

BILL ANALYSIS

C.S.H.B. 2
By: Bonnen
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Each legislative session, state agencies project the costs of fulfilling their functions and providing important services for the following two-year budget cycle. This projection, when combined with the biennial revenue estimate, is a key component in the construction of the biennial General Appropriations Act. These estimates are not always accurate and may require certain supplemental appropriations and adjustments to previously appropriated sums to align with revised revenue estimates and supplemental needs. C.S.H.B. 2 seeks to make those adjustments and give direction regarding certain appropriations.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2 makes supplemental appropriations and reductions in appropriations and gives direction and adjustment authority with respect to the General Appropriations Act (GAA) and the Supplemental Appropriations Act adopted by the 86th Texas Legislature.

C.S.H.B. 2 reduces by an aggregate \$505,483,200 the appropriations made by the GAA for use during state fiscal year 2021 (FY 2021). The bill requires each of the following agencies to identify the strategies and objectives out of which the following reductions in unencumbered amounts appropriated to the agency from the general revenue fund are made, except to the extent a strategy or objective is specified by the bill:

- trustee programs within the governor's office: \$20,783,291;
- the governor's office: \$1,243,087;
- the attorney general's office: \$26,549,199;
- the comptroller of public accounts: \$11,091,563;
- the comptroller of public accounts - fiscal programs: \$1,407,917;
- the Texas State Library and Archives Commission: \$1,677,337;
- the secretary of state: \$493,248;
- the Department of Information Resources: \$558,158;
- the Texas Emergency Services Retirement System: \$33,954;
- the State Pension Review Board: \$85,601;
- the Texas Public Finance Authority: \$81,157;
- the Bond Review Board: \$36,471;
- the Texas Veterans Commission: \$722,667;

- the Texas Historical Commission: \$2,724,637;
- the State Preservation Board: \$1,033,141;
- the Texas Commission on the Arts: \$1,268,954;
- the Texas Education Agency: \$15,680,975;
- the Texas A&M AgriLife Extension Service: \$3,134,081;
- the Texas A&M AgriLife Research: \$2,957,033;
- the Texas A&M Veterinary Medical Diagnostic Laboratory: \$507,329;
- the Texas A&M Forest Service: \$2,669,415;
- the Texas A&M University System: \$77,003;
- Texas A&M University: \$16,683,164;
- the Texas A&M Engineering Experiment Station: \$916,244;
- Tarleton State University: \$2,479,494;
- The University of Texas at Arlington: \$10,021,698;
- Prairie View A&M University: \$2,509,295;
- the Texas A&M Engineering Extension Service: \$446,177;
- Texas Southern University: \$1,987,645;
- Texas A&M University at Galveston: \$694,130;
- The University of Texas System: \$391,525;
- The University of Texas at Austin: \$28,001,098;
- The University of Texas at El Paso: \$7,502,902;
- the Texas A&M Transportation Institute: \$380,664;
- the University of Houston: \$9,959,213;
- Texas Woman's University: \$1,691,543;
- Texas A&M University - Kingsville: \$2,818,366;
- Texas Tech University: \$15,506,315;
- Lamar University: \$4,317,816;
- Midwestern State University: \$1,554,567;
- Angelo State University: \$2,661,743;
- The University of Texas at Dallas: \$9,065,514;
- Sul Ross State University Rio Grande College: \$503,589;
- The University of Texas of the Permian Basin: \$1,880,659;
- The University of Texas at San Antonio: \$8,887,496;
- The University of Texas - Rio Grande Valley: \$7,907,998;
- Texas A&M University - San Antonio: \$1,935,421;
- The University of Texas at Tyler: \$2,619,365;
- Texas A&M University - Commerce: \$1,859,974;
- the University of North Texas: \$7,259,510;
- Sam Houston State University: \$4,703,729;
- Texas State University: \$9,594,609;
- Stephen F. Austin State University: \$1,632,927;
- Sul Ross State University: \$946,931;
- West Texas A&M University: \$2,893,526;
- the Texas State University System: \$136,800;
- the University of Houston - Clear Lake: \$1,457,531;
- Texas A&M University - Corpus Christi: \$2,100,310;
- Texas A&M International University: \$1,228,366;
- Texas A&M University - Texarkana: \$750,295;
- the University of Houston - Victoria: \$732,426;
- the Texas Tech University System: \$136,800;
- the University of North Texas System: \$179,200;
- Texas A&M University - Central Texas: \$1,116,092;
- the Texas School for the Blind and Visually Impaired: \$1,650,973;
- the Texas School for the Deaf: \$723,046;

- the University of North Texas - Dallas: \$1,459,912;
- the Texas Higher Education Coordinating Board: \$57,423,241;
- the University of Houston System: \$76,712;
- the University of Houston - Downtown: \$1,102,764;
- support for military and veterans exemptions: \$1,500,000;
- the Office of Court Administration: \$2,694,587;
- the State Commission on Judicial Conduct: \$125,469;
- the State Law Library: \$111,049;
- the Texas Commission on Fire Protection: \$175,328;
- the Texas Alcoholic Beverage Commission: \$5,462,877;
- the Texas Juvenile Justice Department: \$21,900,778;
- the Commission on Jail Standards: \$82,439;
- the Texas Department of Criminal Justice: \$91,740,828;
- the General Land Office and Veterans' Land Board: \$2,204,896;
- the Railroad Commission of Texas: \$89,070;
- the Department of Agriculture: \$5,193,498;
- the Texas Animal Health Commission: \$687,186;
- the Texas Water Development Board: \$3,439,699;
- the State Soil and Water Conservation Board: \$1,604,164;
- the Parks and Wildlife Department: \$22,447,654;
- the Texas Department of Housing and Community Affairs: \$1,191,997;
- the Texas Department of Transportation: \$978,828;
- the Texas Department of Motor Vehicles: \$1,005,554;
- the State Securities Board: \$306,174;
- the Office of Public Insurance Counsel: \$991;
- the Texas Department of Licensing and Regulation: \$1,606,045;
- the Texas Department of Insurance: \$2,200,000;
- the Texas State Board of Plumbing Examiners: \$155,054;
- the Public Utility Commission of Texas: \$532,121;
- the Texas Board of Professional Geoscientists: \$9,417;
- the Texas Medical Board: \$335,209;
- the State Board of Dental Examiners: \$211,552;
- the Texas Funeral Service Commission: \$23,877;
- the Texas Optometry Board: \$26,035;
- the Executive Council of Physical Therapy and Occupational Therapy Examiners: \$53,897; and
- the State Board of Veterinary Medical Examiners: \$81,396.

C.S.H.B. 2 reduces by an aggregate \$71,507,410 the appropriations from dedicated accounts in the general revenue fund made by the GAA for FY 2021. The bill requires each of the following agencies to identify to the comptroller and the Legislative Budget Board (LBB) the dedicated accounts, strategies, and objectives out of which the following reductions in unencumbered amounts appropriated to the agency are made:

- the trusted programs within the governor's office: \$2,209,059;
- the Texas Emergency Services Retirement System: \$132,922;
- the Commission on State Emergency Communications: \$7,688,161;
- the Texas Historical Commission: \$248,625;
- the comptroller of public accounts - fiscal programs: \$600,000;
- the Texas A&M AgriLife Research: \$22,785;
- the Texas A&M Forest Service: \$223,437;
- the Texas A&M Engineering Experiment Station: \$44,356;
- Texas A&M University at Galveston: \$5,000;
- the Texas Higher Education Coordinating Board: \$3,027,000;
- the Office of Court Administration, Texas Judicial Council: \$4,485,436;

- the Office of Capital and Forensic Writs: \$185,535;
- the Texas Commission on Law Enforcement: \$179,756;
- the Texas Department of Criminal Justice: \$11,859;
- the Railroad Commission of Texas: \$8,854,935;
- the Department of Agriculture: \$1,203,307;
- the Texas Commission on Environmental Quality: \$33,050,205;
- the Parks and Wildlife Department: \$7,975,768;
- the Texas Department of Insurance: \$584,707;
- the Public Utility Commission of Texas: \$311,540; and
- the Texas Medical Board: \$463,016.

C.S.H.B. 2 establishes the legislature's intent that lapsed appropriations associated with appropriations made by the GAA from the general revenue fund or from dedicated accounts therein to a state agency or public institution of higher education for FY 2020 be used to offset the total amount of reductions required in either of the two immediately preceding paragraphs and bulleted lists for the applicable agency or institution. The offset is contingent upon approval by the comptroller and the LBB.

C.S.H.B. 2 reduces by an aggregate \$1,680,004,018 the appropriations from the general revenue fund and dedicated accounts therein made by the GAA for FY 2021. The bill requires each of the following agencies, in consultation with the comptroller and the LBB, to determine the allocation of the benefits included in the following reductions and to identify the strategies and objectives out of which the following reductions in unencumbered amounts appropriated to the agency from the general revenue fund and dedicated accounts therein are made, except to the extent a strategy or objective is specified:

- the Texas Alcoholic Beverage Commission: \$16,624,900;
- the Texas Department of Criminal Justice: \$853,817,454;
- the Department of Family and Protective Services: \$194,959,202;
- the Texas Department of Public Safety: \$307,418,551;
- the Department of State Health Services: \$55,073,028;
- the Health and Human Services Commission: \$62,275,646;
- the Texas Juvenile Justice Department: \$15,900,884;
- the Texas Military Department: \$1,609,751;
- the Parks and Wildlife Department: \$11,811,093;
- The University of Texas Health Center at Tyler: \$13,834,955;
- The University of Texas M.D. Anderson Cancer Center: \$90,961,382; and
- The University of Texas Medical Branch at Galveston: \$55,717,172.

C.S.H.B. 2 requires that a grant of federal money received from the governor's office by any of the immediately preceding agencies or institutions be treated as general revenue for the purpose of calculating benefits by the proportional method of finance as provided by the GAA and be eligible for proportional general revenue benefits as if appropriations from general revenue were not reduced for the agency or institution. The bill establishes the legislature's intent that federal funds appropriated in accordance with the GAA to such an agency or institution be used by the agency or institution for the purpose of avoiding reductions to the provision of important government services as a result of the reductions in appropriations.

C.S.H.B. 2 appropriates for trustee programs within the governor's office for purposes of disaster response during the two-year period beginning on the bill's effective date any and all amounts, estimated to be \$0, that have not been expended or encumbered as of the bill's effective date and that were previously appropriated for those trustee programs from the economic stabilization fund (ESF), better known as the Rainy Day Fund, by the Supplemental Appropriations Act for the same purposes.

C.S.H.B. 2 appropriates \$34,920,754 from the ESF to the Texas Facilities Commission for the two-year period beginning on the bill's effective date for the purpose of providing interior finish out of new facilities included in Phase I of the Capitol Complex construction projects, costs associated with moving agencies into the new facilities, and security services for the new facilities for the following strategies as listed in the GAA:

- \$34,724,146 for facilities design and construction; and
- \$196,608 and three full-time-equivalent positions (FTEs) for Strategy B.2.1, Facilities Operation.

C.S.H.B. 2 appropriates to the Texas Historical Commission from the ESF for the two-year period beginning on the bill's effective date the amounts that have not been expended or encumbered by the commission as of the bill's effective date, estimated to be \$0, and that were previously appropriated to the commission from the ESF by the Supplemental Appropriations Act for the following purposes:

- capital projects at the National Museum of the Pacific War;
- courthouse preservation grants;
- continuing development of the Levi Jordan Plantation; and
- deferred maintenance projects for historic sites.

C.S.H.B. 2 reduces by \$107,900,000 the unencumbered appropriations from the general revenue fund to the Texas Education Agency (TEA) made by the Supplemental Appropriations Act. The bill instead appropriates \$107,928,979 from the general revenue fund to TEA for the two-year period beginning on the bill's effective date for the purpose of using the funds as required by the negotiated legal settlement agreement between the State of Texas and the U.S. Department of Education to prevent the withholding of federal funds as a result of an alleged failure to maintain adequate state financial support for special education under federal law during certain state fiscal years. The bill requires that amount appropriated to be used to provide funding for public schools and distributed for each full-time equivalent student in average daily attendance in a special education program in proportion to the applicable weight for the student under the state's public school finance system.

C.S.H.B. 2 reduces by \$5,473,203,345 the unencumbered appropriations from the foundation school fund made by the GAA to TEA for use during the 2020-2021 state fiscal biennium. The sum-certain appropriation to the foundation school program for FY 2021 is \$24,418,500,000.

C.S.H.B. 2 appropriates \$56,388,408 from the ESF to the Texas A&M Forest Service for the two-year period beginning on the bill's effective date for the purpose of responding to previously occurring and future natural disasters, including responding through the mobilization of ground and aviation resources for fire suppression.

C.S.H.B. 2 appropriates \$500,000 out of the general revenue fund to The University of Texas at Houston Health Science Center for the two-year period beginning on the bill's effective date for the purpose of recruiting faculty for the UTHealth Behavioral Sciences Center.

C.S.H.B. 2 appropriates \$5,660,318 from the general revenue fund to South Texas College for FY 2021 to provide for state contributions for health benefits.

C.S.H.B. 2 appropriates \$1,472,000 from the ESF to Lamar State College - Orange for the two-year period beginning on the bill's effective date for the purpose of recovery from Hurricane Laura, including for repairs and the purchase of a natural gas power generator.

C.S.H.B. 2 appropriates \$5,700,000 from the ESF to Lamar University for the two-year period beginning on the bill's effective date for the purpose of building repair and flooding recovery necessitated by damage from Tropical Storm Imelda.

C.S.H.B. 2 appropriates \$123,700,000 from the general revenue fund to the Texas Department of Criminal Justice (TDCJ) beginning on the bill's effective date for FY 2021 for correctional managed health care.

C.S.H.B. 2 appropriates \$86,000,000 from the general revenue fund to TDCJ for the period beginning on the bill's effective date and ending August 31, 2021, for the following purposes:

- correctional security operations: \$47,000,000;
- institutional goods: \$6,000,000;
- institutional operations and maintenance: \$22,000,000; and
- parole supervision: \$11,000,000.

C.S.H.B. 2 appropriates to TDCJ from the ESF for corrections information technology system projects during the two-year period beginning on the bill's effective date the amounts, estimated to be \$24,164,000, that have not been expended or encumbered by TDCJ as of the bill's effective date and that were previously appropriated from the ESF by the Supplemental Appropriations Act.

C.S.H.B. 2 appropriates \$400,000 from the general revenue fund to the Texas Juvenile Justice Department for the period beginning on the bill's effective date and ending August 31, 2021, for the purpose of making a payment in the amount of \$400,000 to the Department of Information Resources for data center services.

C.S.H.B. 2 appropriates the following amounts to the Texas Commission on Environmental Quality for use during the two-year period beginning on the bill's effective date to replace funds transferred for the purpose of continuing water rights litigation with the State of New Mexico for equitable distribution of water pursuant to the Rio Grande Compact:

- \$650,000 from the clean air account;
- \$500,000 from the operating permit fees account;
- \$500,000 from the water resource management account;
- \$1,000,000 from the petroleum storage tank remediation account;
- \$500,000 from the hazardous and solid waste remediation fees account; and
- \$1,850,000 from the general revenue fund.

C.S.H.B. 2 appropriates \$100,400,000 from the ESF to the comptroller for FY 2021 for the purpose of immediately depositing that amount to the credit of the Texas infrastructure resiliency fund. The bill reduces by \$172,000,000 the unencumbered appropriations made from the ESF to the comptroller for FY 2019 for the purpose of immediately depositing that amount to the credit of the fund.

C.S.H.B. 2 establishes the \$600,000 appropriated by the GAA to the Texas Workforce Commission (TWC) through appropriated receipts by way of an intra-agency contract between TEA and the TWC to provide subsidies to individuals 21 years of age or older for the high school equivalency exam, for use during FY 2020, is appropriated for use during FY 2021 for the same purposes.

C.S.H.B. 2 appropriates \$3,380,000 from the general revenue fund to the Department of Agriculture beginning on the bill's effective date for the 2020-2021 state fiscal biennium for the following purposes:

- \$1,400,000 for the Texans Feeding Texans - Home Delivered Meals Program; and
- \$1,980,000 for the Texans Feeding Texans - Surplus Agricultural Products Grant Program.

C.S.H.B. 2 amends the bill pattern of the appropriations to the Department of State Health Services (DSHS) in the GAA to add a rider that authorizes DSHS to increase capital budget authority for repairs and renovations at the Texas Center for Infectious Disease (TCID) using \$1,104,759 in other funds, generated from delivery system reform incentive payments. The

funds may be transferred to a new capital budget item for FY 2020, and then moved forward to FY 2021, to be expended for repair of the TCID fire alarm system and other related repairs and renovations or, if DSHS is not able to create a new capital budget item, DSHS may transfer other funds as necessary in the amount provided to create a new capital budget item for purposes of those repairs and renovations.

C.S.H.B. 2 appropriates \$33,605,000 from the ESF to the State Preservation Board for the two-year period beginning on the bill's effective date for the purpose of performing renovations to the Texas Capitol and the Capitol Extension, including the replacement of the Capitol's historic roof, phase 1 of an exterior waterproofing project for the Capitol and Capitol Extension, and repairs and renovations to the Capitol Visitors Center, Capitol grounds, and Governor's Mansion.

C.S.H.B. 2 appropriates \$2,465,000 from the ESF to the State Preservation Board for the two-year period beginning on the bill's effective date for the purpose of performing repairs and renovations to the Texas State History Museum.

C.S.H.B. 2 appropriates an aggregate \$5,210,512 from the ESF to the following agencies for the two-year period beginning on the bill's effective date for the purpose of paying expenses related to moving agencies to new Capitol Complex offices:

- the Commission on State Emergency Communications: \$85,500;
- the Texas Veterans Commission: \$98,432;
- the Texas Higher Education Coordinating Board: \$749,098;
- the Texas Behavioral Health Executive Council: \$85,000;
- the Texas Board of Chiropractic Examiners: \$70,000;
- the State Board of Dental Examiners: \$83,055;
- the Texas Funeral Service Commission: \$50,000;
- the Texas Board of Professional Geoscientists: \$34,214;
- the Texas Medical Board: \$3,004,500;
- the Texas Board of Nursing: \$597,512;
- the Texas Optometry Board: \$38,390;
- the Texas State Board of Pharmacy: \$7,050;
- the Executive Council of Physical Therapy and Occupational Therapy Examiners: \$39,754;
- the Texas Racing Commission: \$204,307; and
- the State Board of Veterinary Medical Examiners: \$63,700.

C.S.H.B. 2 appropriates an aggregate \$584,967,877 from the ESF to the following agencies for the two-year period beginning on the bill's effective date:

- the Texas Facilities Commission: \$76,546,870 for health and safety improvements and remediation of deferred maintenance of state buildings;
- the Texas Historical Commission: \$19,125,000 for remediation of deferred maintenance of state buildings;
- the Texas Health and Human Services Commission: \$322,005,896, to be allocated as follows:
 - \$321,250,000 for new construction; and
 - \$755,896 for fire protection, power, cooling and heating ventilation and air conditioning, and preventative maintenance of state buildings;
- the Texas School for the Blind and Visually Impaired: \$1,935,000 for health and safety improvements to state buildings;
- the Texas Department of Criminal Justice: \$153,820,000 for health and safety improvements to state buildings;
- the Texas Juvenile Justice Department: \$3,538,850, to be allocated as follows:
 - \$2,500,000 for health and safety improvements to state buildings; and
 - \$1,038,850 for remediation of deferred maintenance of state buildings;

- the Texas Military Department: \$4,246,261, to be allocated as follows:
 - \$2,279,956 for health and safety improvements to state buildings; and
 - \$1,966,305 for remediation of deferred maintenance of state buildings; and
- the Department of Public Safety: \$3,750,000 for remediation of deferred maintenance of state buildings.

C.S.H.B. 2 appropriates an aggregate \$1,856,992 from the adjutant general federal fund to the adjutant general for the two-year period beginning on the bill's effective date for the following purposes:

- \$977,124 for the State of Texas Armory Revitalization Project for health and safety improvements to armories and readiness facilities;
- \$800,774 for facility sustainment by remediation of deferred maintenance of state buildings; and
- \$79,094 for remediation of deferred maintenance to prevent armory deterioration.

C.S.H.B. 2 appropriates an aggregate \$24,433,264 to the Health and Human Services Commission as follows:

- \$744,104 from federal funds, for fire protection, power, cooling and heating ventilation and air conditioning, and preventative maintenance of state buildings; and
- \$23,689,160 from revenue bonds to address deferred maintenance needs at state supported living centers and state hospitals.

C.S.H.B. 2 appropriates \$6,187,500 from the Texas Department of Motor Vehicles fund to the Texas Department of Motor Vehicles for the two-year period beginning on the bill's effective date for the purpose of new construction of a building at its headquarters.

C.S.H.B. 2 appropriates an aggregate \$8,700,000 to the Department of Public Safety (DPS) for the two-year period beginning on the bill's effective date for the purpose of building a consolidated law enforcement center with the Brazoria County's Sheriff's Office, to be named in honor of E. J. "Joe" King, from the following sources and in the following amounts:

- \$3,000,000 from the ESF;
- \$1,700,000 (estimated) from unexpended balances previously appropriated from the general revenue fund to DPS for a consolidated law enforcement center with the Brazoria County's Sheriff's Office under the GAA;
- \$1,000,000 from unexpended balances previously appropriated from the general revenue fund to DPS for the driver license office in the City of Angleton under the GAA; and
- \$3,000,000 from unexpended balances previously appropriated from the general revenue fund to DPS for crime records services under the GAA.

C.S.H.B. 2 reduces by \$35,336,472 the unencumbered appropriations from the general revenue fund to the Texas Facilities Commission (TFC) for use during the 2020-2021 state fiscal biennium for lease payments. The TFC must identify the strategies and objectives to which the reduction is to be allocated and the amount of the reduction for each of those strategies and objectives.

C.S.H.B. 2 reduces by an aggregate \$25,000,000 the unencumbered appropriations made from the general revenue fund to the Texas Public Finance Authority (TPFA) for use during the 2020-2021 state fiscal biennium for bond debt service payments. The TPFA must identify the strategies and objectives to which the reduction is to be allocated and the amount of the reduction for each of those strategies and objectives.

C.S.H.B. 2 reduces by an aggregate \$13,626,309 the unencumbered appropriations from the general revenue fund to the Health and Human Services Commission (HHSC) for using during the 2020-2021 state fiscal biennium for lease payments to the master lease payment program. HHSC must identify the strategies and objectives to which the reduction is to be allocated and the amount of the reduction for each of those strategies and objectives.

C.S.H.B. 2 appropriates \$777,320 from the ESF to the Texas Alcoholic Beverage Commission for the two-year period beginning on the bill's effective date for the purpose of upgrading cybersecurity infrastructure.

C.S.H.B. 2 appropriates the following amounts from the following sources to the following agencies for the two-year period beginning on the bill's effective date for the purpose of modernization of various agency legacy computer systems:

- the attorney general's office:
 - an aggregate amount of \$4,841,500 appropriated for the legal case legacy modernization project, with \$4,698,192 appropriated from the ESF and \$143,308 appropriated from interagency contract proceeds;
 - an aggregate amount of \$24,080,298 appropriated for the system modernization project phase 1, with \$8,187,301 appropriated from the ESF and \$15,892,997 appropriated from federal funds; and
 - an aggregate amount of \$44,255,140 appropriated for the system modernization project phase 2, with \$15,046,748 appropriated from the ESF and \$29,208,392 appropriated from federal funds;
- the secretary of state: \$18,171,924 appropriated from the ESF for the legacy system modernization project;
- the Department of Family and Protective Services (DFPS): an aggregate amount of \$3,557,213 appropriated for information technology projects to meet case orders, with \$3,122,001 appropriated from the ESF and \$435,212 appropriated from federal funds;
- the Health and Human Services Commission (HHSC):
 - \$7,280,267 appropriated from the ESF for the migration of CLASS, CLASSMate, and Public and Provide systems from DFPS to HHSC;
 - an aggregate amount of \$266,406,192 appropriated for phase 1 of the management information systems modernization and procurement and transition, with \$31,644,412 appropriated from the ESF and \$234,761,780 appropriated from federal funds;
 - an aggregate amount of \$25,213,488 appropriated for the vendor drug program pharmacy benefits services modernization, with \$2,928,372 appropriated from the ESF and \$22,285,116 appropriated from federal funds;
 - an aggregate amount of \$7,150,000 appropriated for the development of a system to identify, preserve, collect, analyze, and produce all documents and information including electronically stored information in a hybrid cloud solution, with \$4,853,581 appropriated from the ESF and \$2,296,419 appropriated from federal funds; and
 - an aggregate amount of \$1,029,946 appropriated for an automation of the survey scheduling function within a workload management system, with \$933,750 appropriated from the ESF and \$96,196 appropriated from federal funds;
- the Texas School for the Blind and Visually Impaired: \$900,000 appropriated from the ESF for redesigning and updating of the school's website;
- the Texas Higher Education Coordinating Board: \$4,000,000 appropriated from the ESF for the application portfolio modernization project;
- the Texas Alcoholic Beverage Commission:
 - \$3,675,382 appropriated from the ESF for the TABC public safety technology project; and
 - \$4,347,730 appropriated from the ESF for modernization of the TABC licensing and tax collection system;
- the Texas Commission on Law Enforcement: \$2,143,262 appropriated from the ESF for information technology security and network operations;
- the Texas Commission on Environmental Quality: \$4,089,282 appropriated from the ESF for updating the occupational licensing and commissioner integrated database; and
- the Texas Department of Transportation: \$16,480,410 appropriated from the state highway fund to update and secure inefficient hardware and software systems.

C.S.H.B. 2 appropriates the following amounts from the following sources to the following agencies for the two-year period beginning on the bill's effective date for the listed information technology projects:

- the Texas Historical Commission: \$240,000 appropriated from the ESF for technology upgrades;
- the State Pension Review Board:
 - \$300,000 appropriated from the ESF for migration of the board's data from multiple servers to the cloud and the creation of a new web-based interface for the current internal databases; and
 - \$300,000 appropriated from the ESF for the creation of a self-service portal to allow retirement systems to access a secure reporting portal to upload reports and view compliance status in real time;
- the Department of State Health Services: \$1,181,028 appropriated from the ESF for a customer service efficiency project;
- the Health and Human Services Commission:
 - an aggregate amount of \$13,418,742 appropriated for the system-wide business enablement platform project, with \$8,444,183 appropriated from the ESF and \$4,974,559 appropriated from federal funds;
 - an aggregate amount of \$36,737,765 appropriated to provide for replacement of the end-of-life/end-of-support network infrastructure, with \$26,447,516 appropriated from the ESF and \$10,290,249 appropriated from federal funds;
 - an aggregate amount of \$7,753,135 appropriated to restore reductions for certain information technology projects, with \$6,000,000 appropriated from the ESF and \$1,753,135 appropriated from federal funds; and
 - \$3,106,672 appropriated from the ESF for infrastructure upgrades to fiber and cabling projects at state hospitals and state supported living centers;
- the Texas Department of Criminal Justice: \$21,475,950 appropriated from the ESF for a technology component for inmate health care;
- the Texas Department of Motor Vehicles:
 - \$3,133,578 appropriated from the Texas Department of Motor Vehicles fund for the Department of Motor Vehicles Automation System - webSALVAGE Project;
 - \$3,472,958 appropriated from the Texas Department of Motor Vehicles fund for the Accounts Receivable System Project; and
 - \$5,225,712 appropriated from the Texas Department of Motor Vehicles fund for the Complaint Management System Project;
- the Texas Department of Transportation:
 - \$22,471,772 appropriated from the state highway fund for the Enterprise Information Management Project; and
 - \$49,606,226 appropriated from the state highway fund for the Information and Systems Modernization Project;
- the Health Professions Council: \$42,630 appropriated from the ESF for the Upgrade of Regulatory Database Project;
- the Texas Department of Insurance: \$4,973,254 appropriated from the Texas Department of Insurance operating account for website modernization, automation, and the replacement of the division of workers' compensation COMPASS System;
- the Texas Department of Licensing and Regulation: \$2,000,000 appropriated from the ESF for the Licensing System - Phase II Project;
- the Texas Optometry Board: \$8,000 appropriated from the ESF for the replacement of personal computers;
- the Texas State Board of Plumbing Examiners: \$23,700 appropriated from the ESF for information technology enhancements to the VERSA Regulatory Licensing and Enforcement Database Project; and
- the Texas Racing Commission: \$48,386 appropriated from the ESF for the Docking Desktops and Monitors Project.

C.S.H.B. 2 appropriates the following amounts from the following sources to the following agencies for the two-year period beginning on the bill's effective date for the listed information technology projects:

- the Texas Public Finance Authority: an aggregate amount of \$60,000 appropriated to provide for the Data Center Consolidation Project, with \$30,000 appropriated from the Texas Public Finance Authority master lease project fund and \$30,000 appropriated from bond revenue proceeds;
- the Department of Information Resources:
 - an aggregate amount of \$808,541 appropriated for the Data Center Consolidation - Data Warehouse Project, as follows:
 - \$177,374 appropriated from the Department of Information Resources clearing fund account;
 - \$408,818 appropriated from the telecommunications revolving account - appropriated receipts;
 - \$26,782 appropriated from the telecommunications revolving account - interagency contracts;
 - \$176,869 appropriated from the statewide technology account - interagency contracts; and
 - \$18,689 appropriated from the statewide network applications account - appropriated receipts; and
 - an aggregate amount of \$926,012 appropriated for the Data Center Consolidation - Data Optimization Project, as follows:
 - \$403,677 appropriated from the Department of Information Resources clearing fund account;
 - \$418,307 appropriated from the telecommunications revolving account - appropriated receipts;
 - \$29,946 appropriated from the telecommunications revolving account - interagency contracts;
 - \$53,113 appropriated from the statewide technology account - interagency contracts; and
 - \$20,906 appropriated from the statewide network applications account - appropriated receipts;
- the Department of Family and Protective Services: an aggregate amount of \$3,433,847 appropriated to provide for data center consolidation, with \$3,146,126 appropriated from the ESF and \$287,721 appropriated from federal funds;
- the Health and Human Services Commission: an aggregate amount of \$5,406,153 appropriated to provide for data center consolidation, with \$3,146,126 appropriated from the ESF and \$2,301,671 appropriated from federal funds; and
- the Texas Education Agency: \$1,833,750 appropriated from the ESF for data center consolidation.

C.S.H.B. 2 appropriates the following amounts from the following sources to the following agencies for use during the two-year period beginning on the bill's effective date for the listed information technology projects:

- the attorney general's office: an aggregate amount of \$4,224,001 appropriated to provide for the CAPPS Financial Transition Phase II Project, with \$4,120,889 appropriated from the ESF and \$103,112 appropriated from interagency contract proceeds;
- the Texas Facilities Commission: \$2,173,394 appropriated from the ESF for the deployment of CAPPS Financials;
- the Texas Public Finance Authority: \$82,924 appropriated from the ESF for the support of programming, development, and deployment costs for transitioning the agency's human resources payroll from the Uniform Statewide Payroll/Personnel System to CAPPS;
- the Texas Low-Level Radioactive Waste Disposal Compact Commission: \$26,676 appropriated from the ESF for the CAPPS Financials Deployment Project;

- the Texas Water Development Board: \$588,063 appropriated from the ESF for the CAPPs Financials Deployment Project;
- the Texas Department of Transportation: \$21,284,494 appropriated from the state highway fund for the CAPPs Upgrades and Improvements Project; and
- the Texas Behavioral Health Executive Council: \$12,000 appropriated from the ESF for the Deployment - Financials Project for CAPPs.

C.S.H.B. 2 authorizes the following agencies to use money appropriated to the agency under the bill for specified information technology projects to employ a certain number of additional full-time equivalent employees (FTEs) during specified state fiscal years:

- the Texas Alcoholic Beverage Commission;
- the Department of State Health Services;
- the Health and Human Services Commission;
- the Texas Department of Motor Vehicles;
- the Texas Facilities Commission;
- the Texas Public Finance Authority; and
- the Texas Water Development Board.

C.S.H.B. 2 appropriates an aggregate \$12,156,918 from the ESF to the following agencies and in the following amounts for use during the two-year period beginning on the bill's effective date for the purpose of purchasing motor vehicles:

- the Health and Human Services Commission: \$7,850,000;
- the Texas School for the Blind and Visually Impaired: \$175,000;
- the Texas School for the Deaf: \$240,000;
- the Texas A&M Forest Service: \$2,056,918;
- the Texas Animal Health Commission: \$1,400,000;
- the Texas Department of Licensing and Regulation: \$375,000; and
- the Texas State Board of Plumbing Examiners: \$60,000.

C.S.H.B. 2 appropriates \$6,544,802 from the ESF to the Parks and Wildlife Department (TPWD) for the two-year period beginning on the bill's effective date for the purpose of purchasing a law enforcement helicopter, to be used in a manner consistent with the appropriations made to the TPWD in Strategy C.1.1., Enforcement Programs, of the GAA.

C.S.H.B. 2 amends Rider 35, page VI-44, of the GAA to provide that, for FY 2021, the first \$10,000,000 of revenue from the sporting goods sales tax (SGST) that exceeds the maximum appropriation of SGST revenue to the Parks and Wildlife Department in the GAA is allocated to capital construction and repairs and the remainder is allocated proportionally.

Provisions of C.S.H.B. 2 making appropriations from the ESF take effect only if the bill receives a two-thirds vote of the members present in each house of the legislature.

EFFECTIVE DATE

Except as otherwise provided, on passage.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute increases the aggregate reduction in appropriations from the general revenue fund for FY 2021 made by the GAA from \$490,298,906, as in the original, to \$505,483,200 by doing the following:

- including the following additional reductions not included in the original:
 - \$1,407,917 reduced from the comptroller of public accounts - fiscal programs; and
 - \$15,680,975 reduced from the Texas Education Agency;
- increasing the amount of the reductions from the following state agencies and institutions of higher education, as follows:
 - Tarleton State University: from \$2,479,492 to \$2,479,494;
 - The University of Texas at San Antonio: from \$8,875,448 to \$8,887,496;
 - Texas Woman's University: from \$1,691,113 to \$1,691,543;
 - Texas A&M Engineering Experiment Station: from \$915,889 to \$916,244;
 - Texas A&M University - Kingsville: from \$2,818,364 to \$2,818,366;
 - Texas A&M University - Corpus Christi: from \$2,100,307 to \$2,100,310;
 - Texas A&M International University: from \$1,228,363 to \$1,228,366;
 - Texas A&M University - Texarkana: from \$750,294 to \$750,295;
 - Texas A&M University - Central Texas: from \$1,116,091 to \$1,116,092;
 - the Texas Higher Education Coordinating Board: from \$57,416,916 to \$57,423,241;
 - the University of Houston System: from \$73,541 to \$76,712;
 - the Texas Water Development Board from \$3,200,621 to \$3,439,699;
 - the Texas Department of Licensing and Regulation from \$1,589,825 to \$1,606,045; and
 - the State Board of Veterinary Medical Examiners: from \$67,053 to \$81,396; and
- decreasing the amount of the reductions from the following state agencies and institutions of higher education, as follows:
 - The University of Texas at Austin: from \$28,001,099 to \$28,001,098;
 - the Department of Agriculture: from \$5,193,898 to \$5,193,498; and
 - the Texas Department of Insurance: from \$4,400,000 to \$2,200,000.

The substitute decreases the aggregate reduction in appropriations from dedicated accounts the general revenue fund for FY 2021 made by the GAA from \$77,452,163 as in the original, to \$71,507,410 by doing the following:

- omitting entirely the reductions in the original for the following agencies:
 - the office of attorney general;
 - the Texas Low-Level Radioactive Waste Disposal Compact Commission;
 - the Texas Department of Licensing and Regulation; and
 - the Texas Racing Commission;
- including an additional reduction of \$584,707 from the Texas Department of Insurance not included in the original; and
- decreasing the amount of the reductions from the following state agencies, as follows:
 - Texas AgriLife Research: from \$45,571 to \$22,785;
 - the Texas A&M Forest Service: from \$1,396,946 to \$223,437;
 - the Texas Commission on Law Enforcement: from \$213,900 to \$179,756;
 - the Railroad Commission of Texas: from \$13,056,935 to \$8,854,935;
 - the Department of Agriculture: from \$1,203,600 to \$1,203,307;
 - the Texas Commission on Environmental Quality: from \$33,499,698 to \$33,050,205; and
 - the Texas Medical Board: from \$487,038 to \$463,016.

The original included a total aggregate reduction of \$864,097,641 from the appropriations made by the GAA from the general revenue fund for FY 2021 for the state agencies and institutions of higher education entities listed below. The substitute increases the total aggregate reduction to \$1,680,004,018 and provides that the reductions are from appropriations made both from the general revenue fund and dedicated accounts therein, unlike in the original. Accordingly, the substitute also includes a provision not in the original that requires the applicable agencies and institutions to consult with the comptroller and the LBB to determine the allocation of benefits

included in the applicable reductions. The agencies and institutions in question and the change in reduction, if any, are as follows:

- the Texas Alcoholic Beverage Commission, whose reduction in appropriation was increased from \$8,373,694 to \$16,624,900;
- the Texas Department of Criminal Justice, whose reduction in appropriation was increased from \$389,885,713 to \$853,817,454;
- the Department of Family and Protective Services; whose reduction in appropriation was increased from \$74,692,670 to \$194,959,202;
- the Department of Public Safety, whose reduction in appropriation was increased from \$154,907,839 to \$307,418,551;
- the Department of State Health Services, whose reduction in appropriation was increased from \$25,113,598 to \$55,073,028;
- the Health and Human Services Commission, whose reduction in appropriation was reduced from \$67,318,735 to \$62,275,646;
- the Texas Juvenile Justice Department, whose reduction was unchanged;
- the Texas Military Department, whose reduction was unchanged;
- the Parks and Wildlife Department, whose reduction in appropriation was increased from \$5,842,242 to \$11,811,093;
- The University of Texas Health Center at Tyler, whose reduction in appropriation was increased from \$9,651,458 to \$13,834,955;
- The University of Texas M.D. Anderson Cancer Center, whose reduction in appropriation was increased from \$69,170,945 to \$90,961,382; and
- The University of Texas Medical Branch at Galveston, whose reduction in appropriation was increased from \$41,630,113 to \$55,717,172.

The substitute also includes a provision not in the original providing that, with respect to the agencies and institutions listed above, a grant of federal money received from the governor's office is treated as general revenue for the purpose of calculating benefits and is eligible for proportional general revenue benefits as if the appropriations from general revenue were not reduced.

The substitute includes certain legislative intent not in the original regarding the use of federal funds and lapsed appropriations be used to offset or avoid certain of the appropriation reductions included in the bill.

The original appropriated \$19,606,108 out of the general revenue fund to the Texas Facilities Commission for the two-year period beginning on the bill's effective date for purposes related to Phase I of the Capitol Complex construction projects. The substitute changes the source of the appropriation from the general revenue fund to the ESF and increases the amount of the appropriation to \$34,920,754 by increasing the appropriation for facilities design and construction from \$19,409,500, as in the original, to \$34,724,146.

The substitute changes the source of the appropriations made to the Texas A&M Forest Service for the purpose of responding to natural disasters, Lamar State College - Orange for the purpose of recovery from Hurricane Laura, and Lamar University for the purpose of Tropical Storm Imelda recovery from the general revenue fund, as in the original, to the ESF.

The substitute includes a \$172,000,000 reduction in the unencumbered appropriations made by the GAA from the ESF to the comptroller for FY 2019 for the purpose of immediately depositing that amount to the credit of the Texas infrastructure resilience fund that was not included in the original.

The substitute includes an appropriation of \$3,380,000 from the general revenue fund to the Department of Agriculture for the 2020-2021 state fiscal biennium for certain nutrition assistance programs that was not included in the original.

The substitute includes a provision not in the original amending the bill pattern of the appropriations to the Department of State Health Services in the GAA by adding a rider providing additional capital budget authority for \$1,104,759 in repairs and renovations at the Texas Center for Infection Disease.

The substitute includes an appropriation of \$33,605,000 from the ESF to the State Preservation Board for the two-year period beginning on the bill's effective date for the purpose of performing renovations to the Texas Capitol and Capitol Extension that was not included in the original.

The substitute includes an appropriation of \$2,465,000 from the ESF to the State Preservation Board for the two-year period beginning on the bill's effective date for the purpose of performing repairs and renovations to the Texas State History Museum that was not included in the original.

The substitute includes a total aggregate appropriation of \$5,210,512 from the ESF for the two-year period beginning on the bill's effective date for the purpose of paying expenses related to moving certain agencies to new Capitol Complex offices that was not included in the original.

The substitute includes a total aggregate appropriation of \$584,967,877 from the ESF to a list of specified agencies for the two-year period beginning on the bill's effective date for purposes related to certain building maintenance and improvements that was not included in the original.

The substitute includes a total aggregate appropriation of \$1,856,992 from Adjutant General Federal Fund No. 449 to the Adjutant General for the two-year period beginning on the bill's effective date for purposes related to certain building maintenance and improvements that was not included in the original.

The substitute includes a total aggregate appropriation of \$24,433,264 from federal funds and revenue bonds to the Health and Human Services Commission for use during FY 2021 for building maintenance and improvements that was not included in the original.

The substitute includes a total aggregate appropriation of \$6,187,500 from the Texas Department of Motor Vehicles fund to the Texas Department of Motor Vehicles for the two-year period beginning on the bill's effective date that was not included in the original.

The substitute includes a total aggregate appropriation of \$8,700,000 from various, specified sources, including the ESF, to the Department of Public Safety for the two-year period beginning on the bill's effective date for the purpose of building a consolidated law enforcement center with the Brazoria County's Sherriff's Office that was not included in the original.

The substitute includes a \$35,336,472 reduction in the unencumbered appropriations from the general revenue fund made by the GAA to the Texas Facilitates Commission for using during the 2020-2021 state fiscal biennium for lease payments that was not included in the original.

The substitute includes a \$25,000,000 reduction in the unencumbered appropriations from the general revenue fund made by the GAA to the Texas Public Finance Authority for use during the 2020-2021 state fiscal biennium for bond debt service payments that was not included in the original.

The substitute includes a \$13,626,309 reduction in the unencumbered appropriations from the general revenue fund made by the GAA to the Health and Human Services Commission for use during the 2020-2021 state fiscal biennium for lease payments to the mast lease purchase program that was not included in the original.

The substitute includes a \$777,320 appropriation from the ESF to the Texas Alcoholic Beverage Commission for the two-year period beginning on the bill's effective date for the purpose of upgrading its cybersecurity infrastructure that was not in the original.

The substitute includes a total aggregate appropriation of \$437,622,034 from various, specified sources, including the ESF, federal funds, the state highway fund, to a list of specified agencies for the two-year period beginning on the bill's effective date for the purpose of modernization of various agency legacy computer systems that was not included in the original.

The substitute includes a total aggregate appropriation of \$175,519,508 from various, specified sources, including the ESF and federal funds, to a list of agencies for the two-year period beginning on the bill's effective date for certain information technology projects that was not included in the original.

The substitute includes a total aggregate appropriation of \$12,468,303 from various, specified sources, including the ESF, to a list of agencies for use during the two-year period beginning on the bill's effective date for certain information technology projects that was not included in the original.

The substitute includes a total aggregate appropriation of \$28,391,552 from various, specified sources, including the ESF and the state highway fund, to a list of agencies for use during the two-year period beginning on the bill's effective date for certain CAPPs-related information technology projects that was not in the original.

The substitute includes provisions not in the original authorizing certain of the agencies receiving appropriations for information technology projects to employ additional FTEs, as provided the bill.

The substitute includes a total aggregate appropriation of \$12,156,918 from the ESF to multiple agencies for the two-year period beginning on the bill's effective date for the purpose of purchasing motor vehicles that was not included in the original.

The substitute includes a \$6,544,802 appropriation from the ESF to the Parks and Wildlife Department for the two-year period beginning on the bill's effective date for the purpose of purchasing a law enforcement helicopter that was not included in the original.

The substitute includes a provision not in the original amending Rider 35, page VI-44, of the GAA to provide that, for FY 2021, the first \$10,000,000 of revenue from the sporting goods sales tax that exceeds the maximum appropriation of that revenue provided in the GAA is allocated to capital construction and repairs and the remainder is allocated proportionally.