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Cash Management Improvement Act Agreement
between
The State of Texas
and
The Secretary of the Treasury,
United States Department of the Treasury

The Secretary of the Treasury, United States Department of the Treasury (hereafter 'Secretary'), and State of Texas (hereafter 'State'), in order to implement Section 5 of the Cash Management Improvement Act of 1990, as amended (hereafter 'Act'), agree as follows:

1.0 AGENTS OF THE AGREEMENT

1.1 The Authorized Official(s) for the State of Texas shall be the Deputy Comptroller, Texas Comptroller of Public Accounts in all matters concerning this Agreement.

1.2 The Office of the Assistant Commissioner, Payments, Bureau of the Fiscal Service (Fiscal Service), U.S. Department of the Treasury, shall act as the Secretary's representative in all matters concerning this Agreement.

2.0 AUTHORITY

2.1 The authority for this Agreement is the Cash Management Improvement Act of 1990 (Public Law 101-453), as amended by the Cash Management Improvement Act of 1992 (Public Law 102-589), codified at 31 U.S.C. 6501 and 31 U.S.C. 6503.

2.2 The regulations codified at 31 CFR Part 205 shall apply to all matters pertaining to this Agreement, and are incorporated herein by reference. In the event of any inconsistency between this Agreement and 31 CFR Part 205, the regulations shall govern.

3.0 DURATION, AMENDING, TERMINATING, AND MISCELLANEOUS PROVISIONS

3.1 This Agreement shall take effect on 09/01/2026 and shall remain in effect until 08/31/2027.

3.2 This Agreement may be amended at any time by written, mutual consent of the State and the Fiscal Service. This Agreement shall be amended annually to incorporate new programs that qualify as major Federal assistance programs and remove programs that no longer qualify as major Federal assistance programs. A State must notify the Fiscal Service in writing within 30 days of the time the State becomes aware of a change that involves additions or deletions of programs subject to Subpart A, changes in funding techniques, and/or changes in clearance patterns. The notification must include a proposed amendment for review by the Fiscal Service.

3.3 Notwithstanding section 3.2, in the event of Federal or State non-compliance with Subpart B of 31 CFR, Part 205, the Fiscal Service may amend this Agreement at any time to incorporate additional programs and the entities that administer those programs.

3.4 This Agreement may be terminated by either party with 30 days written notice. If this Agreement is terminated, the Fiscal Service will prescribe the funding techniques, clearance patterns, and methods for calculating interest liabilities to be used by the State.

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4.0 PROGRAMS COVERED

4.1 The State's threshold and its major Federal assistance programs shall be determined based on the State's Schedule of Expenditures of Federal Awards included in the most recently issued Single Audit Report for fiscal year ending 08/31/2025.

All major Federal assistance programs shall be covered by this Agreement, unless otherwise specified in section 4.4 of this Agreement.

4.2 The State's threshold for major Federal assistance programs is $215,583,833.

The following programs meet or exceed the threshold and are not excluded in Section 4.4:

ALN	Program Name
10.126	Texas 1944 Water Treaty Grant
10.551	Supplemental Nutrition Assistance Program
10.553	School Breakfast Program
10.555	National School Lunch Program
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs
17.225S	Unemployment Insurance -- State Benefit Account
20.205	Highway Planning and Construction
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education -- Grants to States
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States
84.367	Supporting Effective Instruction State Grants
84.425	Education Stabilization Fund
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.558	Temporary Assistance for Needy Families
93.563	Child Support Services
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.767	Children's Health Insurance Program
93.778	Medical Assistance Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

4.3 The following programs fall below the State's threshold but have been required to be covered by Fiscal Service in accordance with the non-compliance provisions of Subpart B of 31 CFR Part 205:

There are currently no programs listed for Section 4.3.

4.4 The following programs exceed the State's threshold but have been excluded from coverage for the reason indicated:

ALN	Program Name	Exclusion Reason
21.027	Coronavirus State and Local Fiscal Recovery Funds	Federal Statute - Full Exemption
84.063	Federal Pell Grant Program	Non-State

84.268	Federal Direct Student Loan	Non-State
93.268	Immunization Cooperative Agreements	Non-Cash

4.5.0 Non-cash Federal assistance programs are currently excluded from this Agreement. If any non-cash Federal assistance program becomes a cash program, then the appropriate subpart shall apply to the program on the first day of the fiscal year immediately subsequent to the change from non-cash to cash program.

4.6.0 Non Higher-Education State Agencies required to be reported in the Texas Annual Comprehensive Financial Report issued pursuant to GAAP shall be considered agencies and instrumentalities of the State and hence subject to the provisions of this Agreement to the extent they administer federal funds for a program listed in the System for Award Management (SAM.gov). Exceptions may be based upon reliable alternative information.

4.7.0 Governmental entities acting as service providers for any agency disbursing Federal funds covered by this Agreement shall not be considered fiscal agents, as that term is defined in 31 CFR 205.2.

4.8.0 Private, nonprofit community organizations shall not be considered fiscal agents, as that term is defined in 31 CFR 205.2. Funds paid by the State to nonprofit community organizations will be considered paid out for program purposes. Service provider shall mean any entity to which the State transfers funds for payment in exchange for a service, and who does not pay, collect or hold such funds on behalf of the State.

5.0 ENTITIES COVERED

5.1 State agencies and instrumentalities that meet the definition of a State per 31 CFR Part 205, shall be subject to the terms of this Agreement. The following is a list of such entities that administer funds under the programs listed in Section 4.0 of this Agreement:

302 - Attorney General
305 - General Land Office
320 - Texas Workforce Commission
529 - Health and Human Services Commission
530 - Department of Family and Protective Services
537 - Department of State Health Services
551 - Texas Department of Agriculture
575 - Texas Division of Emergency Management
601 - Texas Department of Transportation
696 - Texas Department of Criminal Justice
701 - Texas Education Agency

5.2 Entities that meet the definition of a Fiscal Agent per 31 CFR Part 205 shall be subject to the terms of this Agreement. The following is a list of Fiscal Agents that administer funds under the programs listed in the Section 4.0 of this Agreement:

Fiscal Agent	ALN	Program Name
Affiliated Computer Services	10.551	Supplemental Nutrition Assistance Program
Fidelity Information Services, LLC (FIS)	10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
Texas Medicaid Health Partnership	93.778	Medical Assistance Program

6.0 FUNDING TECHNIQUES

6.1 General Terms

6.1.1 The State shall request Federal funds in accordance with the appropriate cut-off times shown in Exhibit I to ensure funds will be received and credited to a State account by the times specified in the funding techniques. Exhibit I is incorporated by reference herein.

6.1.2 The State shall schedule the receipt of Federal funds such that the funds are received and credited to a State account in accordance with the clearance patterns specified in Exhibit II - List of State Clearance Patterns. Exhibit II is incorporated by reference herein.

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6.1.3 In instances where the receipt of funds is scheduled for a Saturday, the State shall request funds for deposit on Friday. In instances where the receipt of funds is scheduled for a Sunday, the State shall request funds for deposit on Monday. In instances where the receipt of Federal funds is scheduled for deposit on a day when the State is not open for business, the State shall request funds for deposit the day following the scheduled day; in instances where the receipt of Federal funds is scheduled for deposit on a day when the Federal Government is not open for business, the State shall request funds for deposit the day prior to the scheduled day.

6.1.4 Estimates and Reconciliation of Estimates:
Where estimated expenditures are used to determine the amount of the drawdown, the State will indicate in the terms of the State unique funding technique how the estimated amount is determined and when and how the State will reconcile the difference between the estimate and the State's actual expenditures.

6.1.5 Supplemental Funding:
Unless otherwise defined by program rules, Supplemental Funding is the award of additional funds to provide for an increase in costs due to unforeseen circumstances.

The State will comply with all Federal program agency policies and procedures for requesting supplemental grant funding.

The State will comply with the following guidelines when requesting supplemental funding for the Medical Assistance Program and associated administrative payments (ALN 93.778):

The State must submit a revised Medicaid Program Budget Report (CMS-37) to request supplemental funding. The CMS guidelines and instructions for completing the CMS-37 are provided in Section 2600F of the State Medicaid Manual (SMM). The CMS/CO must receive the revised Form CMS-37 through the Medicaid Budget Expenditure System/Children's Budget Expenditure System (MBES/CBES) no later than 10 calendar days before the end of the quarter for which the supplemental grant award is being requested.

Additional guidance on this policy is available from the respective CMS Regional Office, U.S. Department of Health & Human Services.

The State will comply with the following guidelines when requesting supplemental funding for TANF (ALN 93.558), CCDF (ALN 93.575), CSE (93.563), and the FC/AA (ALN 93.658 and ALN 93.659) programs administered by the U.S. Department of Human Services, Administration for Children and Families (HHS/ACF):

a. Timing of the Request
A State should initiate its request for supplemental funding during a quarter as soon as it becomes aware of the fact that a shortfall does/will exist. For the TANF and CCDF grants, supplemental funding requests (estimates) may be submitted by a State, for consideration by ACF, up through and including the 15th day of the third month of the first, second or third quarter of any fiscal year. Since TANF and CCDF are block grant programs, all unawarded portions of the annual allotment will automatically be issued at the beginning of the fourth quarter. Therefore, supplemental funding requests will not be available during the fourth quarter for these programs. For the CSE and FC/AA programs, supplemental funding requests may be submitted by a state, for consideration by ACF, up through and including the 15th day of the third month of any quarter of a fiscal year.

b. Justification for the Request
The request for a supplemental funding for any of the above-mentioned programs should contain a justification clearly documenting the need for the additional funding authority during the current quarter. This documentation should be in the form of State accounting records or similar documents that will show the actual expenditures through the most recent month for which such data are available, as well as the State's most accurate projection of its anticipated expenditures during the remaining month(s) of the quarter. For either the TANF or the CCDF program, the State's justification should also include an explanation of the activities requiring the obligation

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and/or expenditure of amounts that exceed the normal quarterly grant award restrictions and why these activities could not have been delayed until the next quarter.

c. Form Submittal

Supplemental funding requests should be made by completing the appropriate ACF quarterly report of expenditures and estimates applicable to the particular program for which the grant award request is being made.

d. Approval Process

Upon receipt of the state's request for additional funding authority for a quarter, the ACF Regional Office will promptly review the supporting documentation. If the request is properly justified, so long as ACF has adequate funding availability, the State's request will be expedited and supplemental funding will be issued within 5 days of ACF receiving the request. The State will be notified by the Regional Office when the supplemental award has been transmitted to the Payment Management System (PMS) and when it may initiate drawdowns against the supplemental funding.

Additional guidance on this policy is provided in the U.S. Department of Health & Human Services, Administration for Children and Families, letter (May 19, 2004) to State Administrators from the Deputy Assistant Secretary for Administration.

6.2 Description of Funding Techniques

6.2.1 The following are terms under which standard funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

Funding Technique Name	Description
Actual Clearance, ZBA - ACH	The State shall request funds such that they are deposited by ACH in a State account on the settlement date of payments issued by the State. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be for the amount of funds that clear the State's account on the settlement date. This funding technique is interest neutral.
Actual Clearance, ZBA - Same Day Payment	The State shall request funds the same day it pays out funds, in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. A Federal agency will deposit funds in a State account the same day as requested. The amount of the request shall be for the amount of funds that clear the State's account that day. This funding technique is interest neutral.
Average Clearance	The State shall request funds such that they are deposited by ACH on the dollar-weighted average day of clearance for the disbursement, in accordance with the clearance pattern specified in Exhibit II. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be for the exact amount of that disbursement. This funding technique is interest neutral.
Pre-Issuance	The State shall request funds such that they are deposited in a State account not more than three business days prior to the day the State makes a disbursement. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the amount the State expects to disburse. This funding technique is not interest neutral.

6.2.2 The following are terms under which funding techniques for administrative costs shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

Funding Technique Name	Description
Indirect Cost Rates - Proportionate Shares	The State shall include a proportionate share of the indirect cost allowance in each request for funds by applying the indirect cost rate to the appropriate cost base of each drawdown. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be determined by applying the indirect cost rate to the appropriate cost base estimated in accordance with the drawdowns. This funding technique is interest neutral.

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6.2.3 The following are terms under which miscellaneous funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

There are currently no funding techniques listed in Section 6.2.3.

6.2.4 The following are terms under which State unique funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

Funding Technique Name	Description
Monthly Draws	The State shall draw down once a month, approximately mid-month by applying the indirect cost rate to the appropriate direct costs of the prior month. This draw shall cover indirect costs incurred during the prior month. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.
N/A - TANF Recoveries	Funds are not requested. Cut-off times in accordance with Exhibit I do not apply as funds are not requested. No amount of funds are requested. This funding technique is interest neutral.
Non-Cash	No funds are requested as this is a non-cash funding technique, as funding consists of commodities, food items, which are served in the National School Lunch Program by public, charter and private schools and Residential Child Care Institutions (RCCIs). United States Department of Agriculture (USDA) allocates Texas Department of Agriculture (TDA) a dollar value of food and TDA makes food items available through TDA's automated system. The commodities are administered by TDA and are delivered by USDA directly to a TDA contracted warehouse for schools to draw down or to public, charter, and private schools and RCCIs. Cut-off time specified in Exhibit I does not apply as this is a non-cash funding technique. No funds are requested as this is a non-cash funding technique. This funding technique is interest neutral.
Pre-Issuance as it applies to the TX Dept of Transportation - First Week	Because highway contractor payments occur during the first week of each month, the Texas Department of Transportation (TXDOT) requests payment for all accrued expenditures submitted by highway contractors during this time. Federal reimbursement funds are needed immediately after TXDOT issues a payment check or EFT to its highway contractors. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. TXDOT calculates the necessary funding based on a project's funding profile and the associated federal share. This funding technique is not interest neutral.
Reimbursement	The State requests funds such that they are deposited in a State account after the State has disbursed funds for Federal assistance program purposes. This funding technique is interest neutral.
Weekly Draws - Texas Department of Transportation (Program Cost/Other)	Each week (excluding the first week of the month), the Texas Department of Transportation (TXDOT) shall request payment for expenditures (submitted by contractors and for all other direct cost) that have been paid for by the State Highway Fund. TXDOT needs federal reimbursement funds within one to three weeks from when a payment check or EFT has cleared the bank. The frequency of federal reimbursement funds involving this weekly draw funding technique is around three times per month. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of funds TXDOT can bill depends on the actual expenditures incurred during this time frame. The agency calculates required funding based on the project's funding profile and the associated federal share. This funding technique is interest neutral.
WIC Modified Actual Clearance (6-Business Day) Grocer EBT Payments	The State shall request Federal funds such that they are deposited in a State (or State controlled contractor) account up to six (6) business days prior to the date on which WIC grocers will receive payment to comply with WIC EBT operating rules requiring EBT transactions to clear and grocers to receive payment within two banking days. The draw amount shall not exceed Texas Health and Human Service Commission’s projection of expenditures for the associated issuance cycle, calculated using historical food costs, and seasonal and known fluctuations. The State (or State-controlled contractor) shall reconcile projected vs. actual expenditures within 30 days following the close of each issuance cycle. Reconciliation shall include: (1) Actual redemptions

	posted by the EBT processor, (2) Interest earned or owed, (3) Adjustments to subsequent draw amounts. The request shall be submitted in accordance with the relevant Federal agency cut-off times specified in Exhibit I. Interest liabilities shall be calculated in accordance with Section 8 of this Agreement. The program operational account maintained by FIS shall be held in an interest-bearing account, and interest earned thereon shall be applied to offset the State's CMIA interest liability for this funding technique. The State shall track interest accruals and remit any net liability to the federal government in accordance with this Agreement. This extended drawdown has been approved by the U. S. Department of Agriculture, Food and Nutrition Administration (FNA). The federal agency, FNA, is committed to the continuous oversight, monitoring, and evaluation of the State's WIC program operations to ensure compliance with federal requirements and to facilitate the State's efforts to further minimize the number of days associated with early advance federal payments. The State is committed to performing annual reviews of program operations and clearance days, with the goal of reducing the number of days as online EBT clearance patterns are confirmed through operational experience. This funding technique is not interest neutral.

6.3 Application of Funding Techniques to Programs

6.3.1 The State shall apply the following funding techniques when requesting Federal funds for the component cash flows of the programs listed in sections 4.2 and 4.3 of this Agreement.

6.3.2 Programs

Below are programs listed in Section 4.2 and Section 4.3.

10.126 Texas 1944 Water Treaty Grant
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: 100
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

10.551 Supplemental Nutrition Assistance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 100
Component: Program Costs under EBT
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 3 Days

10.553 School Breakfast Program
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 100
Component: Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

10.555 National School Lunch Program
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: 11.1
Component: Program Costs
Technique: Non-Cash
Average Day of Clearance: N/A

10.555 National School Lunch Program
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 88.71
Component: Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment

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Average Day of Clearance: 0 Days

10.555 National School Lunch Program
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: .19
Component: Program Costs - Pre-Issuance
Technique: Pre-Issuance
Average Day of Clearance: N/A

10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 6.27
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 3.37
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

10.557 WIC Special Supplemental Nutrition Program for Women, Infants, and Children
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 90.36
Component: Program Costs
Technique: WIC Modified Actual Clearance (6-Business Day) Grocer EBT Payments
Average Day of Clearance: N/A

10.558 Child and Adult Care Food Program
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: .28
Component: Indirect Cost
Technique: Indirect Cost Rates - Proportionate Shares
Average Day of Clearance: N/A

10.558 Child and Adult Care Food Program
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: 98.96
Component: Program Costs - Pre-Issuance
Technique: Pre-Issuance
Average Day of Clearance: N/A

10.558 Child and Adult Care Food Program
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: .76
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 40.24
Component: Administrative Costs
Technique: Pre-Issuance

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Average Day of Clearance: N/A

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 50.83
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 8.93
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Recipient: 305 - General Land Office
% of Funds Agency Receives: 2.54
Component: Payroll Costs
Technique: Reimbursement
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Recipient: 305 - General Land Office
% of Funds Agency Receives: .18
Component: Indirect Costs
Technique: Indirect Cost Rates - Proportionate Shares
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: .04
Component: Indirect Cost
Technique: Indirect Cost Rates - Proportionate Shares
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Recipient: 305 - General Land Office
% of Funds Agency Receives: 1.78
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: .11
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Recipient: 305 - General Land Office

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% of Funds Agency Receives: 89.28
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
Recipient: 551 - Texas Department of Agriculture
% of Funds Agency Receives: 6.07
Component: Program Costs - Pre-Issuance
Technique: Pre-Issuance
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 33.38
Component: Payroll Costs
Technique: Monthly Draws
Average Day of Clearance: 1 Day

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 66.62
Component: Indirect Cost
Technique: Pre-Issuance
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 100
Component: Payment to Beneficiaries - Grants (ATAA, TRA & DUA)
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

20.205 Highway Planning and Construction
Recipient: 601 - Texas Department of Transportation
% of Funds Agency Receives: 59.14
Component: Program Costs - Weekly Draws
Technique: Weekly Draws - Texas Department of Transportation (Program Cost/Other)
Average Day of Clearance: N/A

20.205 Highway Planning and Construction
Recipient: 601 - Texas Department of Transportation
% of Funds Agency Receives: .72
Component: Payroll Costs
Technique: Monthly Draws
Average Day of Clearance: 1 Day

20.205 Highway Planning and Construction
Recipient: 601 - Texas Department of Transportation
% of Funds Agency Receives: 40.14
Component: Program Costs - Pre-Issuance
Technique: Pre-Issuance as it applies to the TX Dept of Transportation - First Week
Average Day of Clearance: N/A

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84.010 Title I Grants to Local Educational Agencies
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 99.12
Component: Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

84.010 Title I Grants to Local Educational Agencies
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: .62
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: .26
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 97
Component: Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

84.027 Special Education -- Grants to States
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 1.49
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 1.51
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 27.51
Component: Payroll Costs
Technique: Monthly Draws
Average Day of Clearance: 1 Day

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 67.88
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: 529 - Health and Human Services Commission

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% of Funds Agency Receives: 4.59
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: .01
Component: Payroll Cost
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: .01
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.367 Supporting Effective Instruction State Grants
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 98.76
Component: Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

84.367 Supporting Effective Instruction State Grants
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: .77
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.367 Supporting Effective Instruction State Grants
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: .47
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 94.76
Component: Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

84.425 Education Stabilization Fund
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: .55
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: 701 - Texas Education Agency
% of Funds Agency Receives: 4.69
Component: Administrative Costs
Technique: Pre-Issuance

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Average Day of Clearance: N/A

93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Recipient: 537 - Department of State Health Services
% of Funds Agency Receives: 14.54
Component: Indirect Costs
Technique: Monthly Draws
Average Day of Clearance: 1 Day

93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Recipient: 696 - Texas Department of Criminal Justice
% of Funds Agency Receives: 7.6
Component: Administrative Costs
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 3 Days

93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Recipient: 537 - Department of State Health Services
% of Funds Agency Receives: 4.22
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Recipient: 537 - Department of State Health Services
% of Funds Agency Receives: 73.64
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 2.42
Component: Payroll Costs
Technique: Monthly Draws
Average Day of Clearance: 1 Day

93.558 Temporary Assistance for Needy Families
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 19.07
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: .36
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: .49
Component: Payroll Costs
Technique: Pre-Issuance

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Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 4.04
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: 5.89
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: 33.13
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: 34.6
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.563 Child Support Services
Recipient: 302 - Attorney General
% of Funds Agency Receives: 35.44
Component: Payroll Costs
Technique: Average Clearance
Average Day of Clearance: 0 Days

93.563 Child Support Services
Recipient: 302 - Attorney General
% of Funds Agency Receives: 9.28
Component: Administrative Costs
Technique: Average Clearance
Average Day of Clearance: 0 Days

93.563 Child Support Services
Recipient: 302 - Attorney General
% of Funds Agency Receives: 52.4
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.563 Child Support Services
Recipient: 302 - Attorney General
% of Funds Agency Receives: 2.88
Component: TANF Recoveries
Technique: N/A - TANF Recoveries
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: .78

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Component: Payroll Costs
Technique: Monthly Draws
Average Day of Clearance: 1 Day

93.575 Child Care and Development Block Grant
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 92.43
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: 4.5
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: .01
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: .01
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: .01
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 2.24
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: .02
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Recipient: 320 - Texas Workforce Commission
% of Funds Agency Receives: 100
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

Docusign Envelope ID: B32361B0-1471-81AF-8286-7BDB7DD4BC0B

93.767 Children's Health Insurance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 1.05
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: .96
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 97.99
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 1.96
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 1.38
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 96.53
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: .01
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: .01
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 530 - Department of Family and Protective Services
% of Funds Agency Receives: .02
Component: Payroll Costs
Technique: Pre-Issuance

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Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 537 - Department of State Health Services
% of Funds Agency Receives: .04
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 537 - Department of State Health Services
% of Funds Agency Receives: .04
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 537 - Department of State Health Services
% of Funds Agency Receives: .01
Component: Indirect Costs
Technique: Monthly Draws
Average Day of Clearance: 1 Day

93.959 Block Grants for Prevention and Treatment of Substance Abuse
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 86.53
Component: Program Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.959 Block Grants for Prevention and Treatment of Substance Abuse
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 7.3
Component: Payroll Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

93.959 Block Grants for Prevention and Treatment of Substance Abuse
Recipient: 529 - Health and Human Services Commission
% of Funds Agency Receives: 6.17
Component: Administrative Costs
Technique: Pre-Issuance
Average Day of Clearance: N/A

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: 537 - Department of State Health Services
% of Funds Agency Receives: .01
Component: Payroll Costs
Technique: Reimbursement
Average Day of Clearance: N/A

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: 575 - Texas Division of Emergency Management
% of Funds Agency Receives: 10.7
Component: Program Costs
Technique: Reimbursement
Average Day of Clearance: N/A

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97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: 537 - Department of State Health Services
% of Funds Agency Receives: 35.66
Component: Program Costs
Technique: Reimbursement
Average Day of Clearance: N/A

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: 575 - Texas Division of Emergency Management
% of Funds Agency Receives: 1.35
Component: Payroll Costs
Technique: Reimbursement
Average Day of Clearance: N/A

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: 575 - Texas Division of Emergency Management
% of Funds Agency Receives: 52.28
Component: Program Costs - Pre Issuance
Technique: Pre-Issuance
Average Day of Clearance: N/A

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

212 - Office of Court Administration for ALN 93.563
305 - General Land Office for ALN 97.036
320 - Texas Workforce Commission ALN 10.561
401 - Texas Military Department for ALNs 10.553, 10.555, and 97.036
405 - Department of Public Safety for ALN 97.036
506 - University of Texas M. D. Anderson Cancer Center for ALNs 14.228
529 - Health and Human Services Commission for ALNs 84.027 and 97.036
537 - Department of State Health Services for ALN 10.561
551 - Texas Department of Agriculture for ALN 10.553
555 - Texas A&M AgriLife Extension Service for ALNs 10.561, 14.228, and 20.205
575 - Texas Division of Emergency Management for ALN 14.228
576 - Texas A&M Forest Service for ALN 97.036
580 - Texas Water Development Board for ALN 14.228
582 - Texas Commission on Environmental Quality ALN 97.036
608 - Texas Department of Motor Vehicles for ALN 97.036
644 - Texas Juvenile Justice Department for ALNs 10.553, 10.555, 84.027, 84.367, and 93.323
696 - Texas Department of Criminal Justice for ALNs 84.027, 84.367, and 97.036
701 - Texas Education Agency for ALN 93.323 and 93.558
708 - Texas A&M University System - Shared Services Center for ALN 93.575
712 - Texas A&M Engineering Experiment Station for ALN 20.205
716 - Texas A&M Engineering Extension Service for ALN 97.036
727 - Texas A&M Transportation Institute for ALN 20.205
771 - Texas School for the Blind and Visually Impaired for ALNs 10.553, 10.555, 84.010, 84.027, 84.367, and 93.778
772 - Texas School for the Deaf for ALNs 10.553, 10.555, 84.010, 84.027, 84.367, and 93.778
802 - Parks and Wildlife Department for ALN 97.036
808 - Texas Historical Commission for ALN 97.036

7.0 CLEARANCE PATTERNS

7.1 The State shall develop separate clearance patterns for each of the following:

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For each program or logical group of programs subject to the provisions of Subpart A of 31 CFR Part 205, except for those programs that utilize Electronic Benefit Transfers (EBT). The State will also develop functional clearance patterns for those programs where applicable.

7.2 The following shall develop the State's clearance patterns:

State agencies will calculate clearance patterns for period 1 (from deposit date to issuance date, where issuance means the actual release of payments). The Comptroller of Public Accounts will calculate clearance patterns for period 2 from issuance to clearance.

7.3 The sources of data the State shall use when developing its clearance patterns are as follows:

An agency's internal accounting system, the Uniform Statewide Accounting System, the Treasury Warrants System, and the Standardized Payroll/Personnel Reporting System.

7.4 The State shall use the following methodology when developing its clearance patterns:

When developing each clearance pattern, the State shall track at least 99% of the funds disbursed, from issuance to clearance, for a period of at least three months.

7.5 The State shall identify for each check or warrant (hereafter, check) in the population: (1) the date the check was released for payment; (2) the date the check was debited from the State's account, and, (3) the amount of the check.

7.6 The State shall use the following method to calculate the dollar-weighted average day of clearance:

To determine the number of days each check was outstanding (clearance time), the issue date shall be subtracted from the date the check cleared the State's account.

To determine the percentage of the disbursement paid out each day following issuance, the amount of the checks that clear the State's account each day shall be summed and then divided by the amount of the total disbursement.

For each day following issuance, the clearance time of the checks paid out that day shall be multiplied by the percentage of the total disbursement those checks represent. This product is the clearance factor.

The dollar-weighted average day of clearance for the disbursement shall be determined by summing the clearance factor of each day following the disbursement.

7.7 The State shall adjust each clearance pattern to reflect the dollar-weighted proportion of funds paid out by EFT/Direct payroll, with the following exceptions:

None

The State shall also adjust each clearance pattern to reflect:

Not Applicable

7.8 Each of the State's clearance patterns is calculated in Calendar days.

7.9 An authorized State official shall certify that each clearance pattern developed by the State accurately corresponds to the clearance activity of the programs to which it is applied. This certification shall be provided to the Fiscal Service prior to the effective date of the Agreement. The State shall recertify its clearance patterns at least every five years.

7.10 The State shall follow the procedures of 31 CFR 205 if it has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program's clearance activity.

8.0 INTEREST CALCULATION METHODOLOGY

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8.1 General Terms

8.1.1 The State and the Secretary agree that no interest liabilities will be incurred for transfers of funds made in accordance with the procedures specified in section 6 of this Agreement where the following funding techniques are applied:

Actual Clearance, ZBA - ACH
Actual Clearance, ZBA - Same Day Payment
Average Clearance
Indirect Cost Rates - Proportionate Shares
Monthly Draws
N/A - TANF Recoveries
Non-Cash
Reimbursement
Weekly Draws - Texas Department of Transportation (Program Cost/Other)

8.1.2 The State shall maintain information on disbursements and receipts of funds to verify the implementation of any funding technique and document interest liabilities.
For each disbursement, the State shall be able to identify:
(1) amount of the issuance
(2) date of issuance
(3) date Federal funds are received and credited to a State account
(4) amount of Federal funds received
(5) date funds were requested

8.2 Federal Interest Liabilities

8.2.1 A Federal interest liability shall accrue from the day the State pays out its own funds for program purposes to the day Federal funds are credited to a State account. With regard to funds transferred out of the Federal Highway Trust Fund, if a State does not bill at least weekly for current project costs, the Federal interest liability shall not accrue prior to the day the State submits a request for funds.

8.2.2 The State shall use the following method to calculate Federal interest liabilities:

Actual Activity:
For all transactions where the State pays out its own funds for program purposes prior to receiving Federal funds, the State shall track each payment from the date it is paid out of a State account to the date Federal funds are subsequently credited to a State account to cover that outlay. The Federal interest liability on each payment shall be based on the difference in whole days between the two events. With Federal-State matching programs, interest shall be calculated on the Federal percentage of the disbursement.

8.3 The Unemployment Trust Fund

8.3.1 The State shall use the following method to calculate State interest liabilities on funds withdrawn from the several accounts in the Unemployment Trust Fund:

Federal and State Funds are Interest Neutral:
There are no interest earnings on funds withdrawn from the State account, as the State has implemented estimated clearance, an interest-neutral funding technique, for such transfers. For UTF transfers that do not follow the technique specified in section 6.2 and result in a positive balance of funds in a State account, the State's liability for interest on funds withdrawn from its account in the UTF shall consist of the actual interest earnings of the benefit payment account on the pro-rata share less the related banking costs attributed to such funds.

8.4 Refund Liabilities

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8.4.1 The State shall be liable for interest on refunds from the date the refund is credited to a State account until the date the refund is debited from the State account for program purposes. The State shall apply a $50,000 refund transaction threshold below which the State shall not incur or calculate interest liabilities on refunds. A transaction is defined as a single deposit.

8.4.2 For each refund, the State shall maintain information identifying:
(1) date a refund is credited to a State account
(2) date of the subsequent deposit of Federal funds against which the refund is offset
(3) amount of the refund

8.4.3 The State shall use the following methodology to calculate interest liabilities on refunds:

With programs to which applicable interest neutral funding techniques are applied, the State interest liability shall be based on the difference in whole days between the date the refund is deposited in a State account and the date the refund is offset against a subsequent deposit of Federal funds.

8.5 Exemptions

8.5.1 Where more than one State agency is a recipient of Federal funds under a program, a particular State agency's funding may be excluded from interest calculation procedures if the State agency receives an amount of funds less than 5
% of the State's threshold for major Federal assistance programs. Notwithstanding this potential exemption, however, in no case shall less than 90% of a program's total funding be subject to interest calculation procedures.

Proration of calculations: If less than total program funding is subject to interest calculation procedures, the resulting interest liability calculations shall be prorated to 100% of program funding.

8.6 State Interest Liabilities

8.6.1 The State shall be liable for interest on Federal funds from the date Federal funds are credited to a State account until the date those funds are paid out for program purposes.

8.6.2 The State shall use the following method to calculate State interest liabilities on Federal funds:

8.6.2.1 Measuring Time Funds Are Held

Deposit to Issuance; Issuance to Clearance:
To determine the total time Federal funds are held, the State shall separately measure two time periods: (1) the date Federal funds are deposited to the date checks are issued; and (2) the date checks are issued to the date funds are debited from the State's account.

8.6.2.2 Source of Data

The time period from issuance of funds to the date funds are debited from the State's account shall be determined by the appropriate clearance pattern specified in Exhibit II.

8.6.2.3 Standards Applied

Census (Average Daily Balance):
The average daily cash balance of Federal Funds in the program's account reflects the actual activity of each draw from the date of deposit to the date of issuance or clearance, whichever is pertinent.

8.6.2.4 Calculation Procedure

Pre-Issuance Time + Clearance Time:
$I = P \times r \times \{PI + CT\}$, where

I = State's total interest liability

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P = Total annual expenditures of Federal funds for program or component cash flow of program

r = Annualized rate equal to the average equivalent yields of 13-week Treasury bills auctioned during a State's fiscal year divided by 365 days

PI = Dollar-weighted average number of days Federal funds are held by State prior to issuance

CT = Dollar-weighted average number of days Federal funds are held by State between issuance and clearance of checks, as determined by the appropriate clearance pattern in Exhibit II

9.0 REVERSE FLOW PROGRAMS

The State is not required to cover any reverse flow programs under the terms of this Agreement because the State does not participate in the program.

10.0 INTEREST CALCULATION COSTS

10.1 As set forth in 31 CFR 205.27, interest calculation costs are defined as those costs necessary for the actual calculation of interest, including the cost of developing and maintaining clearance patterns in support of the interest calculations. Interest calculation costs do not include expenses for normal disbursing services, such as processing of checks or maintaining records for accounting and reconciliation of cash balances, or expenses for upgrading or modernizing accounting systems. Interest calculation costs in excess of $50,000 in any year are not eligible for reimbursement, unless the State provides justification with the annual report.

10.2 The State expects to incur the following types of interest calculation costs:

Personnel; computer resources and administrative overhead.

10.3 The State shall submit all claims for reimbursement of interest calculation costs with its Annual Report in accordance with 31 CFR 205.

11.0 NON-COMPLIANCE

11.1 The provisions of 31 CFR Part 205.29 and 31 CFR Part 205.30 shall apply in cases of non-compliance with the terms of this Agreement.

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12.0 AUTHORIZED SIGNATURES

Noah Betz
Deputy Comptroller, Texas Comptroller of Public Accounts

Signature: Signed by: 00198AE288074DC... Date Signed: 10/12/2026

Date Submitted 10/2/2026

Tannura Elie
Assistant Commissioner
Office of Payments
Bureau of the Fiscal Service
U.S. Department of the Treasury

Signature: Signed by: Tannura Elie 111465BA46B941E... Date Signed: 10/14/2026

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Exhibit I - Funds Request and Receipt Times Schedule

State of Texas

Federal Agency	Payment Type	Request Cut-Off Time	Receipt Window
Agriculture-FNS	ACH	11:59 PM	1 day
Agriculture-FNS	Fedwire	5:45 PM	0 day
Agriculture-FS	ACH	3:00 PM	1 day
Air National Guard	ACH	12:00 PM	15 days
Army National Guard	ACH	12:00 PM	15 days
Commerce-NOAA	ACH	2:00 PM	1 day
Dept of Homeland Security (FEMA)	Fedwire	2:00 PM	2 days
Dept of Homeland Security (ODP)	ACH	2:00 PM	2 days
Dept of Homeland Security (ODP)	Fedwire	2:00 PM	2 days
EPA	ACH	2:00 PM	2 days
EPA	Fedwire	2:00 PM	0 day
Education	ACH	3:00 PM	1 day
Education	Fedwire	2:00 PM	0 day
Energy	ACH	4:00 PM	1 day
Energy	Fedwire	3:00 PM	0 day
HHS	ACH	5:00 PM	1 day
HHS	Fedwire	3:00 PM	0 day
HUD	ACH	5:30 PM	2 days
HUD	Fedwire	3:00 PM	0 day
Interior-FWS	ACH	11:59 PM	1 day
Interior-FWS	Fedwire	5:45 PM	0 day
Interior-OSM	ACH	3:00 PM	1 day
Interior-OSM	Fedwire	1:00 PM	0 day
Justice	ACH	11:00 PM	6 days
Justice	Fedwire	2:00 PM	2 days
Labor-Non-UTF	ACH	3:00 PM	1 day
Labor-UTF	ACH	3:00 PM	1 day
Labor-UTF	Fedwire	3:00 PM	0 day
National Science Foundation (NSF)	ACH	8:00 PM	1 day
National Science Foundation (NSF)	Fedwire	5:45 PM	0 day
Social Security Administration	ACH	11:59 PM	1 day
Social Security Administration	Fedwire	5:45 PM	0 day
Transportation (FAA)	ACH	2:00 PM	1 day
Transportation (FHWA)	ACH	12:00 PM	3 days
Transportation (FHWA)	Fedwire	12:00 PM	0 day
Transportation (FTA)	ACH	2:00 PM	1 day
Veterans Administration	ACH	12:00 PM	3 days

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Exhibit II - State of Texas
LIST OF STATE CLEARANCE TIMES
(Rounded Dollar-Weighted Average Day of Clearance)
Clearance Times Where the Timing of A Draw Down Is Based on A Clearance Pattern

ALN	Program Name	Recipient	%	Component	Technique	Rounded days
10.126	Texas 1944 Water Treaty Grant	551 - Texas Department of Agriculture	100.0	Program Costs	Pre-Issuance	N/A
10.551	Supplemental Nutrition Assistance Program	529 - Health and Human Services Commission	100.0	Program Costs under EBT	Actual Clearance, ZBA - ACH	3 Days
10.553	School Breakfast Program	701 - Texas Education Agency	100.0	Program Costs	Actual Clearance, ZBA - Same Day Payment	0 Days
10.555	National School Lunch Program	551 - Texas Department of Agriculture	11.1	Program Costs	Non-Cash	N/A
	National School Lunch Program	701 - Texas Education Agency	88.71	Program Costs	Actual Clearance, ZBA - Same Day Payment	0 Days
	National School Lunch Program	551 - Texas Department of Agriculture	0.19	Program Costs - Pre-Issuance	Pre-Issuance	N/A
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	529 - Health and Human Services Commission	6.27	Administrative Costs	Pre-Issuance	N/A
	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	529 - Health and Human Services Commission	3.37	Payroll Costs	Pre-Issuance	N/A
	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	529 - Health and Human Services Commission	90.36	Program Costs	WIC Modified Actual Clearance (6-Business Day) Grocer EBT Payments	N/A
10.558	Child and Adult Care Food Program	551 - Texas Department of Agriculture	0.28	Indirect Cost	Indirect Cost Rates - Proportionate Shares	N/A
	Child and Adult Care Food Program	551 - Texas Department of Agriculture	98.96	Program Costs - Pre-Issuance	Pre-Issuance	N/A
	Child and Adult Care Food Program	551 - Texas Department of Agriculture	0.76	Payroll Costs	Pre-Issuance	N/A
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	529 - Health and Human Services Commission	40.24	Administrative Costs	Pre-Issuance	N/A
	State Administrative Matching Grants for the Supplemental	529 - Health and Human Services Commission	50.83	Payroll Costs	Pre-Issuance	N/A

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	Nutrition Assistance Program					
	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	529 - Health and Human Services Commission	8.93	Program Costs	Pre-Issuance	N/A
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	305 - General Land Office	2.54	Payroll Costs	Reimbursement	N/A
	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	305 - General Land Office	0.18	Indirect Costs	Indirect Cost Rates - Proportionate Shares	N/A
	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	551 - Texas Department of Agriculture	0.04	Indirect Cost	Indirect Cost Rates - Proportionate Shares	N/A
	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	305 - General Land Office	1.78	Administrative Costs	Pre-Issuance	N/A
	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	551 - Texas Department of Agriculture	0.11	Payroll Costs	Pre-Issuance	N/A
	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	305 - General Land Office	89.28	Program Costs	Pre-Issuance	N/A
	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	551 - Texas Department of Agriculture	6.07	Program Costs - Pre-Issuance	Pre-Issuance	N/A
17.225 F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	320 - Texas Workforce Commission	33.38	Payroll Costs	Monthly Draws	1 Day
	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	320 - Texas Workforce Commission	66.62	Indirect Cost	Pre-Issuance	N/A
17.225 S	Unemployment Insurance -- State Benefit Account	320 - Texas Workforce Commission	100.0	Payment to Beneficiaries - Grants (ATAA, TRA & DUA)	Actual Clearance, ZBA - Same Day Payment	0 Days

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20.205	Highway Planning and Construction	601 - Texas Department of Transportation	59.14	Program Costs - Weekly Draws	Weekly Draws - Texas Department of Transportation (Program Cost/Other)	N/A
	Highway Planning and Construction	601 - Texas Department of Transportation	0.72	Payroll Costs	Monthly Draws	1 Day
	Highway Planning and Construction	601 - Texas Department of Transportation	40.14	Program Costs - Pre-Issuance	Pre-Issuance as it applies to the TX Dept of Transportation - First Week	N/A
84.010	Title I Grants to Local Educational Agencies	701 - Texas Education Agency	99.12	Program Costs	Actual Clearance, ZBA - Same Day Payment	0 Days
	Title I Grants to Local Educational Agencies	701 - Texas Education Agency	0.62	Payroll Costs	Pre-Issuance	N/A
	Title I Grants to Local Educational Agencies	701 - Texas Education Agency	0.26	Administrative Costs	Pre-Issuance	N/A
84.027	Special Education -- Grants to States	701 - Texas Education Agency	97.0	Program Costs	Actual Clearance, ZBA - Same Day Payment	0 Days
	Special Education -- Grants to States	701 - Texas Education Agency	1.49	Payroll Costs	Pre-Issuance	N/A
	Special Education -- Grants to States	701 - Texas Education Agency	1.51	Administrative Costs	Pre-Issuance	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	320 - Texas Workforce Commission	27.51	Payroll Costs	Monthly Draws	1 Day
	Rehabilitation Services -- Vocational Rehabilitation Grants to States	320 - Texas Workforce Commission	67.88	Program Costs	Pre-Issuance	N/A
	Rehabilitation Services -- Vocational Rehabilitation Grants to States	529 - Health and Human Services Commission	4.59	Program Costs	Pre-Issuance	N/A
	Rehabilitation Services -- Vocational Rehabilitation Grants to States	529 - Health and Human Services Commission	0.01	Payroll Cost	Pre-Issuance	N/A
	Rehabilitation Services -- Vocational Rehabilitation Grants to States	529 - Health and Human Services Commission	0.01	Administrative Costs	Pre-Issuance	N/A
84.367	Supporting Effective Instruction State Grants	701 - Texas Education Agency	98.76	Program Costs	Actual Clearance, ZBA - Same Day Payment	0 Days
	Supporting Effective Instruction State Grants	701 - Texas Education Agency	0.77	Payroll Costs	Pre-Issuance	N/A
	Supporting Effective Instruction State Grants	701 - Texas Education Agency	0.47	Administrative Costs	Pre-Issuance	N/A

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84.425	Education Stabilization Fund	701 - Texas Education Agency	94.76	Program Costs	Actual Clearance, ZBA - Same Day Payment	0 Days
	Education Stabilization Fund	701 - Texas Education Agency	0.55	Payroll Costs	Pre-Issuance	N/A
	Education Stabilization Fund	701 - Texas Education Agency	4.69	Administrative Costs	Pre-Issuance	N/A
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	537 - Department of State Health Services	14.54	Indirect Costs	Monthly Draws	1 Day
	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	696 - Texas Department of Criminal Justice	7.6	Administrative Costs	Actual Clearance, ZBA - ACH	3 Days
	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	537 - Department of State Health Services	4.22	Payroll Costs	Pre-Issuance	N/A
	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	537 - Department of State Health Services	73.64	Program Costs	Pre-Issuance	N/A
93.558	Temporary Assistance for Needy Families	320 - Texas Workforce Commission	2.42	Payroll Costs	Monthly Draws	1 Day
	Temporary Assistance for Needy Families	320 - Texas Workforce Commission	19.07	Program Costs	Pre-Issuance	N/A
	Temporary Assistance for Needy Families	529 - Health and Human Services Commission	0.36	Administrative Costs	Pre-Issuance	N/A
	Temporary Assistance for Needy Families	529 - Health and Human Services Commission	0.49	Payroll Costs	Pre-Issuance	N/A
	Temporary Assistance for Needy Families	529 - Health and Human Services Commission	4.04	Program Costs	Pre-Issuance	N/A
	Temporary Assistance for Needy Families	530 - Department of Family and Protective Services	5.89	Administrative Costs	Pre-Issuance	N/A
	Temporary Assistance for Needy Families	530 - Department of Family and Protective Services	33.13	Program Costs	Pre-Issuance	N/A
	Temporary Assistance for Needy Families	530 - Department of Family and Protective Services	34.6	Payroll Costs	Pre-Issuance	N/A
93.563	Child Support Services	302 - Attorney General	35.44	Payroll Costs	Average Clearance	0 Days
	Child Support Services	302 - Attorney General	9.28	Administrative Costs	Average Clearance	0 Days
	Child Support Services	302 - Attorney General	52.4	Program Costs	Pre-Issuance	N/A
	Child Support Services	302 - Attorney General	2.88	TANF Recoveries	N/A - TANF Recoveries	N/A
93.575	Child Care and Development Block Grant	320 - Texas Workforce Commission	0.78	Payroll Costs	Monthly Draws	1 Day
	Child Care and Development Block Grant	320 - Texas Workforce Commission	92.43	Program Costs	Pre-Issuance	N/A

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	Child Care and Development Block Grant	530 - Department of Family and Protective Services	4.5	Program Costs	Pre-Issuance	N/A
	Child Care and Development Block Grant	530 - Department of Family and Protective Services	0.01	Payroll Costs	Pre-Issuance	N/A
	Child Care and Development Block Grant	530 - Department of Family and Protective Services	0.01	Administrative Costs	Pre-Issuance	N/A
	Child Care and Development Block Grant	529 - Health and Human Services Commission	0.01	Program Costs	Pre-Issuance	N/A
	Child Care and Development Block Grant	529 - Health and Human Services Commission	2.24	Payroll Costs	Pre-Issuance	N/A
	Child Care and Development Block Grant	529 - Health and Human Services Commission	0.02	Administrative Costs	Pre-Issuance	N/A
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	320 - Texas Workforce Commission	100.0	Program Costs	Pre-Issuance	N/A
93.767	Children's Health Insurance Program	529 - Health and Human Services Commission	1.05	Payroll Costs	Pre-Issuance	N/A
	Children's Health Insurance Program	529 - Health and Human Services Commission	0.96	Administrative Costs	Pre-Issuance	N/A
	Children's Health Insurance Program	529 - Health and Human Services Commission	97.99	Program Costs	Pre-Issuance	N/A
93.778	Medical Assistance Program	529 - Health and Human Services Commission	1.96	Administrative Costs	Pre-Issuance	N/A
	Medical Assistance Program	529 - Health and Human Services Commission	1.38	Payroll Costs	Pre-Issuance	N/A
	Medical Assistance Program	529 - Health and Human Services Commission	96.53	Program Costs	Pre-Issuance	N/A
	Medical Assistance Program	530 - Department of Family and Protective Services	0.01	Administrative Costs	Pre-Issuance	N/A
	Medical Assistance Program	530 - Department of Family and Protective Services	0.01	Program Costs	Pre-Issuance	N/A
	Medical Assistance Program	530 - Department of Family and Protective Services	0.02	Payroll Costs	Pre-Issuance	N/A
	Medical Assistance Program	537 - Department of State Health Services	0.04	Payroll Costs	Pre-Issuance	N/A
	Medical Assistance Program	537 - Department of State Health Services	0.04	Program Costs	Pre-Issuance	N/A
	Medical Assistance Program	537 - Department of State Health Services	0.01	Indirect Costs	Monthly Draws	1 Day
93.959	Block Grants for Prevention and Treatment of Substance Abuse	529 - Health and Human Services Commission	86.53	Program Costs	Pre-Issuance	N/A
	Block Grants for Prevention and Treatment of Substance Abuse	529 - Health and Human Services Commission	7.3	Payroll Costs	Pre-Issuance	N/A

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	Block Grants for Prevention and Treatment of Substance Abuse	529 - Health and Human Services Commission	6.17	Administrative Costs	Pre-Issuance	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	537 - Department of State Health Services	0.01	Payroll Costs	Reimbursement	N/A
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	575 - Texas Division of Emergency Management	10.7	Program Costs	Reimbursement	N/A
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	537 - Department of State Health Services	35.66	Program Costs	Reimbursement	N/A
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	575 - Texas Division of Emergency Management	1.35	Payroll Costs	Reimbursement	N/A
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	575 - Texas Division of Emergency Management	52.28	Program Costs - Pre Issuance	Pre-Issuance	N/A

Certification

I hereby certify that an authorized State official has certified at least every five years that the "Rounded Days of Clearance" listed in Exhibit 2 of this Treasury-State Agreement:

1. Have been prepared in accordance with the standards provided in 31 CFR 205.20;
2. Accurately represent the flow of Federal funds under the Federal assistance programs to which they apply;
3. Reflect seasonal or other periodic variations in the clearance activities; and,
4. Are auditable.

Date: 10/12/2026

Printed Name: Noah Betz

Certifying Signature: Signed by: 00198AE288074DC...

Title: Deputy Comptroller