



TEXAS LEGISLATIVE STUDY GROUP
An Official Caucus of the Texas House of Representatives

Representative:

Desk:

Bill Analysis
Committee Substitute House Bill 2
Thursday, April 22, 2021
Author: Rep. Greg Bonnen
Recommendation: Favorable, with Concerns

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CSHB 2 implements supplemental appropriations, reductions to appropriations, and gives direction and adjustment authority regarding appropriations to the General Appropriations Act (GAA) and Supplemental Appropriations Act of the 86th Legislative Session. Identified savings are \$793.3 million in General Revenue-Related (GR-R) from the 5% agency cuts and lapses in fiscal year 2020, \$1,169.5 million GR exceeding projected amount in the Foundation School Program, that had not yet identified in the *Biennial Revenue Estimate* (BRE), \$74.0 million from debt service and lease payments, and \$3,924.0 million in GR from Coronavirus Relief Fund (CRF) method finance swaps. CSHB 2 appropriates, outside of extending authority to use unencumbered (unspent) balances, \$329.4 million in GR, \$8.1 million in GR-D, \$129.8 million in other funds (OF), and \$327.3 million in FF. CSHB 2 makes appropriations from the Economic Stabilization Fund (ESF), totaling \$876.3 million. There is a net positive of \$5,736.1 million in all funds following all actions directed in CSHB 2. This addresses the 2020-21 biennium shortfall and amount exceeding the spending limit in CSSB 1 for the 2022-23 biennium.

Concerns HB2

HB2 involves only funding for the current fiscal biennium and addresses many important matters that require action now. However, there are legitimate concerns about what is in the bill and what is not.

- HB2 does include significant cuts to higher education. Notably, higher education suffered about half of the interim reductions. \$181 million was cut from general academic institutions, \$11 million from A&M agencies, \$60 million from the Texas Higher Education Coordinating Board. University and community college enrollment growth is likely to resume robustly enrollment growth should the effects of the pandemic continue to diminish as vaccinations are now available to everyone, and higher education funding cuts could be addressed with additional funding from HB2 as the fall semester approaches.
- Using federal funds from the CARES Act and ARD, funds intended to help Texans get through the effects of the COVID-19 pandemic, to supplant state funding instead. Federal funding was intended to be used to keep people working safely, provide public health

supports, make our public schools safer and accessible for in-person and broadband learning, and other pandemic-pandemic-related matters.

- With four months left in the biennium, the legislature should not defer the distribution of federal funds to another entity when HB2 could appropriate federal funding for these supports now as we work to return to a more productive “normal.”
- We have learned a great deal about the coronavirus as the pandemic progressed, and federal funding should be put to work now to put those lessons into practice. For example, slowing COVID transmission was initially focused on sanitizing surfaces, only to find that transmission was primarily airborne. HB2 could be using federal funds to improve HVAC systems to provide a safer teaching and learning environment that would encourage more students to return to in-person learning this fall, a step that would improve student outcomes.

Agency 5% Budget Reductions in 2020-21

State agencies and higher educational institutions were directed in May 2020 to identify 5% budget cuts to General Revenue (GR) and General Revenue – Dedicated (GR-D) funds due to economic contraction related to the COVID 19 pandemic and instability in the oil market. Reductions of \$505.5 million in GR and \$71.5 million in GR-D, totaling \$577.0 million, vary as to whether they impact one or both fiscal years in the 2020-21 biennium. Agencies may have been exempt for all or part of 2020-21 biennium and then asked to take reductions, or for those not exempt had funds reallocated. The information regarding areas identified for agency cuts is from a March 15, 2021 proposal. Therefore, areas of impact may have changed, and agencies no longer impacted by 5% reductions have been excluded. Initially exempt from the May cuts were agencies related to public safety, public health, and those determined essential to the health crisis response.

Notably, higher education suffered about half of the interim reductions. \$181 million was cut from general academic institutions, \$11 million from A&M agencies, \$60 million from the Texas Higher Education Coordinating Board

**CSHB 2 establishes legislative intent that any lapsed appropriations from GR or GR-D be used to offset reductions.*

**The reductions show the major agencies and funding reductions- this is not an exhaustive list.*

Article I Total Reductions - \$80,515,920

- Trusteed Programs within the Office of the Governor – reductions of \$20,783,291 GR and \$2,209,059 GR-D to incentives, operating expenses and grants for strategies like economic development and tourism.
- Office of the Governor – \$1,243,087 in GR reductions to operating expenses.
- Office of the Attorney General – \$26,549,199 in GR reductions to child support enforcement, law enforcement education, Medicaid fraud investigation, administrative support for the State Office of Risk Management (SORM), and legal services program.
- Comptroller of Public Accounts - \$11,091,563 in GR reductions to delayed or deferred Capital Projects and program lapses, such as a hiring freeze.
- Fiscal Programs – Comptroller of Public Accountants - \$1,407,917 in GR reductions to Judgements and Settlements, Advanced Tax Compliance, Habitat Protection Fund, Disabled Veteran Assistance Payments, Texas Bullion Depository, Energy Office, and \$600,000 in GR-D reductions to Law Enforcement Education Funds.

- Texas State Library and Archives Commission - \$1,677,337 in GR reductions to border grants, travel funds, and for hiring freezes.
- Secretary of State - \$493,248 in GR reductions to voter registration, voter ID education, IT, and for hiring and travel freezes.
- Department of Information Resources - \$558,158 in GR reductions to security assessments, research licenses for assessments, secure coder training, statewide risked based multifactor authentication, cyber security benchmarking and penetration services.
- Texas Emergency Services Retirement System - \$33,954 in GR reductions to operating costs and fees, travel, and for hiring freezes. \$132,922 in GR-D reductions to the state's contribution to volunteer fire department assistance.
- Texas Veterans Commission - \$772, 667 in GR reductions to operations, administration expenses, and grant program.
- Commission on State Emergency Communications - \$7,688,161 in GR-D reductions to Texas Poison Control, administrative travel, and to 9-1-1 network operations.
- Texas Historical Commission: \$2,724,637 in GR reductions to operating costs, contracted services, travel, building and grounds maintenance, Star of the Republic Museum, Texas Heritage Trail, Texas Holocaust and Genocide Commission, in salary savings, and \$248,625 in GR-D reductions to Preservation Trust Fund Grants.
- State Preservation Board - \$1,033,141 in GR reductions to building and ground maintenance.
- Texas Commission on the Arts - \$1,268,954 in GR reductions to programs and services.

Article III Total Reductions - \$453,659,280

- Texas Education Agency - \$15,680,975 in GR reductions include those to instructional materials, Windham Schools, Pathways in Technology Each College High School (PTECH) programs, Texas Gateway for online resources and academies within, Early Childhood School Readiness, Juvenile Justice alternative, and funds to development and provide a kindergarten diagnostic too.
- Texas School for the Blind and Visually Impaired - \$1,650,973 in GR reductions to Centralized Accounting and Payroll/Personnel System, student residential expenditures, summer school, direct care staff reductions, and in salary savings related to high turnover.
- Texas School for the Deaf: \$723,046 in GR reductions to staffing, food costs, ear molds, translation and interpreting services, network upgrades, fuel and transportation, summer programs, and from an internal audit.
- Texas A&M System Agencies - \$11,010,943 in GR and \$290,578 in GR-D reductions to operations, salaries, travel, capital expenses and agency specific items, like reductions to the Education Support Network at Texas A&M AgriLife Extension Services and reductions to Volunteer Fire Department Assistance within Texas A&M Forest Services. within the various agencies
- Higher Education – General Academic Institutions – \$181,025,973 in GR and \$295,578 in GR-D reductions total: \$ 13,328,646 GR reductions to the University of Houston System; \$37,145,436 GR and \$5,000 GR-D in reductions to Texas A&M University System; \$76,278,255 GR reductions to the University of Texas Systems; \$1,987,645 GR reductions to Texas Southern University; \$1,691,543 GR reductions to Texas Woman's University; \$1,554,567 GR reductions to Midwestern State University; \$1,632,927 GR reductions to Stephen P. Austin State University; \$18,304,858 GR reductions to Texas Tech University System; \$20,203,474 GR reductions to Texas State University System; and \$8,898,622 GR reductions to the University of North Texas System.

- Texas Higher Education Coordinating Board - \$57,423,241 GR and \$3,027,000 GR-D in reductions to operating expenses, grant/loan/pass through reductions, and from hiring and salary freezes.
- Higher Education Funds - \$1,500,000 in GR reductions to support for military veteran exemptions.

Article IV Total Reductions - \$7,602,076:

- Office of Court Administration - \$2,694,587 in GR and \$4,485,436 in GR-D reductions to case management, Commission on Judicial Selection, canceling capital expenses, administration operations, travel and salaries to several court programs, and saving from downsizing copier lease.

Article V Total Reductions – \$119,553,865

- Texas Department of Criminal Justice - \$91,740,828 GR and \$11,859 GR-D in reductions to re-entry pilot program, capital maintenance, central administration, data services, educational and vocational training pilot program, parole program, health and wellness program, commissary fund balance, hiring freeze, and from unit closures.
- Commission on Jail Standards - \$82,439 in GR reductions to Prisoner Safety Fund.
- Texas Commission on Fire Protection - \$175,328 in GR reductions unspecified.
- Texas Alcoholic Beverage Commission - \$5,462,877 in GR reductions to tuition reimbursement, credit card fees, public safety capital, travel costs, vehicle maintenance, and savings from hiring freeze.
- Texas Juvenile Justice Department - \$21,900,778 in GR reductions to central administration, Office of Independent Ombudsman, discretionary funds, prevention and intervention, and state aid funding.

Article VI Total Reductions – \$86,750,382

- Texas Parks and Wildlife Department - \$22,447,654 GR and \$7,975,768 GR-D reductions to capital construction, local park grant pass, salary, operational cost, and through method of finance swaps.
- General Land Office and Veterans' Land Board - \$2,204,896 GR reductions to Coastal Erosion Control Grants.
- Railroad Commission of Texas - \$89,070 GR and \$8,854,935 GR-D reductions to operating expenses, salary and hiring freeze, travel, vehicles, and site remediation.
- Department of Agriculture - \$5,193,498 GR and \$1,203,307 GR-D reductions to Urban School Grant Program, Nutrition Education, Boll Weevil, rural health capital improvements, and from salary savings.
- Texas Animal Health Commission - \$687,186 GR reductions to direct indirect administrative costs associated with medical, travel, fuel, training, and for hiring freeze.
- Texas Water Development Board - \$3,439,699 GR reductions to salaries, travel and training, and state match to Drinking Water State Revolving Loan Fund.
- Texas Commission on Environmental Quality - \$33,050,205 GR-D reductions to operation costs, the Low-Income Vehicle Repair, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP), and the Texas Emissions Reduction Plan (TERP).
- Soil and Water Conservation Board - \$1,604,164 GR reductions to staffing, travel, vehicles and IT maintenance/updates, and across the board reductions to all programs.

Article VII Total Reductions- \$3,176,379

- Texas Department of Housing and Community Affairs - \$1,191,997 GR reductions to central administrative costs, salary, staffing, and poverty and housing programs.

- Texas Department of Transportation - \$978,828 GR reductions to human trafficking signage, McKinney National Airport, and South Orient Rail Line (SORR) inspection facilities.
- Texas Department of Motor Vehicles - \$1,005,554 GR reductions to grants, educational programs, travel, and rentals.

Article VIII Total Reductions- \$6,705,418

- State Securities Board - \$306,174 GR in reductions to retirement payouts, cybersecurity, and savings from hiring freeze, and other reduced spending efforts.
- Texas Department of Licensing and Regulation - \$1,606,045 GR reductions to operations, parking, traveling, through hiring freeze, one-time expenses, and contract savings.
- Texas Department of Insurance - \$2,200,000 GR and \$584,707 GR-D reductions to subsequent injury fund and regulatory response.
- Texas State Board of Plumbing Examiners - \$155,054 GR reductions to travel, postage, reproduction and printing, and staffing.
- Public Utility Commission of Texas - \$532,121 GR and \$311,540 GR-D reductions to staffing, training, travel, and through data center consolidation.
- Texas Medical Board - \$335,209 GR and \$463,016 GR-D reductions to salary, travel, fuel, rentals, professional fees and services, and consumables.
- State Board of Dental Examiners - \$211,552 GR reductions to staffing and travel.

Unencumbered Balances (UB)

Appropriations not fully expended, encumbered, or expected to be unencumbered at the end of the budget cycle will lapse. Authority varies between agencies on ability to use or access lapsed funds during the next fiscal year within the biennium. Action is taken to either appropriate for the same purpose or to reduce the amount unencumbered.

Extending Authority to Use Unencumbered Balance (UB)

On the effective date of CSHB 2 the following agencies will have any, and all, UB appropriated for the same specified purposes. Estimated amount of UB is \$0 unless otherwise stated and with a period of two years.

- Trusteed Programs within the Office of the Governor for the purpose of response to a disaster response
- Texas Historical Commission for capital projects at the National Museum on the Pacific War, courthouse preservation grants, deferred maintenance projects to historical sites, continued development of the Levi Jordan Plantation
- Texas Department of Criminal Justice for corrections information technology system projects- amount estimated to be \$24,164,000.

Reduction to Unencumbered Balances (UB)

CSHB 2 reduces the following agencies the unencumbered appropriations from the general revenue fund and instructs agencies to identify strategies, objectives, and amounts for where the reduced allocation is removed from.

- Texas Facilities Commission - \$35,336,472 in GR reductions to UB meant for lease payments in the 2020-21 biennium.
- Texas Public Finance Authority - \$25,000,000 in GR reductions to UB meant for bond debt payments in the 2020-21 biennium.
- Texas Health and Human Services Commission - \$13,626,309 in GR reductions to UB meant for payments to the master lease payment program in the 2020-21 biennium.

Coronavirus Relief Fund (CRF)

The CRF provided federal funding for payroll expenses for public safety, public health, health care, human services, and similar employees responding to the COVID-19 public health emergency. CRF also provided economic support for those suffering from unemployment or business interruptions due to COVID-19. The following funds were identified to have lapsed due to CRF funds being used instead. CSHB 2 directs a reduction of \$1,680,004,018 in unencumbered amounts appropriated from general revenue related (GR-R), GR or GR-D, resulting in a savings to the state.

- Texas Alcoholic Beverage Commission: \$16,624,900
- Texas Department of Criminal Justice: \$853,817,454
- Department of Family and Protective Services: \$194,959,202
- Texas Department of Public Safety: \$307,418,551
- Department of State Health Services: \$55,073,028
- Health and Human Services Commission: \$62,275,646
- Texas Juvenile Justice Department: \$15,900,884
- Texas Military Department: \$1,609,751
- 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
- The University of Texas Medical Branch at Galveston: \$55,717,172

CSHB 2 includes a directive requiring the agencies and institutions listed in this section to calculate any federal funds received in the form of grants from the governor's office to be considered general revenue when calculating benefits by the proportional method of finance, according to the 2020-21 budget. Thereby making them eligible for proportional general revenue benefits as if reductions did not occur. This also includes legislative intent that federal funds appropriated be used to avoid reductions to important government services as a result of reduction in GR-R appropriations.

Actions Already Taken

In fiscal year 2020, some allocations of funds, whether from Federal Funds or interagency contracts (other funds – OF), have already occurred. CSHB 2 does not add line items for all actions already taken, but everything is accounted for in order to certify the 2020-21 budget. For example, CSHB 2 does not include the appropriations of CRF funds that went through the Office of the Governor during the interim. CSHB 2's GR and GR-D reductions, listed above, assume this allocation. These actions are not appropriating additional funds, but accounting for what has already occurred through a method of finance swap.

In addition, CSHB 2 establishes the \$600,000 appropriated to the Texas Workforce Commission (TWC) through an interagency contract (OF) TEA and TWC, to provide subsidies for the high school equivalency exam to individuals 21 years and older in fiscal year 2020 is appropriated for the same purpose in fiscal 2021.

Foundation School Program (FSP)

Unanticipated funding led to the FSP balance exceeding projections and accounts for the \$5,473,203,345 reduction in CSHB2. Unanticipated funding is due to the following: \$1.16 billion in ESSER funds from the CARES Act in March of 2020, which was used instead of GR, \$947 million was from unexpected revenue gained from internet marketplace sales tax, decreased school attendance due to the pandemic, and property tax increases over the 2019

assumptions. FSP is reduced by \$5,473,203,345, the unencumbered amount, and still leaves public education fully funded.

- Sum certain for FSP for Fiscal Year 2021 is \$24,418,500,000, leaving public education fully funded.

Special Education

As part of requirements in the negotiated legal settlement agreement between the State of Texas and the U.S. Department of Education, to prevent the withholding of federal funds, additional funding must be appropriated to Texas Education Agency (TEA) for special education. This requirement is a result of an alleged failure to maintain adequate state financial support for special education in fiscal years 2012, 2017, and 2018.

- Texas Education Agency (TEA) is appropriated \$107,928,979 in GR, effective date of enactment for a two-year period, for special education.
 - Funds to be distributed, proportional to the weighted average daily attendance (ADA), to each FTE student in ADA in special education programming.
- CSHB 2 then reduces TEA by \$107,900,000, unencumbered amount, appropriated in the General Appropriations Act (GAA) and the Supplemental Appropriations Act (SB 500) by the 86th Legislature.
- CSHB 2 reflects net appropriations of \$28,979 in GR to TEA for special education purposes.

General Revenue-Related Appropriations – \$224,140,318

- University of Texas at Houston Health Sciences Center - \$500,000 in GR appropriated, for a two-year period beginning on effective date of act, to recruit faculty for the UTHealth Behavioral Sciences Center.
- South Texas College - \$5,660,318 in GR appropriated, effective on date of the act and end of fiscal year on August 31, 2021, to provide for state contributions for health benefits.
- Texas Department of Criminal Justice - \$123,700,000 in GR appropriated, effective on date of the act and end of fiscal year on August 31, 2021, for correctional managed care.
- Texas Department of Criminal Justice - \$86,000,000 in GR appropriated, effective on date of the act and end of fiscal year on August 31, 2021, allocating:
 - \$47 million for correctional security operations
 - \$6 million for institutional goods
 - \$22 million for institutional operations and maintenance
 - \$11 million for parole supervision
- Texas Juvenile Justice Department - \$400,000 in GR appropriated, effective on date of the act and end of fiscal year on August 31, 2021, to make a payment to the Department of Information Resources for data center services.
- Texas Commission on Environmental Quality - \$1,850,000 in GR and \$3,150,000 in GR-D appropriated, for a two-year period beginning on effective date of this act, to continue water rights litigation with New Mexico for equitable distribution of water pursuant to the Rio Grande Compact.
- Department of Agriculture - \$3,380,000 in GR appropriated, for the 2020-21 biennium beginning on effective date of this act, to fund Texans Feeding Texans as follows:
 - \$1,400,000 for the Home Delivered Meals Grant Program, providing home-delivered meals to homebound elderly and disabled Texans.
 - \$1,980,000 for the Surplus Agricultural Product Grant Program, helping to offset costs related to harvesting, gleaning and transporting agricultural products to Texas food banks.

Federal Fund (FF) Appropriations - \$2,601,096

- Within Texas Military Department \$1,856,992 in FF from Adjunct General Fund No. 449 is appropriated to the Adjutant General, for a two-year period beginning on effective date of act, with the following allocations:
 - \$977,214 to 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.
 - \$79,094 for remediation of deferred maintenance to prevent armory deterioration.
- Texas Health and Human Services Commission - \$744,104 in FF, for use during fiscal biennium ending August 31, 2021, for fire protections, power, cooling and heating ventilation and air conditioning, and preventative maintenance of state buildings.

Other Fund (OF) Appropriations- \$6,211,189

- Texas Health and Human Services Commission - \$23,689 appropriated from revenue bonds (OF), for use during fiscal biennium ending August 31, 2021, for deferred maintenance to state supported living centers and hospitals. To include anti-ligature remediation, roofing of state buildings, and repairs and renovations for fire, electrical, and plumbing.
- Texas Department of Motor Vehicles - \$6,187,500 appropriated to the Texas Department of Motor Vehicles Fund (OF), for use during fiscal biennium ending August 31, 2021 beginning on date of enactment of this act, for new construction of a building at department headquarters.

Economic Stabilization Fund (ESF) “Rainy Day Fund” Appropriations - \$876.3 Million

- Texas Facilities Commission - \$34,920,754 appropriated from ESF, for a two-year period beginning on effective date of act, to finish out the interior for a new facility included in Phase I of the Capitol Complex projects. \$34,724,146 is for design and construction and \$196,608 for 3 full-time-equivalent (FTE) positions.
- Texas Facilities Commission - \$76,546,870 appropriated from ESF, for a two-year period beginning on effective date of act, for safety improvements and deferred maintenance of state buildings.
- Texas Historical Commission - \$19,125,000 appropriated from ESF, for a two-year period beginning on effective date of act, for deferred maintenance of state buildings.
- Comptroller of Public Accounts - \$100,400,000 appropriated from ESF, for 2021 fiscal year, for immediate deposit to the Texas Infrastructure Resiliency Fund.
 - The second part of this section reduces
 - appropriations to the account by \$172,000,000, resulting in a net reduction of \$71,600,000.
- State Preservation Board - \$33,605,000 from the ESF, for a two-year period beginning on effective date of act, for renovations to the Texas Capitol and the Capitol Extension.
 - Renovations to include replacement of the historic roof, phase one of exterior waterproofing project, and other repairs and renovations to the Capitol, Capitol Extension, Capitol Visitors Center, Capitol grounds, and Governor’s mansion.
- State Preservation Board - \$2,465,000 from the ESF, for a two-year period beginning on effective date of act, for renovations and repairs to the Texas State History Museum.

- Texas Health and Human Services Commission - \$322,005,896 appropriated from ESF, for a two-year period beginning on effective date of act, with allocations of \$321,250,000 for new constructions and \$755,986 for fire protection, power, cooling and heating ventilation and air conditioning, and preventative maintenance of state buildings.
- School for the Blind and Visually Impaired - \$1,935,000 from ESF, for a two-year period beginning on effective date of act, for health and safety improvements to state buildings.
- Texas A&M Forest Services - \$56,388,408 appropriated from ESF, for a two-year period beginning on effective date of act, for responding to previous and future natural disasters, through mobilization of ground and aviation resources for fire suppression.
- Lamar State College – Orange - \$1,472,000 appropriated from ESF, for a two-year period beginning on effective date of act, for Hurricane Laura recovery, including repairs and the purchase of a natural gas power generator.
- Lamar University - \$5,700,000 appropriated from ESF, for a two-year period beginning on effective date of act, for building repair and flood recovery due to damage from Tropical Storm Imelda.
- Texas Department of Criminal Justice - \$153,820,000 appropriated from ESF, for a two-year period beginning on effective date of act, for health and safety improvements to state buildings.
- Texas Juvenile Justice Department - \$3,538,850 appropriated from ESF, for a two-year period beginning on effective date of act, allocating \$2,500,000 for health and safety improvements to state buildings and \$1,038,850 for remediation of deferred maintenance of state buildings.
- Texas Military Department - \$4,246,261 appropriated from ESF, for a two-year period beginning on effective date of act, allocating \$2,279,956 for health and safety improvements to state buildings and \$1,966,305 for remediation of deferred maintenance of state buildings.
- Texas Department of Public Safety (DPS) - \$3,750,000 appropriated from ESF, for a two-year period beginning on effective date of act, for remediation of deferred maintenance of state buildings.
- Texas Department of Public Safety (DPS) - \$8,700,000 aggregate total amount, for a two-year period beginning on effective date of act, towards the building of a consolidated law enforcement center with the Brazoria County’s Sheriff’s Office from the following sources.
- Texas Parks and Wildlife Department (TPWD)- \$6,544,802 is appropriated from the ESF, for a two-year period beginning on the effective date of this act, for a law enforcement helicopter.
 - Amends rider 35 in bill pattern to stipulate the first \$10 mil exceeding Sporting Good Sales Tax (SGST) revenue in fiscal 2021 is allocated to Capital construction and repairs and the remaining is allocated proportionately.
- Expenses related to moving various agencies to new Capitol Complex offices - \$5,210,512 total from ESF, for a two-year period beginning on effective date of act.

Information Technology (IT) Projects

House Appropriations Committee and the Legislative Budget Board met to prioritize IT projects by level of need, only funding the highest need projects at this time. IT projects are funded by a combination of the Economic Stabilization Fund (ESF), other funds (OF), general revenue-dedicated (GR-D), and/or federal funds (FF) for a two-year period beginning on the effective day of this act. Some appropriations provide authority to increase full-time equivalent employees and are noted with the appropriation this is connected to.

Texas Alcoholic Beverage Commission - \$27,140,556

- \$777,320 appropriated from the ESF to upgrade the cybersecurity infrastructure.
- \$3,675,382 appropriated from ESF for the commission's public safety technology project. May use the money appropriated to employ the following additional full-time equivalent (FTE) employees, 3 in fiscal year 2022 and 3 in fiscal year 2023.
- \$4,347,730 appropriated from the ESF for modernization of the commission's licensing and tax collection system. May use the money appropriated to employ the following additional FTE employees, 5 in fiscal year 2022 and 3 in fiscal year 2023.

Office of the Attorney General - \$140,086,035

- \$4,841,500 in aggregate appropriations for legal case legacy operations
- \$24,080,298 in aggregate appropriated for the system modernization project phase 1
- \$44,255,140 in aggregate appropriations for the system modernization project phase 2
- \$4,224,001 in aggregate appropriations for the CAPPs Financial Transition Phase II

Secretary of State - \$18,171,924

- \$18,171,924 appropriated from ESF for the legacy system modernization project

Texas Historical Commission - \$240,000

- \$240,000 appropriated from ESF for commission technology upgrades

Texas Facilities Commission - \$2,173,394

- \$2,173,394 appropriated from ESF for the deployment of CAPPs Financials. May use the money appropriated to employ the following additional FTE employees, 9 in fiscal year 2022 and 10 in fiscal year 2023.

Pension Review Board - \$600,000

- \$300,000 appropriated from 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
- \$300,000 appropriated from 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.

Texas Public Finance Authority - \$142,924

- \$60,000 aggregate OF appropriated for Data Center Consolidation Project
- \$82,924 appropriated from ESF to support programming, development, and deployment from Uniform Statewide Payroll/Personal System to CAPPs. May use the money appropriated to employ the one additional FTE employees in fiscal year 2022.

Department of Information Resources (DIR) - \$1,734,553

- \$808,541 in OF appropriated for the Data Center Consolidation – Data Warehouse Project
- \$926,012 in OF appropriated for the Data Center Consolidation - Data Optimization Project.

Department of State Health Services - \$1,181,028

- \$1,181,028 appropriated from ESF for a customer service efficiency project. May use the money appropriated to employ the 1 additional FTE in fiscal year 2022.

Texas Department of Family and Protective Services (DFPS) - \$6,991,060

- \$3,557,213 in aggregate appropriations for IT projects to meet case orders
- \$3,433,847 in aggregate appropriations for data center consolidation

Texas Health and Human Services Commission (HHSC) - \$373,502,360

- \$7,280,267 appropriated from ESF for the migration of CLASS, CLASSMate, and Public and Provide systems from DFPS to HHSC.
- \$266,406,192 in aggregate appropriations for phase one of the management information systems modernization and procurement and transition

- \$25,213,488 in aggregate appropriations for the vendor drug program pharmacy benefits services modernization
- \$7,150,000 in aggregate appropriations 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.
- \$1,029,946 in aggregate appropriations for the automation of the survey scheduling function within a workload management system
- \$13,418,742 in aggregate appropriations for a system-wide business enablement platform project. May use the money appropriated to employ the following additional FTE employees, 15.2 in fiscal year 2022 and 15.2 in fiscal year 2023.
- \$36,737,765 in aggregate appropriations to replace the end-of-life/end-of-support network infrastructure. May use the money appropriated to employ the following additional FTE employees, 2 in fiscal year 2022 and 2 in fiscal year 2023.
- \$7,753,135 in aggregate appropriations to restore certain IT projects. HHSC may use the money appropriated to employ the following additional FTE employees, 2 in fiscal year 2022 and 2 in fiscal year 2023.
- \$3,106,672 appropriated from ESF for infrastructure upgrades at state hospitals and state supported living centers.
- \$5,406,153 in aggregate appropriations for data center consolidation.
- **School for the Blind and Visually Impaired - \$900,000**
- \$900,000 appropriated from ESF to redesign and update the school website.
- **Higher Education Coordinating Board - \$4 Million**
- \$4,000,000 appropriated from ESF for the board's application portfolio modernization project.
- **Texas Education Agency - \$1,833,750**
- \$1,833,750 appropriated from ESF for data center consolidation.
- **Texas Commission on Law Enforcement - \$2,143,262**
- \$2,143,262 appropriated from ESF for IT security and network information.
- **Texas Department of Criminal Justice - \$21,475,950**
- \$21,475,950 appropriated from ESF for technology related to healthcare for people who are incarcerated.
- **Texas Commission on Environmental Quality - \$4,089,282**
- \$4,089,282 appropriated from ESF to update the occupational licensing and commissioner integrated database.
- **Water Development Board - \$588,063**
- \$588,063 appropriated from the ESF for the CAPPs Financials Deployment Project. May use the money appropriated to employ five additional FTE employees in fiscal year 2022.
- **Texas Department of Transportation - \$109,842,902**
- \$16,480,410 appropriated from the State Highway Fund (SHF), other funds (OF), to update and secure inefficient hardware and software systems.
- \$22,471,772 appropriated from SHF (OF) for the Enterprise Information Management Project.
- \$49,606,226 appropriated from the SHF (OF) for the Information and Systems Modernization Project.
- \$21,284,494 appropriated from the SHF (OF) for the CAPPs Upgrades and Improvements Project
- **Texas Department of Motor Vehicles (TxDMV) - \$11,832,248**
- \$3,133,578 appropriated from the Texas Department of Motor Vehicles (TxDMV) fund (OF) for DMV Automation System – webSALVAGE Project.

- \$3,472,958 appropriated from TxDMV fund (OF) for the Accounts Receivable System Project. May use the money appropriated to employ the following additional FTE employees, 2 in fiscal year 2022 and 2 in fiscal year 2023.
- \$5,225,712 appropriated from TxDMV fund OF for the Complaint Management System Project.

Texas Behavioral Health Executive Council - \$12,000

- \$12,000 appropriated from the ESF for the Deployment - Financials Project for CAPPS.

Texas Department of Insurance - \$4,973,254

- \$4,973,254 appropriated from GR-D for website modernization, automation, and the replacement of the Division of Workers' Compensation COMPASS System.

Department of Licensing and Regulation – 2 Million

- \$2 million appropriated from ESF for the Licensing System - Phase II Project.

Motor Vehicle Purchases

House Appropriations Committee and the LBB met to prioritize the agencies being funded for vehicle purchases by need. CSHB 2 appropriates \$12,156,918 from the ESF to purchase vehicles within two-years beginning on the effective date of this act across various agencies. Notably, HHSC received \$7.9 million, Texas A&M Forest Service received \$2.1 million, and the Animal Health Commission received \$1.4 million.

Providing Capital Budget Authority

CSHB 2 adds a rider in the 2020-21 budget, updating the Department of State Health Services (DSHS) bill pattern. The rider gives DSHS authority to increase capital budget authority at the Texas Center for Infectious Diseases (TCID), for repairs and renovations, using \$1,104,759 in Other Funds (OF) generated from delivery system reform incentive payments. Funds may be transferred to the 2020 fiscal year, with UB moved forward to the 2021 fiscal year, for repair of TCID alarm and other repairs and renovations. DSHS also has authority to create a new capital budget item, for the purposes outlined above.