Services Block Grant****Type of finding - Scope Limitation and Material Weakness Control**

According to the grant requirements, the State must maintain State expenditures for activities under 42 USC 300w-3 at a level that is not less than the average level of such expenditures maintained by the State for the preceding 2-year period.

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Health and Human Services	

The Texas Department of Health (TDH) funds nine different programs with the Preventive Health and Health Services Block Grant (PHHS). Each program is required to track the amount of actual State expenditures. Our review of compliance with the level of effort requirement disclosed the following:

- In determining whether the requirement was met, all nine programs reported budgeted State expenditures, not actual State expenditures.
- Upon request, two programs could not provide actual State expenditures, as the amounts were not tracked.
- Three of the seven other programs did not meet the Level of Effort requirement upon review of actual State expenditures.

Corrective Action:

Corrective action was taken.

Reference No. 03-25

**Reporting****CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children****CFDA 93.217 - Family Planning Services****CFDA 93.268 - Immunization Grants****CFDA 93.917 - HIV Care Formula Grants****CFDA 93.991 - Preventive Health and Health Services Block Grant****CFDA 93.994 - Maternal and Child Health Services Block Grant to States****Medicaid Cluster****Type of finding - Material Weakness Control**

In August 2002, the Texas Department of Health (TDH) implemented a new central financial accounting system, HHSAS/TDH, based on PeopleSoft technology. The following five issues were noted with regard to the implementation of the new system.

Initial Year Written:	2002
Status:	Implemented

Historically, budgetary controls and grant contract administration were implemented through the core legacy financial system. With the transition to HHSAS, TDH moved these budgetary controls to the GRANTS/CDS system. The GRANTS/CDS system is a subledger system responsible for the management of contracts for subrecipients and general contract administration purposes. The GRANTS/CDS system required extensive modifications and customized interfaces to capture events, which ultimately could originate in three separate systems. However, the modifications required for the interface between GRANTS/CDS and HHSAS were not programmed correctly, resulting in incorrect contract balances for subrecipients in both systems. As a result, the expenditure approval function within the GRANTS/CDS system was unreliable and alternative procedures against manual files had to be applied. We were unable to ascertain whether specific contractual limits had been exceeded according to system parameters and system-recorded available balances.

U.S. Department of Health and Human Services & U.S. Department of Agriculture	
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Second, TDH established security profiles for each user of the system including the assignment of roles in support of workflow requirements used primarily for certain review and authorization controls for various processes at the inception of the implementation project. TDH also made online query tools available for the purposes of researching, for example, the approval path for an expenditure request or invoice based on authorization limits. However, TDH did not implement controls specifically designed to monitor the appropriateness of individual users access rights or assignment to system-based roles. As a result, there is not a reporting or monitoring function to support the review of assigned roles or access to the central accounting system (HHSAS/TDH). Changes in job responsibilities and/or active personnel are not monitored, increasing the risk of inappropriate access to financial data or functionality associated with program-related and financial processes.

Third, a reconciliation between HHSAS/TDH and the State's reporting system (USAS) was not performed for fiscal year 2002. After discussions with TDH management, TDH performed a comprehensive reconciliation between the two systems from December 2002 through January 2003 that resulted in significant adjustments to the agency's financial statements. Furthermore, the agency's Annual Financial Report was subject to re-submission due to the materiality of the resulting adjustments. As noted below, there were additional issues that contributed to the re-submission of the Annual Financial Report.

Fourth, the original submission of the Annual Financial Report was incorrectly prepared and submitted on the cash basis of accounting. In part, this was a result, as represented through management discussions, of information recorded in USAS being more accessible, and in certain cases more accurate, than the agency's own accounting information. While USAS is designed to capture operations based on cash receipts and cash disbursements, it is possible to record accruals for the purposes of generating financial reports. The agency, however, did not apply such adjustments to its initial reporting package, and at the time of the original submission, did not have the information required in its own financial reporting system to make the necessary adjustments for year-end accruals. Ultimately, through post-year-end reconciliations, searches for unrecorded liabilities and assets, and adjusting journal entries, the Annual Financial Report was presented on the modified accrual basis of accounting in conformity with generally accepted accounting principles (GAAP).

Fifth, the original and amended Schedules submitted with the Annual Financial Report to the State Comptroller's Office were not reviewed prior to submission. A formal review process would have limited the existence of errors that ranged from netting revenues against rebates for a particular program, basic mathematical errors such as invalid report subtotals and totals, and the improper use of the cash basis of accounting versus the modified accrual basis of accounting for revenues and expenditures and other significant transactions. There were numerous errors between both the original and revised schedules.

Corrective Action:

Corrective action was taken.

## Department of Health and Health and Human Services Commission

Reference No. 03-20

### Cash Management

**CFDA 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children**

**CFDA 93.217 - Family Planning Services**

**CFDA 93.268 - Immunization Grants**

**CFDA 93.917 - HIV Care Formula Grants**

**CFDA 93.991 - Preventive Health and Health Services Block Grant**

**CFDA 93.994 - Maternal and Child Health Services Block Grant to States**

**Medicaid Cluster**

**Type of finding - Material Weakness Control and Material Non-Compliance**

The Cash Management Improvement Act (CMIA) states that State agencies are required to match disbursements with specific drawdowns of Federal funds. An agency is required to identify the date the funds were deposited in the State Treasury and the date payments were issued by the Comptroller. Per 31 C.F.R., Chapter II, Part 205, Section 12 (b), “a state will incur an interest liability to the Federal Government on a refund transaction of Federal funds. A State interest liability will accrue from the day the refund is credited to a State account to the day the refund is either paid out for program purposes or credited to a Federal government account.”

Initial Year Written:	2002
Status:	Partially Implemented
U.S. Department of Agriculture	
U.S. Department of Health and Human Services	

The Texas Department of Health (TDH) uses the pre-issuance funding technique. TDH calculates the clearance pattern for the Type A programs based on the dates and amounts of the deposit and disbursement of Federal funds. The amounts reported as disbursements for the period 1 calculation were not based on what was paid out by the Comptroller, but rather an estimate of payments, as it included the current days payables less the prior days payables. TDH does not have a means of matching disbursements with specific drawdowns. Also, for the MCH program, there were \$7.7 million of adjustments in the past two years that were not reflected on the CMIA report. TDH reported the adjustments and interest to the Comptroller in January of 2003. Total interest was calculated to be \$4,900.

Additionally, for the WIC, Maternal and Child Health Services Block Grant to States (MCH), HIV Care Formula Grants, and Medicaid, TDH did not identify refunds greater than \$10,000 to include in the CMIA report for interest calculation.

For the WIC, MCH, and Preventive Health and Health Services Block Grant, drawdowns frequently exceeded the determined cash needs. TDH calculated average expenditures for three days for these programs and maintains a cash balance equal to three days average expenditures. However, TDH does not have a process in place to ensure that the funds drawn are disbursed within three days.

### Corrective Action:

This finding was reissued as current year reference number: 04-11.

Reference No. 03-36

**Special Tests and Provisions - ADP Risk Analysis and Security System Review of Claims Management System (CMS) and Legacy System**

(Prior Audit Issue - 02-53)

**Medicaid Cluster**

**Type of finding - Material Weakness Control and Material Non-Compliance**

The responsibility for claims administration has been contracted to the National Heritage Insurance Company (NHIC). As the claims administrator, NHIC is responsible for the development and maintenance of the Texas Medicaid Management Information System (TMMIS). We noted that a performance audit was performed by Deloitte Consulting for the period of June 2000 through February 2001; however, the performance audit did not include a review of physical and data security operating procedures, and personnel practices, which are minimum areas required by Federal requirements. We also noted that the Claims Management System (CMS) did not have a periodic risk analysis.

Initial Year Written:	2001
Status:	Implemented
U.S. Department of Health and Human Services	

According to 45 C.F.R. 95.621(H)(iii), state agencies must establish and maintain a program for conducting periodic risk analyses to ensure that appropriate, cost effective safeguards are incorporated into new and existing systems. State agencies must perform risk analyses whenever significant system changes occur. Additionally, 45 C.F.R. 95.621(3) requires that state agencies shall review the ADP system security of installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures and personnel practices.

Corrective Action:

Corrective action was taken.



**Health and Human Services Commission**

Reference No. 03-26

**Special Tests and Provisions - Managed Care**

(Prior Audit Issue - 02-13)

**Medicaid Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

One element of the Managed Care waiver, which expires February 28, 2003, requires that the State have a system in place to ensure beneficiaries have adequate access to health care from managed care organizations. To meet this requirement, HHSC performs quarterly reviews of enrollment, ratio of providers to members, and capacity assessments, etc. In addition, the waiver specifically states HHSC will contract with the Texas Health Quality Alliance (THQA) to perform various procedures and studies to assist HHSC in monitoring beneficiaries' access to healthcare. These federally-agreed upon procedures which included spot-checks and on-site reviews of Managed Care Health Maintenance Organizations/Primary Care Providers were not performed by THQA during fiscal year 2002.

Initial Year Written: 2001  
 Status: Partially Implemented  
 U.S. Department of Health and Human Services

Corrective Action:

This finding was reissued as current year reference number: 04-05

Reference No. 03-30

**Allowable Costs/Cost Principles**

**Medicaid Cluster**

**Type of finding - Non-Compliance**

The Texas State Auditor's Office (SAO) released SAO Report No. 03-016 on January 31, 2003. The objective of the audit was to determine the validity of charges that National Heritage Insurance Company (NHIC) charged to the Health and Human Services Commission (HHSC) during fiscal year 2001 to administer Medicaid claims. Based on the test results, the audit report projects the total refund to be \$15,842,385. The State Auditor's Office calculated the total refund amount as follows:

Initial Year Written: 2002  
 Status: Partially Implemented  
 U.S. Department of Health and Human Services

- \$13,464,734 for unallowable expenditures – These expenses did not comply with the NHIC contract terms.
- \$1,512,991 in unallowable employee payroll, bonus, and overtime costs – NHIC inappropriately charged HHSC for payroll and bonuses associated with the development of Compass 21 (a new Medicaid claims processing system that NHIC created for HHSC).
- \$821,118 in unallowable depreciation costs – NHIC inappropriately accelerated the depreciation of assets, and also they charged HHSC for depreciation on assets used to develop Compass 21.

- \$42,542 in unallowable insurance license costs – NHIC did not properly allocate the costs of its insurance license among all of the contracts it administers that require the licenses.

*Management Response and Corrective Action Plan*

*NHIC was provided a copy of the SAO Audit Report on February 3, 2003 and asked to provide a written response to each item by February 14, 2003. NHIC contested the SAO Audit Report findings and has requested additional information from SAO. This information was requested from SAO on February 7, 2003. Resolution remains ongoing.*

*Implementation Date: Ongoing*

*Responsible Person: Jason Cooke*

**Higher Education Coordinating Board**

Reference No. 03-01

**Activities Allowed or Unallowed**

**CFDA 84.048 - Vocational Education - Basic Grants to States**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

The Vocational Education program administered by the Community and Technical Colleges (CTC) Division utilizes a portion of all the CTC's approximately 35 employees. Employees are required to complete time sheets to indicate the number of hours worked, vacation, and/or sick leave which are approved. The time sheets do not reflect an allocation of activity between various state and federal programs. CTC has been estimating time spent on the grant based on employees' assigned responsibilities. During fiscal year 2002, approximately \$1,500,000 of salary and benefit costs were charged to the Vocational Education grant. Salary benefit costs represent about 4% of total program expenses as the majority of the funds are passed through to subrecipients. No specific items were selected for test work, as payroll effort documentation was not available.

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

Corrective Action:

Corrective action was taken.

Reference No. 03-02

**Cash Management**

**CFDA 84.048 - Vocational Education - Basic Grants to States**

**Type of finding - Reportable Condition Control and Non-Compliance**

31 C.F.R., Chapter II, Part 205, Subpart A, Negotiation of Intergovernmental Agreements for Financing Federal Assistance Programs – Interest Liabilities on Intergovernmental Funds Transfers, establishes the regulations for implementing the Cash Management Improvement Act of 1990 (CMIA). Per section 205.8(c)(1), “if a State has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program’s clearance activity, or if the program undergoes operational changes that may affect clearance activity, the State shall...(ii) Develop a new clearance pattern and certify that it corresponds to a program’s clearance activity.”

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

Per the State of Texas CMIA agreement with the Department of Treasury, the Vocational Education program at the Higher Education Coordinating Board (HECB) is subject to CMIA Subpart A provisions that utilize the pre-issuance funding technique, which does require a clearance pattern. Per review of 30 selected disbursements, we noted a weighted average of 3.65 days between the deposit of federal funds in the State Treasury and the issuance of the warrant (i.e., Period 1 calculation per State of Texas CMIA procedures). Per the CMIA report filed with the State of Texas Comptroller’s office on December 1, 2002, the weighted average days for period 1 were noted to be zero and unchanged from 2001. Per the test work performed, the clearance pattern filed with the Comptroller’s office does not accurately reflect 2002 activity. HECB was considering the Period 1 to be zero based on the fact that the subrecipients were incurring costs before requested reimbursement from HECB. HECB had no controls in place to monitor the clearance patterns within the 5-year certification period required by section 205(d).

HECB was not able to calculate new clearance patterns for fiscal year 2002 prior to the submission of the State of Texas 2002 CMIA report. Therefore the questioned costs are the differences in the interest liabilities created if the new clearance patterns had been incorporated into the fiscal year 2002 CMIA report. Using the interest rate for fiscal year 2002 of 1.89% (the 2002 average of the 13-week Treasury Bill equivalent yield as provided by the U.S. Department of Treasury – Financial Management Service), additional interest is approximately \$6,900 for the approximate \$36,741,000 in federal funds received.

*Corrective Action:*

Corrective action was taken.

**Department of Housing and Community Affairs**

Reference No. 03-12

**Special Tests and Provisions - Maximum Per Unit Subsidy**

**CFDA 14.239 - HOME Investment Partnerships Program**

**Type of finding - Non-Compliance**

In accordance with 24 C.F.R. section 92.250, the per unit investment of HOME funds may not exceed the Federal Housing Administration mortgage limits in Subsection 221(d)(3) of the National Housing Act, including any area-wide high cost exceptions approved by the Department of Housing and Urban Development. Participating jurisdictions are required to evaluate each housing project in accordance with guidelines that it adopts to ensure that the combination of Federal assistance to the project is not any more than is necessary to provide affordable housing.

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Housing and Urban Development	

For one of the 40 projects selected for test work, we noted the project was awarded \$3,000 in excess of the maximum allowable award as a result of incorrectly establishing the original project award.

Corrective Action:

Corrective action was taken.

Reference No. 03-15

**Cash Management**

**CFDA 14.228 - Community Development Block Grants/State's Program**

**CFDA 14.239 - HOME Investment Partnerships Program**

**CFDA 93.568 - Low-Income Home Energy Assistance**

**Type of finding - Reportable Condition Control and Non-Compliance**

31 C.F.R., Chapter II, Part 205, Subpart A, Negotiation of Intergovernmental Agreements for Financing Federal Assistance Programs – Interest Liabilities on Intergovernmental Funds Transfers, establishes the regulations for implementing the Cash Management Improvement Act of 1990 (CMIA). Per section 205.8(c)(1), “if a State has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program’s clearance activity, or if the program undergoes operational changes that may affect clearance activity, the State shall...(ii) Develop a new clearance pattern and certify that it corresponds to a program’s clearance activity.” In addition and per section 205.12(b), “a State will incur an interest liability to the Federal Government on a refund transaction of Federal Funds. A State interest liability will accrue from the day the refund is credited to a State account to the day the refund is either paid out for program purpose or credited to a Federal Government account. However, a State may adopt a transaction threshold not exceeding \$10,000, below which the State will not incur an interest liability on a refund transaction.”

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Housing and Urban Development & U.S. Department of Health and Human Services	

Per the State of Texas CMIA agreement with the Department of Treasury, the LIHEAP, HOME and CDBG federal programs, which are subject to CMIA Subpart A provisions, utilize the pre-issuance funding technique, which does require a clearance pattern. Prior to fiscal year 2002, clearance patterns for these three programs were developed in fiscal year 2000. The old clearance patterns no longer accurately reflect clearance activity. TDHCA had insufficient policies in place to monitor the clearance patterns within the 5-year certification period required by section 205(d). Furthermore and as it relates to the HOME and CDBG programs, refunds greater than \$10,000 received by these two programs were excluded from the State of Texas 2002 CMIA report submitted to the Comptroller's office for fiscal year 2002. TDHCA had insufficient controls in place to ensure that programs report refunds greater than \$10,000 using the State of Texas 2002 CMIA report.

With regards to the HOME and CDBG programs, TDHCA was not able to calculate new clearance patterns for fiscal year 2002 prior to the submission of the State of Texas 2002 CMIA report. However, there were no questioned costs for HOME or CDBG as the recalculation of the clearance pattern did not result in an interest liability. Questioned costs for LIHEAP resulted from a discrepancy in the methodology used to calculate the new clearance pattern incorporated into the State of Texas 2002 CMIA report as well as the transmittal of the period 1 clearance pattern data using the State of Texas 2002 CMIA report. Using the interest rate for fiscal year 2002 of 1.89% (the 2002 average of the 13-week Treasury Bill equivalent yield as provided by the U.S. Department of Treasury – Financial Management Service), additional interest is approximately \$440.

24 C.F.R., Part 85, Subpart C, Post-Award Requirements, establishes regulations for disbursing program income and refunds before requesting additional cash payments. Per section 85.21(f)(2), "grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments." In regard to the CDBG program, during fiscal year 2002, it was noted that two separate program income logs were maintained for the CDBG program. One was maintained by TDHCA, and the other was maintained by the Office of Rural Community Affairs (ORCA). It was noted that no program income from ORCA's log had been distributed during fiscal year 2002. At August 31, 2002, this log reflected a balance of approximately \$490,167 which had been accumulating since February 13, 2002. Per review of the TDHCA's program income log, it was noted that program income receipts were recorded for the entire fiscal year 2002, and, until May 2002, program income was generally disbursed once a month. At August 31, 2002, this log reflected a balance of approximately \$83,657. Similarly, two sets of records were maintained for refunds received in relation to the CDBG program during fiscal year 2002. Per review of the log maintained by ORCA, there was approximately \$25,220 of refunds accumulated at August 31, 2002. Per review of the log maintained by TDHCA, there was approximately \$65,300 of refunds accumulated at August 31, 2002. The program administration of the CDBG program was transferred from TDHCA to ORCA during fiscal year 2002. However, the financial administration of the CDBG program was administered solely by TDHCA during fiscal year 2002.

There are insufficient controls in place to ensure that all program income and refund receipts are disbursed prior to the request of additional Federal funds. Questioned costs result from interest earned on program income and refund receipts accumulated and not disbursed or disbursed subsequent to requesting additional Federal funds. Using the interest rate for fiscal year 2002 of 1.89% (the 2002 average of the 13-week Treasury Bill equivalent yield as provided by the U.S. Department of Treasury – Financial Management Service), additional interest is approximately \$4,000.

Corrective Action:

Corrective action was taken.

Reference No. 03-16

**Eligibility****CFDA 14.871 - Section 8 Housing Choice Vouchers****Type of finding - Non-Compliance**

As a condition of admission or continued occupancy, 24 C.F.R. sections 5.230, 5.609 and 982.516 require the tenant and other family members to provide necessary information, documentation, and releases for the Public Housing Authority (PHA) to verify income eligibility. For both family income examinations and reexaminations, 24 C.F.R. section 982.516) requires PHA to obtain and document in the family file, third party verification of: 1) reported family annual income, 2) the value of assets, 3) expenses related to deductions from annual income, and 4) other factors that affect the determination of adjusted income or income-based rent. Using the documentation from third party verification, 24 C.F.R. part 5 subpart F (24 C.F.R. section 5.601 et seq.) (24 C.F.R. sections 982.201, 982.515 and 982.516) requires the PHA to determine income eligibility and calculate the tenant's rent payment. Using the documentation from third party verification, 24 C.F.R. section 982.516 requires the PHA to reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary. Our review of the compliance with the eligibility requirements disclosed the following:

Initial Year Written:	2002
Status:	Partially Implemented
U.S. Department of Housing and Urban Development	

- For 1 of the 40 contracts selected for test work, \$200 of monthly child support was not included in the calculation of the tenant's income. This exclusion resulted in the overpayment of \$540 on behalf of the tenant.
- For 1 of the 40 contracts selected for test work, the utility allowance was calculated incorrectly. This error resulted in the overpayment of \$161 on behalf of the tenant.
- For 1 of the 40 contracts selected for test work, we noted there had been an adjustment to a tenant's housing assistance payment, but the adjustment was not entered into Genesis, the system used to account for housing assistance payments. This incorrect accounting resulted in a total overpayment of \$1,984 on behalf of the tenant and resulted as there is currently not a management review process in place to ensure that adjustments to housing assistance payments are entered into Genesis.
- For 1 of the 40 contracts selected for test work, an incorrect effective date was erroneously recorded in Genesis in fiscal year 2001. In the current year when the contract was renewed, Genesis automatically updated the effective date to an incorrect date. The incorrect data resulted in an overpayment in the amount of \$63 on behalf of the tenant.

According to the United States Department of Housing and Urban Development *Housing Choice Voucher Program Guidebook*, eligibility for federal housing assistance is limited to United States citizens and applicants who have eligible immigration status. Non-citizens claiming eligible immigration status must provide Immigration and Naturalization Services documents verifying status. Families that include members who are citizens or have eligible immigration status and members who do not have eligible immigrations status (or elect not to state that they have eligibility status) are referred to as "mixed families". A mixed family is eligible for prorated assistance.

For one of the 40 contracts selected for test work, the corresponding file did not contain documentation of United States citizenship or eligible immigration status for any members of the household. Aid awarded was \$279.

Corrective Action:

This finding was reissued as current year reference number: 04-20.

Reference No. 03-17

**Special Tests and Provisions - Housing Quality Standards Enforcement**

**CFDA 14.871 - Section 8 Housing Choice Vouchers**

**Type of finding - Non-Compliance**

In accordance with 24 C.F.R. sections 982.158(d) and 982.404, owners of units under housing assistance payment contracts that fail to meet housing quality standards must be required to correct any life threatening housing quality standards (HQS) deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, housing assistance payments must be stopped beginning no later than the first of the month following the specified correction period or the housing assistance payment contract must be terminated.

Initial Year Written: 2002
Status: Partially Implemented
U.S. Department of Housing and Urban Development

For 2 of the 40 contracts selected for test work, the HQS inspections noted a life threatening deficiency, and there was no documentation supporting the correction of the deficiencies within 24 hours of the inspections. Texas Department of Housing and Community Affairs (TDHCA) regional coordinators travel throughout the state of Texas to perform quality control inspections. Once a regional coordinator returns to the office in Austin, a letter is prepared and sent to the owner of a unit that has failed the inspection, which is usually the day after the inspection. The owner is provided 24 hours from the date of the letter to correct any life threatening deficiencies. A regional coordinator may verbally communicate deficiencies and correction requirements to the unit owner at the time of the inspection. However, there is no formal documentation maintained to support this communication. Housing assistance payments should be discontinued if the life threatening corrections are not made within the required timeframe. Housing assistance payments subsequent to the inspection date were \$2,661 during fiscal year 2002.

Two additional contracts selected for test work, there was no documentation supporting the correction of the non-life threatening deficiencies by the unit owner within 30 calendar days or within a specified approved extension. Documentation supporting the correction of the deficiencies was dated subsequent to the deadline. Housing assistance payments should be discontinued if the non-life threatening corrections are not made within the required timeframe. Housing assistance payments subsequent to the inspection date were \$1,134 during fiscal year 2002.

Corrective Action:

This finding was reissued as current year reference number: 04-23.



Reference No. 03-18

## Special Tests and Provisions - Housing Quality Standards Inspections

### CFDA 14.871 - Section 8 Housing Choice Vouchers

#### Type of finding - Non-Compliance

24 C.F.R. sections 982.159(d) and 982.405(b) require the inspection and reinspection of a unit leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS). A unit inspection report must be prepared as a result of the inspection process. The Section 8 Choice Voucher program utilizes the *Form HUD-52580-A, Inspection Form for the Housing Choice Voucher Program* (Form HUD-52580-A). In order to properly perform an inspection each applicable area of the form should be completed, and the inspections should be completed within three months of the inspection. Our review of the inspection process disclosed the following:

Initial Year Written:	2002
Status:	Partially Implemented
U.S. Department of Housing and Urban Development	

- For 7 of the 30 inspection forms, the building exterior, heating and plumbing, and general health and safety portions of the form were not completed.
- For 1 of 30 inspection forms, the building exterior and general health and safety portions of the form were not completed. Housing assistance payments subsequent to the inspection dates were \$10,048 during fiscal year 2002.
- For 7 of the 30 inspections selected, the inspections were performed over three months after the inspection. Housing assistance payments subsequent to the inspection deadline were \$6,191 during fiscal year 2002.

#### Corrective Action:

This finding was reissued as current year reference number: 04-22.

**Department of Human Services**

Reference No. 03-33

**Activities Allowed or Unallowed**

**CFDA 83.543 - Individual Family Grants (FEMA)**

**Type of finding - Reportable Condition Control and Non-Compliance**

The Individual and Family Grant (IFG) program employs five permanent employees and during a declared disaster, temporary personnel are hired as needed to manage the caseload. All temporary personnel are required to complete and sign a weekly time sheet, which is also approved by their supervisor, indicating the number of hours worked each day. Since temporary personnel devote 100% of their time to a specific disaster, OMB Circular A-87 requires that “charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification.” The contracts signed by the individuals can serve as the certifications since a time distribution system is currently utilized (i.e., signed weekly timesheets).

Initial Year Written:	2002
Status:	Implemented
Federal Emergency Management Agency	

The five permanent employees do not maintain personnel activity reports as required by OMB Circular A-87. Instead management determines approximately how many FTEs are working on the declared disaster(s), and accounting allocates the respective individual’s salary to the related disaster. When there are no open disasters and/or the employee is not working on a disaster, their salary is allocated to a State-funding source. During the fiscal year 2002, approximately \$260,000 of permanent salary and fringe benefit costs was charged to open federal disasters.

Corrective Action:

Corrective action was taken.

Reference No. 03-24

**Eligibility**

**CFDA 93.566 - Refugee and Entrant Assistance - State Administered Programs**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

Eligibility for Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) is limited to newly arrived refugees who meet all the following criteria: ... (a) they have resided in the U.S. less than the RCA eligibility period of eight months, (b) they have been determined ineligible for other federally funded cash assistance programs, such as ... TANF, and (b) (ii) they are determined ineligible for Medicaid. Our review of the eligibility process disclosed the following:

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Health and Human Services	

- 7 out of 40 beneficiaries received RMA when they were eligible for Medicaid.
- 1 out of 40 beneficiaries received RCA when they were eligible for TANF benefits.
- 1 out of 40 beneficiaries received RCA five months beyond the eight-month limit.

Corrective Action:

Corrective action was taken.

Reference No. 02-23

**Allowable Costs/Cost Principles/Auto-Eligibility Approval by FEMA**

**CFDA 83.543 - Individual Family Grants (FEMA)**

**Type of finding - Non-Compliance**

In an effort to expedite assistance, FEMA automated the awarding process for selected individuals affected by Tropical Storm Allison. When caseworkers (both Federal and DHS employees) visit sites and perform inspections, their case files are loaded into NEMIS, FEMA's computer system. If the case file passed established threshold checks, approval was automatic and the award was transferred by DHS' computer system into the nightly batch of warrants requested from the State Treasury. For the files that were not auto approved, DHS personnel worked the files and when approval was given, they too were transferred into the nightly batch of warrant requests.

Initial Year Written:	2001
Status:	Partially Implemented
Federal Emergency Mangement Agency	

FEMA has quality control procedures in place to monitor disasters. During the performance of these procedures, FEMA discovered that over payments were made to the auto approved (i.e., no DHS involvement) eligible recipients. The recipients were eligible for grant funds but the calculation of the amount was incorrect. FEMA has established an IFG Recoupment Process which includes reviewing 3,029 auto-approved files. Per their review, FEMA noted 814 over awards or a 27% error rate due to a FEMA programming error. The estimated dollars with those 814 files is \$1,835,207. These files were considered to be high-risk by FEMA (i.e., based on the nature of the programming error). DHS estimates that about 36,715 files were auto approved and the average claim per file is \$5,014.

Corrective Action:

*IFG personnel worked with FEMA personnel throughout fiscal year 2002 to identify cases and recoup Federal and State funds from Tropical Storm Allison. The State and FEMA are currently discussing the management and monitoring of recoupment cases. IFG is manually testing as many cases as possible related to Disaster 1425 that are auto-approved by NEMIS. As amounts that should be recouped are identified, the cases are placed in the NEMIS recoupment queue. At present, there are about 700 cases representing \$1,624,000 in debt collection at FEMA's disaster finance center, of which approximately \$44,000 has been collected as of August 2003. Discussion is being held with U.S. Department of Treasury (IRS) regarding collection of these outstanding amounts.*

*Implementation Date: On-going*

*Responsible Person: Pam Wade, FEMA*

Reference No. 02-14

**Earmarking**

**CFDA 93.667 - Social Services Block Grant**

**Type of finding - Scope Limitation**

The earmarking compliance requirement for the Social Services Block Grant (SSBG) program requires that amounts transferred from the Temporary Assistance for Needy Families (TANF) program to the SSBG program administered by DHS can only be used for programs and services to children or their families whose income is less than 200 percent of the official poverty guideline. We could not determine if DHS was in compliance with the SSBG's earmarking compliance requirement during fiscal year 2001 due to no controls in place to facilitate DHS's compliance with program's earmarking requirement.

Initial Year Written:	2001
Status:	Implemented

U.S. Department of Health and  
Human Services

*Corrective Action:*

Corrective action was taken.

## Lamar University

Reference No. 03-45

### Special Tests and Provisions - Return of Title IV Funds

#### Student Financial Assistance Cluster

#### Type of finding - Non-Compliance

Returns of Title IV funds are required to be deposited to the SFA accounts or returned to the appropriate FFEL lender within 30 days after the date the institution determines that the student withdrew. An institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the: (1) payment period or period of enrollment, (2) academic year in which the student withdrew; or (3) educational program from which the student withdrew (34 C.F.R section 668.22(j)).

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

During the fall 2001 semester, Lamar University policy called for one student financial aid (SFA) employee to calculate the adjustment and post it to the SFA system, and a second SFA employee to prepare the check or electronic funds transfer disbursement. For one student selected for testing, the second employee did not prepare the disbursement in a timely fashion. The late returns amounted to \$930 and were 70 days late. The 2002 average of the 13-week Treasury Bill equivalent yield as provided by the US Department of Treasury – Financial Management Service was 1.89%.

#### Corrective Action:

Corrective action was taken.

**Department of Mental Health and Mental Retardation**

Reference No. 03-32

**Cash Management**

**Medicaid Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

31 C.F.R., Chapter II, Part 205, Subpart A, Negotiation of Intergovernmental Agreements for Financing Federal Assistance Programs – Interest Liabilities on Intergovernmental Funds Transfers, establishes the regulations for the implementing the Cash Management Improvement Act of 1990 (CMIA). Per section 205.8(c)(1), “if a State has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program’s clearance activity, or if the program undergoes operational changes that may affect clearance activity, the State shall...(ii) Develop a new clearance pattern and certify that it corresponds to a program’s clearance activity.” The Texas Comptroller of Public Accounts (Comptroller) includes in their CMIA training/update programs instructions on how the agencies should monitor for changes in their clearance patterns within the 5-year certification period.

Initial Year Written:	2002
Status:	Partially Implemented
U.S. Department of Health and Human Services	

Under the State of Texas CMIA agreement with the Department of Treasury, the majority of the Department of Mental Health and Mental Retardation’s (TDMHMR) federal programs subject to CMIA Subpart A provisions utilize the pre-issuance funding technique, which requires a clearance pattern. Our audit procedures for clearance patterns developed prior to fiscal year 2002 included selecting a three-month period from fiscal year 2002, calculating the clearance pattern, and comparing the calculation to the clearance pattern being utilized as part of the 2002 Statewide CMIA report. The result of the comparison between our calculated clearance pattern for fiscal year 2002 and TDMHMR’s clearance pattern calculated from 1999 data indicated to us that a change in the payment patterns had taken place that warranted a revision in the clearance pattern. The fiscal year 2002 clearance pattern from our three-month sample was 1.06 days versus the TDMHMR clearance pattern calculated from 1999 data of (.12) days. Although TDMHMR does have a written policy in place concerning the calculation of clearance patterns for the 5-year certification period, this policy should also address periodic review of actual clearance patterns during each fiscal year in order to identify if changes in the clearance pattern have occurred.

TDMHMR did not calculate new clearance patterns for fiscal year 2002 because they do not believe that the clearance pattern has significantly changed. The questioned costs are the differences in the interest liabilities created if the new clearance patterns had been incorporated into the 2002 CMIA report. Using the interest rate for fiscal year 2002 of 1.89% (the 2002 average of the 13-week Treasury Bill equivalent yield as provided by the U.S. Department of Treasury – Financial Management Service), additional interest is approximately \$20,000.

Corrective Action:

This finding was reissued as current year reference number: 04-34

Reference No. 03-27

**Special Tests and Provisions - Independent Peer Review**

**CFDA 93.958 - Block Grants for Community Mental Health Services**

**Type of finding - Material Weakness Control and Material Non-Compliance**

The United States Code, Title 42, Section 300X-53, requires the State to ensure that independent peer reviews are performed for at least five percent of the entities it funds to provide treatment services. The entities reviewed must be representative of all the entities the Department of Mental Health and Mental Retardation (TDMHMR) uses to provide treatment services. Peer reviewers must be independent. Therefore, TDMHMR must ensure reviewers do not review their own programs and the peer review is not part of the licensing or certification processes.

Initial Year Written: 2002 Status: Partially Implemented  U.S. Department of Health and Human Services
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TDMHMR does not have a process to ensure that independent peer reviews of funded treatment programs are performed. TDMHMR's Austin-based mental health quality management teams monitor the quality and appropriateness of the clinical care provided by the Community Centers for Mental Health and Mental Retardation. However, these teams cannot conduct peer reviews because they are not independent of the entities needing review.

Corrective Action:

This finding was reissued as current year reference number: 04-31.

Reference No. 03-29

**Allowable Costs/Cost Principles**

**CFDA 93.958 - Block Grants for Community Mental Health Services**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

The Department of Mental Health and Mental Retardation (TDMHMR) does not currently require employees whose salary is charged to the program to complete time sheets that reflect an allocation of activity between various state and federal programs. Accounting personnel have been estimating time spent on the grant based on employees' assigned responsibilities. OMB Circular A-87 requires that "charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification." During fiscal year 2002, approximately \$1,400,000 of salary and benefit costs was charged to the program.

Initial Year Written: 2002 Status: Paritally Implemented  U.S. Department of Health and Human Services
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Corrective Action:

This finding was reissued as current year reference number: 04-30

**Protective and Regulatory Services**

Reference No. 03-31

**Cash Management**

(Prior Audit Issue - 02-02)

**CFDA 93.558 - Temporary Assistance for Needy Families**

**CFDA 93.658 - Foster Care - Title IV-E**

**CFDA 93.659 - Adoption Assistance**

**CFDA 93.667 - Social Services Block Grant**

**CFDA 93.645 - Child Welfare Services**

**CFDA 93.556 - Promoting Safe and Stable Families**

**Type of finding - Reportable Condition Control**

The Protective and Regulatory Services' (PRS) cash management funding technique (i.e., preissuance) documented in the State's Treasury-State Agreement requires that Federal funds to the State will be paid to the State not more than three days prior to the State's issuance of checks or initiation of EFT payments. Both PRS' and the State's accounting systems are configured to post and pay invoices, respectively, with a future scheduled pay date. However, PRS does not have the appropriate controls in place to ensure the cash management (i.e., pre-issuance) funding from the Federal programs will be paid out by PRS within three days after the receipt of Federal funds. PRS has not been able to successfully re-configure the cash drawdown report logic to include both the posting and expected payment dates. As a result, PRS' cash management methodology is to determine draw amounts and timing based on total balances at the appropriation level that results in a FIFO method of disbursements.

Initial Year Written: 2002  
Status: Partially Implemented

U.S. Department of Health  
and Human Services

Corrective Action:

This finding was reissued as current year reference number: 04-35.

Reference No. 03-13

**Eligibility**

**CFDA 93.659 - Adoption Assistance**

**Type of finding - Non-Compliance**

Adoption assistance subsidy payments may be paid on behalf of a child only if certain requirements are met. Included in these is the requirement that the "agreement for the subsidy was signed and was in effect before the final decree of adoption..." Our review of the eligibility process disclosed the following:

- 3 of the 30 selected cases did not have an agreement for the subsidy signed and in effect before the final decree of adoption. For these three individuals, the final decree of adoption was signed before the adoption subsidy agreement was signed due to acceleration of the adoption by the courts. PRS management denied the adoption and the appeals process was followed.

Initial Year Written: 2002  
Status: Implemented

U.S. Department of Health and  
Human Services

Corrective Action:

Corrective action was taken.



## Department of Public Safety

Reference No. 03-35

### Cash Management

(Prior Audit Issue - 02-34)

**CFDA 83.544 - Public Assistance Grants (FEMA)**

**CFDA 83.548 - Hazard Mitigation Grant (FEMA)**

**Type of finding - Reportable Condition Control and Material Non-Compliance**

According to the Treasury-State agreement for the State of Texas, the Public Assistance and Hazard Mitigation Grants are not included in Subpart A of 31 C.F.R. Part 205, which implement the Cash Management Improvement Act. Therefore, the Department of Public Safety (DPS) should be complying with Subpart B, which applies to programs in the Catalog of Federal Domestic Assistance that are not subject to Subpart A. These standards state that “cash advances to a State shall be limited to the minimum amounts needed and shall

be timed to be in accord only with the actual, immediate cash requirements of the State in carrying out a program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual cash outlay by the State for direct program costs and the proportionate share of any allowable indirect costs. Neither a State nor the Federal government will incur an interest liability on the transfer of funds for a program subject to this Subpart.” To define “administratively feasible”, we reviewed correspondence from FEMA’s Region VI director dated August 14, 2002, noting that seven days would be administratively feasible.

Initial Year Written:	2002
Status:	Implemented
Federal Emergency Management Agency	

Our audit procedures indicated that inadequate controls exist to ensure funds are paid to jurisdictions within seven days of receipt of the cash draws from FEMA. For 31 of 40 Public Assistance and 12 of 40 Hazard Mitigation sample items selected for test work, the invoice was not paid within seven days of receipt of the related Federal advance request. For the exceptions noted above, the average days the funds were held in excess of seven days are 15.3 and 11.5 days for Public Assistance and Hazard Mitigation, respectively. The total population of draws for the fiscal year was \$81,349,932 and \$34,769,441 for Public Assistance and Hazard Mitigation, respectively, and the 2002 average of the 13-week Treasury Bill equivalent yield as provided by U.S. Department of Treasury – Financial Management Service is 1.89%.

#### Corrective Action:

Corrective action was taken.

**Texas A&M University at Prairie View**

Reference No. 03-37

**Special Tests and Provisions - Student Status Changes**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control**

Under the Federal Family Education Loan Program (FFELP), the University must complete and return student status confirmation reports (SSCR) sent by the National Student Loan Data System (NSLDS) within 30 days of receipt. To comply with this regulation, the University may work directly with NSLDS or they may work with the National Student Clearinghouse (NSC). Texas A&M University – Prairie View (PVAMU) has elected to utilize the services of NSC.

Initial Year Written: 2002
Status: Partially Implemented
U.S. Department of Education

Per review of the NSC on-line Operations Guide, the following submissions are required:

- First of Term Submission is to be submitted immediately after the registration “add” period is over since it is used to report students who should have their loans deferred. This file is also used to report students who withdraw because they have not returned from the prior period.
- Mid-Term Submission is used to report the enrollment of late students and students who have withdrawn or changed status after the registration period.
- End of Term Submission is also used to report the enrollment of late students and students who have withdrawn or changed status after the registration period. In addition, the submission should be scheduled after classes end in order to report graduates.

NSC also recommends an additional report, Graduates-Only Submission, in the early summer if the End of Term Submission does not include graduates. If the graduates are not reported in the End of Term or the Graduates-Only Submission, then NSC will not report graduates as having separated from school until the next First of Term Submission. By this time, the majority of the grace period has passed, leaving little time for the student’s lender to notify the students of repayment obligations and deadlines.

The reported date to NSC for four of 30 students selected with student status changes was not within the required time frames. PVAMU only submits the three required reports with the End of Term Submission report being filed prior to graduation. In addition, upon review of the four students’ status in December 2002, NSC did not reflect the students as graduated. However the PVAMU Financial Aid Office did report the expected graduations to the respective lenders timely, so there are no questioned costs.

Recommendation 2002:

PVAMU should consider filing the optional Graduates-Only Submission. In addition, the report generation process should be reviewed to ensure the following First of Term Submission correctly includes all student status changes.

Recommendation 2003:

Corrective actions were implemented for the 2002 recommendation noted above. PVAMU instituted new procedures and advised all registrar office personnel of NSC submission dates. The new procedures include that all student status changes after the last submission for the semester are recorded on a central list, a NSC Correction Request – Enrollment form is completed, and the form is faxed to the NSC.

During our review of the new procedures, a sample of 23 students with status changes occurring after semester-end was selected for test work. Three of the status changes were submitted via fax to NSC; however, registrar personnel were not aware that the fax transmission failed. Therefore, the three students were not reported timely. PVAMU should implement additional procedures to ensure that fax transmissions are successful.

Management Response and Corrective Action Plan:

Effective with the spring semester, registrar personnel will attach the transmittal confirmation sheet to the faxed report ensuring that the transmission was successful.

Implementation Date: Spring Semester 2004

Responsible Person: A.D. James

Reference No. 03-38

**Special Tests and Provisions - Disbursements To Or On Behalf of Students**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control**

A school must conduct initial counseling with each FFELP loan borrower either in person, by audiovisual presentation, or by interactive electronic means prior to its release of the first disbursement, unless the student borrower has received a prior FFELP loan. (34 C.F.R. 682.604(f)) Texas A&M University – Prairie View (PVAMU) has policies to require counselors to verify that counseling has occurred (per review of a specific screen) prior to disbursing FFELP loans. Six students in the sample of 30 disbursements were first time borrowers. For 1 of the 6 students, counseling did occur but subsequent to the loan being disbursed.

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

Corrective Action:

Corrective action was taken.

**Texas Agricultural Extension Service**

Reference No. 01-555-25

**Strengthen Controls Over Equipment**

**CFDA 10.500 - Cooperative Extension Service**  
**Contract/Award - N/A**

The Texas Agricultural Extension Service's (Extension Service) controls over equipment do not ensure that equipment is being used for the Federal programs as intended.

Initial Year Written: 2000  
Status: Implemented

U.S. Department of  
Agriculture

*Corrective Action:*

Corrective action was taken.

**Texas Tech University**

Reference No. 03-43

**Special Tests and Provisions - Disbursements to or on Behalf of Students**

(Prior Audit Issue - 02-27)

**Student Financial Assistance Cluster**

**Type of finding - Non-Compliance**

According to 34C.F.R.668.164(f), for students enrolled in credit-hour programs offered in semester terms, the earliest an institution may disburse funds (other than federal work study) to a student or parent for any payment period is ten days before the first day of classes for the payment period. Department of Education regulations generally refer to “days” as calendar days as opposed to business days. When the regulations are meant to be business days, the Department of Education notes days to be “business days”. Per prior year finding, Texas Tech University (Texas Tech) used business days to determine when FFELP loan funds may be requested and disbursed. Effective for the Spring 2002 semester, Texas Tech corrected their policy to reflect calendar days.

Initial Year Written:	2001
Status:	Implemented
U.S. Department of Education	

For the Fall 2001 semester, 4 of 30 students were disbursed FFELP funds received from lenders under the FFEL program which were posted to their accounts more than ten calendar days before the beginning of the semester. The early postings to the four students’ accounts totaled \$36,610. The average excess days the funds were posted previous to the earliest allowable day was 2, the total population of the draws for the fall 2001 semester was \$75,973, and the 2002 average of the 13-week Treasury Bill equivalent yield as provided by the U.S. Department of Treasury – Financial Management Service was 1.89%.

Corrective Action:

Corrective action was taken.

**University of Houston**

Reference No. 03-39

**Special Tests and Provisions - Verification**

**Student Financial Assistance Cluster**

**Type of finding - Non-Compliance**

According to 34 C.F.R. Section 668.53, “an institution shall establish and use written policies and procedures for verifying information contained in a student aid application in accordance with the provisions of this subpart. These policies and procedures must include – (1) the time period within which an applicant shall provide the documentation; (2) the consequences of an applicant’s failure to provide required documentation within the specified time period; (3) the method by which the institution notifies an applicant’s award or loan; (4) the procedures the institution requires an applicant to follow to correct application information determined to be in error; (5) the procedures for making referrals under section 668.16 (referrals of overpayment cases to the DOE)”. Additionally, “the institution’s procedures must provide that it shall furnish, in a timely manner, to each applicant selected for verification a clear explanation of - (1) the documentation needed to satisfy the verification requirements; and (2) the applicant’s responsibilities with respect to the verification of application information, including the deadlines for completing any actions required under this subpart and the consequences of failing to complete any required action.”

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

We noted that the University of Houston (UH) has not established written policies and procedures that incorporate the provisions of 34 C.F.R. Section 668.53. Although not formally documented, UH has developed and trained their staff in verification procedures that incorporate the requirements of 34 C.F.R. Section 668.53. UH distributes an “Institutional Verification Form” to those students chosen for verification, which explains what verification is and the documents that are required to be submitted, and a “Revised Award Notice” to communicate any required changes to a student’s financial aid as a result of verification.

Corrective Action:

Corrective action was taken.

Reference No. 03-40

**Special Tests and Provisions - Return of Title IV**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control and Non-Compliance**

According to 34 C.F.R. 668.22, “when a recipient of title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of title IV aid earned by the student as of the student’s withdrawal date...a student earns 100% if his or her withdrawal date is after the completion of 60% of the payment period or period of enrollment for a program measured in credit hours...”

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

During return of Title IV funds test work, it was noted that 2 students of 30 selected had percentages of completion below 60% but they did not appear on the University of Houston’s (UH) return of title IV funds detail. As a result, these two students were not processed for a return of Title IV funds. Upon further review, one student received a FFELP loan, but their record had been incorrectly modified to reflect the funding as a PLUS loan. Therefore the return of Title IV funds software did not select the student for a refund, and PLUS loans are not subject to return. The second student’s original withdrawal date was after the 60% completion of the semester. However, the Provost office retroactively changed the date to a time prior to the 60% completion of the semester. The return of Title IV funds software did not process the retroactive change.

Corrective Action:

Corrective action was taken.

Reference No. 03-41

**Special Tests and Provisions - Verification**

**Student Financial Assistance Cluster**

**Type of finding - Reportable Condition Control**

According to 34 C.F.R. 668.56, at a minimum, the school is required to verify (1) household size, (2) number of children enrolled in college, (3) adjusted gross income (AGI), (4) amount of U.S. taxes paid, and (5) untaxed income. There is a \$400 tolerance threshold.

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

During verification test work, it was noted that the difference between the Institutional Student Information Record (ISIR) and the supporting documents for 1 out of 30 students who were selected for verification exceeded the \$400 tolerance threshold. The untaxed income for the student was input into the verification module incorrectly. The result was an under award to the student.

Corrective Action:

Corrective action was taken.

**University of Houston at Clear Lake**

Reference 03-14

**Cash Management**

**Research and Development Cluster**

**Type of finding - Reportable Condition Control**

University of Houston Clear Lake (Clear Lake) research and development grant requests for Federal funds are on a reimbursement method of cash management. On a weekly basis, Clear Lake draws down federal funds to reimburse for expenses incurred based on expenses recorded to the general ledger, which includes expenses accrued but not paid. Per test work performed, 3 of the 30 items (\$104,154) were not paid for prior to the request for reimbursement. As a result, the reimbursement request becomes an advance payment from the Federal government. Based on audit procedures performed, we did confirm that the requests for the 3 of 30 items tested were held for less than three days after the funds were received. Therefore, there are no questioned costs.

Initial Year Written:	2002
Status:	Implemented

Federal Agencies that provide R&D grants
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In addition, monitoring is not being performed to identify if an advance of funds occurs. As a result, advanced funds could be held more than the three days allowed, and related interest would need to be calculated and remitted to the respective Federal agency.

Corrective Action:

Corrective action was taken.



## University of Texas at Austin

Reference No. 03-05

### Activities Allowed or Unallowed

(Prior Audit Issue - 02-38)

#### Research and Development Cluster

#### Type of finding - Reportable Condition Control and Material Non-Compliance

Under the “after the fact” personnel effort reporting regulations, professionals are required to certify their time and effort reports every six months and nonprofessional personnel every month. The employee or supervisor having first hand knowledge of the work performed by the employee must sign a statement noting they spent the respective amount of time on the federal project. UT-Austin’s time and effort policy is to utilize monthly personnel effort reports (for both employees working on sole awards or multiple awards), which are to be reviewed and signed by the principal investigator.

Initial Year Written:	2001
Status:	Implemented
Federal Agencies that provide R&D grants	

From a sample of 15 allowable costs charged to payroll related items, two of the charges were not supported by a signed and dated personnel effort report. Total salary charges for these two items were \$807. In a separate sample, 3 of 30 salary adjustments reviewed also did not have a signed and dated personnel effort report. The adjustment total was \$36. For the year ended August 31, 2002, approximately \$196,956,000 salaries and related benefit costs were charged to the various R&D grants.

#### Corrective Action:

Corrective action was taken.

Reference No. 03-06

### Cash Management

#### Research and Development Cluster

#### Type of finding - Reportable Condition Control and Material Non-Compliance

University of Texas at Austin (UT-Austin) has selected the reimbursement method of cash management. A weekly cash position report is produced from RGM in DEFINE system (general ledger accounting system) denoting the cash position of each Federal R&D grant. This report is based on expenditures posted to the general ledger and not expenses paid, which is required under the reimbursement method. UT-Austin’s policy is to pay all vendors within 30 days of receipt of invoice. We were unable to determine what portion of the amounts drawn were paid prior to initiation of the draw request.

Initial Year Written:	2002
Status:	Partially Implemented
Federal Agencies that provide R&D grants	

In addition, the report tracks the expenses incurred per grant in excess of the award amount or “amount over”. Weekly draws for direct costs are then made from the respective agencies based on the excess of expenditures posted to the general ledger compared to amount of cash drawn to date. Monthly draws are made for indirect costs. Our audit procedures found that for 7 out of 40 draws the amount drawn was in excess of the award amount. Total excess amount drawn for these seven awards was \$132,314. UT-Austin did not consider the “amount over” in the cash position report when calculating the draw amount. For an additional two draws of \$204,046, the amount drawn was in excess of expenditures. As a result, for these nine draws UT-Austin defaulted to advance basis and then had three days to incur expenses before interest would be due to federal government. UT-Austin was unable to determine if the excess funds were spent in three days. We did note that the following weeks’ draw was greater than the excess funds drawn above. The interest rate for fiscal year 2002 is 1.89% (the 2002 average of the 13-week Treasury Bill equivalent yield as provided by the U.S. Department of Treasury – Financial Management Service), and total federal expenses for R&D were approximately \$237,200,000.

Corrective Action:

This finding was reissued as current year reference number: 04-52

Reference No. 03-07

**Equipment and Real Property Management**

**Research and Development Cluster**

**Type of finding - Reportable Condition Control**

Federal regulations state equipment records shall be maintained, a physical inventory of equipment taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained. When equipment with a current per unit fair market value in excess of \$5,000, is no longer needed for a Federal program, it may be retained or sold with the Federal agency having a right to a proportionate (percent of Federal participation in the cost of the original project) amount of the current fair market value. Proper sales procedures shall be used that provide for competition to the extent practicable and result in the highest possible return.

Initial Year Written:	2002
Status:	Implemented
Federal Agencies that provide R&D grants	

Thirty federal equipment disposals during fiscal year 2002 were selected for test work. Out of the eight equipment items tested where the title remained with the Federal Awarding Agency, seven of the equipment shipping/deliverable documents had no authoritative approval or other controls in place for the disposal of these items. Out of the remaining 22 equipment items tested where the titleholder was the University, we could not obtain any Inventory Removal Requests or other disposal documentation for 14 of the items.

Per review of the 2002 annual physical inventory transactions, it was noted these 30 items were not counted as being on site. It appears UT-Austin is in compliance at year-end since the items were properly removed from equipment records through the physical inventory procedures. Further, we noted the items were fully depreciated, and no reimbursement was necessary to the sponsor.

Corrective Action:

Corrective action was taken.

Reference No. 03-08

**Subrecipient Monitoring****Research and Development Cluster****Type of finding - Reportable Condition Control and Material Non-Compliance**

University of Texas at Austin (UT-Austin) has developed an annual checklist for each of its subrecipients to complete regarding the status of their respective OMB Circular A-133 reports. The checklist allows the subrecipient to note if their current OMB Circular A-133 has any findings. The responsible official must sign the checklist and certify to its accuracy. If there are findings, the checklist instructs the subrecipient to submit a copy of the report with the checklist. Another policy UT-Austin includes as part of subrecipient monitoring is the respective Principal Investigator (PI) must approve the subrecipient invoices for payment. These two policies, in addition to a signed grant contract, comprise the major procedures within UT-Austin's subrecipient monitoring procedures. The signed contract also contains suspension and debarment provisions.

Initial Year Written:	2002
Status:	Partially Implemented

Federal Agencies that provide R&D grants
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Per a sample of 40 items, ten subrecipients did not have a current checklist on file. Two additional subrecipients had a current checklist but it indicated the OMB Circular A-133 was not completed at the time the checklist was submitted. There was no indication of any follow-up by UT-Austin on these two files. No discrepancies were noted with regard to PI's approving invoices for payment.

Corrective Action:

This finding was reissued as current year reference number: 04-54.

Reference No. 03-09

**Matching and Program Income**

(Prior Audit Issue - 02-48)

**Research and Development Cluster****Type of finding - Reportable Condition Control**

UT-Austin administers its R&D programs through the Office of Sponsored Projects (OSP) and Grants and Contracts (G&C). The Principal Investigator (PI) is directly responsible for the research and coordinates necessary information back to OSP and G&C. Each grant has an electronic profile set-up in DEFINE accounting system by G&C once the grant has been approved by OSP, PS, and the sponsor. The profile set-up has certain fields which are required or DEFINE will not process the grant.

Initial Year Written:	2001
Status:	Partially Implemented

Federal Agencies that provide R&D grants
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Upon request for a population of matching grants and program income, UT-Austin did not have an established procedure for monitoring this information. G&C is responsible for monitoring grant compliance as they have "working knowledge" of the various grants. However, no individual has been given the specific responsibility to monitor matching requirements or the use of program income. G&C review these provisions when a particular grant is closed, despite the length of the grant period. UT-Austin had to create a report module to gather the number of grants with matching provisions and/or generation of program income.

Corrective Action:

This finding was reissued as current year reference number: 04-53

Reference No. 03-10

**Special Tests and Provisions - Student Loan Repayments (Defaults)**

**Student Financial Assistance Cluster**  
**Type of finding - Material Non-Compliance**

For students with defaulted Perkins loans, University of Texas at Austin (UT-Austin) is required to make at least two separate attempts to notify the student by phone after the loan is 75 days delinquent. These phone calls are to be made before the loan is turned over to the collection agency. UT-Austin's computer system generates a list of students in default over 75 days which is used to make the phone calls. Also, management monitors phone call activity through employee meetings. However, upon review of seven defaulted files, there was no documentation of the phone calls. The personnel responsible for making the phone calls were knowledgeable of the regulation and were familiar with the system generated call list. UT-Austin does not have any procedures regarding documentation of the attempted phone calls. As of December 2002, 6 of the 7 loans remain in default status. As of August 31, 2002, approximately six students were in default with loans outstanding of approximately \$29,164.

Initial Year Written:	2002
Status:	Partially Implemented
U.S. Department of Education	

Corrective Action:

This finding was reissued as current year reference number: 04-57.

Reference No. 03-11

**Special Tests and Provisions - Student Loan Repayments (Graduates)**

(Prior Audit Issue - 02-51)

**Student Financial Assistance Cluster**  
**Type of finding - Reportable Condition Control**

For students with Perkins loans, UT-Austin is required to conduct exit counseling with the borrower either in person, by audiovisual presentation, or by interactive electronic means. Schools are required to conduct the counseling shortly before the student graduates or drops below half-time enrollment. For borrowers who withdraw from school, exit counseling must be provided within 30 days after learning that the borrower has withdrawn. UT-Austin prepares a "graduating seniors list" after the deadline to apply for a degree has passed each semester. Then letters are generated and mailed asking for exit interviews to be set-up. If the student does not comply, exit information packages are mailed to the student. Thirteen fall 2001 graduates were reviewed and no exit interview information was available. It was noted the students did not complete their counseling prior to graduation; therefore, their packets were printed to be mailed. However, as of June 2002, the packets were still being prepared to be mailed.

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

Corrective Action:

Corrective action was taken.

<b>University of Texas at Brownsville</b>
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Reference No. 03-04

**Special Tests and Provisions - Disbursement****Student Financial Assistance Cluster****Type of finding - Non-Compliance**

The earliest an institution may disburse the initial installment of a Federal Family Education Loan Program (FFELP) loan to a first-year, first-time borrower as described in 34 C.F.R. 682.604(c) (5) is 30 days after the first day of the student's program of study unless the school has a cohort default rate of less than 10% for each of the three most recent fiscal years. One of the students in the sample of 30 selected for disbursement test work was a first-year, first-time borrower and received their funds 27 days after the first day of the fall semester. University of Texas at Brownsville – Texas Southmost College (UT Brownsville) has utilized the 27-day rule for requesting funds from the lender for first-year, first-time borrowers as the disbursement regulation.

Initial Year Written:	2002
Status:	Implemented
U.S. Department of Education	

UT-Brownsville quantified the population of FFELP loans disbursed on the 27<sup>th</sup> day after the fall semester started to first-year, first-time borrowers as \$386,164, net.

*Corrective Action:*

Corrective action was taken.

**University of Texas at El Paso**

Reference No. 03-42

**Cash Management**

**Research and Development Cluster**

**Type of finding - Reportable Condition Control**

University of Texas at El Paso (UTEP) has selected the reimbursement method of cash management. A weekly cash position report is produced from RGM in DEFINE system (general ledger accounting system) denoting the cash position of each Federal R&D grant. This system is located at the University of Texas at Austin. This report is based on expenditures posted to the general ledger and not expenses paid, which is required under the reimbursement method. UTEP's policy is to pay all vendors within 30 days of receipt of invoice. We were unable to determine what portion of the amounts drawn were paid prior to initiation of the draw request.

Initial Year Written:	2002
Status:	Partially Implemented
Federal Agencies that provide R&D grants	

As a result, UTEP defaulted to advance basis and then had three days to incur expenses before interest would be due to the federal government. UTEP was unable to determine if the excess funds were spent in three days. The interest rate for fiscal year 2002 is 1.89% (the 2002 average of the 13-week Treasury Bill equivalent yield as provided by the US Department of Treasury – Financial Management Service), and total affected federal expenses for R&D at UTEP were approximately \$7,698,000.

Recommendation

UTEP should incorporate into their weekly cash position report the amount of expenses accrued but not paid. This amount should be deducted from their weekly draw calculation.

Management Response and Corrective Action Plan:

*UTEP utilizes the DEFINE system located and maintained at the University of Texas at Austin (UT-Austin) to produce the weekly cash position report. UTEP management will work with UT-Austin to incorporate accounts payable amounts into the weekly cash position report. UT-Austin is in the process of implementing the necessary system changes to provide data of expenses paid and not accrued for cash reimbursement requests.*

*Implementation Date: Ongoing*

*Responsible Person: William Peters*

## University of Texas M.D. Anderson Cancer Center

Reference No. 02-30

### Allowable Costs

#### Research and Development Cluster Type of finding - Non-Compliance

M.D. Anderson uses the plan confirmation method as its effort reporting system, which is an acceptable method under OMB Circular A-21 (A-21). However, as M.D. Anderson is recognized as a hospital, the cost principles set forth in "A Guide for Hospitals", Office of Assistant Secretary Comptroller (OASC-3) should be followed. The plan confirmation method is not included as an acceptable method under OASC-3.

Initial Year Written:	2001
Status:	Partially Implemented
U.S. Department of Health and Human Services	

Per OASC-3, for members of the professional staff, current and reasonable estimates of the percentage distribution of their total effort may be used as support in the absence of actual time records. In order to qualify as current and reasonable, estimates must be made no later than one month after the month in which the services were performed. Estimates determined before the performance of services, such as budget estimates on a monthly, quarterly, or yearly basis do not qualify as estimates of effort spent.

Prior to August 1995, M.D. Anderson had prepared their indirect cost proposals in accordance with A-21, which were approved by Department of Health and Human Services (DHHS). However in August 1995, DHHS informed M.D. Anderson that they were recognized as a hospital and should be utilizing the DHHS cost principles and procedures as set forth in OASC-3. At that time, M.D. Anderson was in the midst of implementing the plan confirmation system, which was in accordance with A-21.

In the summer of 1995, M.D. Anderson representatives met with DHHS officials in Washington, DC to discuss M.D. Anderson's continued use of the plan confirmation method. Since 1995, M.D. Anderson has prepared and submitted its yearly cost proposals in accordance with OASC-3, which have been approved by DHHS with no objections related to M.D. Anderson's continued use of the plan confirmation effort certification method.

In July 2000, M.D. Anderson sent a letter to DHHS requesting the consideration of a change to OASC-3, as it is being revised, to include alternative effort reporting methodologies consistent with A-21. This letter again advised DHHS that M.D. Anderson was using the plan confirmation effort certification method. Additionally, this letter included background and procedural attachments related to M.D. Anderson's plan confirmation certification.

To date, M.D. Anderson has not received a response from DHHS. Therefore, although payroll expenditures are supported by an effort reporting system, it is not an acceptable method under OASC-3.

#### Recommendation:

M.D. Anderson should seek further clarification from DHHS. The lack of a response from DHHS cannot be interpreted as an approval.

#### Management's Response and Corrective Action Plan:

*During 2002, M.D. Anderson sought approval on two levels from the Division of Cost Allocation (DCA): (1) a request for approval as an alternative effort reporting system under current OASC-3 guidelines (action was tabled pending proposed changes to OASC-3 guidelines by DHHS) and (2) incorporation of the plan confirmation system in the update of OASC-3 guidelines currently in final draft at DCA.*

*In 2003, M.D. Anderson requested a waiver of the current effort reporting requirements under OASC-3 from DHHS. DHHS denied the waiver since the OASC-3 cost principles are being revised and the draft revisions do allow effort-reporting requirements similar to the A-21. M.D. Anderson is continuing to monitor the progress of the revised cost principles.*

*Implementation Date: Ongoing*

*Responsible Person: Michael Keneker*



## University of Texas at San Antonio

Reference No. 03-34

### Cash Management

#### Research and Development Cluster

#### Type of finding - Reportable Condition Control

University of Texas at San Antonio (UTSA) has selected the reimbursement method of cash management. A cash position report is produced from RGM in DEFINE system (general ledger accounting system) denoting the cash position of each Federal R&D grant. This system is located at the University of Texas at Austin. This report is based on expenditures posted to the general ledger and not expenses paid, which is required under the reimbursement method. UTSA follows state law in processing payments to all vendors 30 days after the receipt of invoices or receiving reports, whichever comes in last. We did note that departmental policy allowed for accumulation of expenses to be recorded, generally about \$50,000, before initiating requests for reimbursement.

Initial Year Written:	2002
Status:	Partially Implemented
Federal Agencies that provide R&D grants	

We were unable to determine what portion of the amounts drawn were paid prior to initiation of the draw request. As a result, UTSA has defaulted to an advance basis requiring disbursement of payment within three days before interest would be due to the federal government. UTSA was unable to determine if the excess funds were spent in three days.

Total non-payroll expenses for R&D at UTSA were approximately \$2,170,000 for the fiscal year. Since UTSA follows state law and processed all payments in 30 days, on average, there would be approximately \$180,833 of the amount in payables at any given time. The annualized interest rate for fiscal year 2002 is 1.89% (the 2002 average of the 13-week Treasury Bill equivalent yield as provided by the US Department of Treasury – Financial Management Service).

#### Recommendation

Under the reimbursement method chosen by UTSA, UTSA needs to ensure that requests for reimbursement represent expenses paid and not accrued. Otherwise, UTSA must conform to the guidelines for advance basis method.

#### Management Response and Corrective Action Plan:

*UTSA utilizes the DEFINE system located and maintained at the University of Texas at Austin (UT-Austin) to produce the cash position report. UTSA management will work with UT-Austin to provide proper data of expenses paid and not accrued for all cash reimbursement requests. If we are not able to make the necessary modifications in DEFINE, we will pursue other possibilities such as payment of grant invoices upon receipt or delay the request for reimbursement from the federal government by 30 days. UT-Austin is in the process of implementing the necessary system changes to provide data of expenses paid and not accrued for cash reimbursement requests.*

*Implementation Date: Ongoing*

*Responsible Person: Dick Dawson*