

**BILL ANALYSIS**

C.S.H.B. 5  
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. 5 seeks to make those supplemental appropriations 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. 5 amends Chapter 1053 (S.B. 1), Acts of the 87th Legislature, Regular Session, 2021 (the General Appropriations Act), to make supplemental appropriations and give direction regarding certain of those appropriations.

**Article X Legislative Agencies**

Texas Senate

C.S.H.B. 5 appropriates to the senate from the general revenue fund \$34,422,614 for the 2022 state fiscal year and \$37,291,165 for the 2023 state fiscal year for certain authorized operational expenses.

Texas House of Representatives

C.S.H.B. 5 appropriates to the house of representatives from the general revenue fund \$43,098,410 for the 2022 state fiscal year and \$48,600,335 for the 2023 state fiscal year for certain authorized operational expenses.

Legislative Budget Board

C.S.H.B. 5 appropriates to the Legislative Budget Board (LBB) from the general revenue fund \$13,178,999 for the 2022 state fiscal year and \$13,178,998 for the 2023 state fiscal year for certain authorized operational expenses.

#### Texas Legislative Council

C.S.H.B. 5 appropriates to the Texas Legislative Council from the general revenue fund \$40,205,883 for the 2022 state fiscal year and \$43,556,374 for the 2023 state fiscal year for certain authorized operational expenses.

#### Commission on Uniform State Laws

C.S.H.B. 5 appropriates to the Commission on Uniform State Laws from the general revenue fund \$143,958 for each state fiscal year of the 2022-2023 state fiscal biennium for certain authorized operational expenses.

#### Sunset Advisory Commission

C.S.H.B. 5 appropriates to the Sunset Advisory Commission from the general revenue fund \$2,268,722 for each state fiscal year of the 2022-2023 state fiscal biennium. The bill establishes that the money that an entity is required by law to pay to the commission to cover the costs the commission incurs in performing a review of the entity is appropriated to the commission for maintaining its operations.

#### State Auditor's Office

C.S.H.B. 5 appropriates to the state auditor's office (SAO) from the general revenue fund \$17,027,403 for the 2022 state fiscal year and \$17,027,402 for the 2023 state fiscal year and requires SAO to use the money as necessary to perform its duties under specified budget riders. The bill establishes that all funds reimbursed to SAO by governmental entities for the provision of services are appropriated to SAO during the fiscal year in which they are received and must be used as provided by applicable state law governing SAO.

#### Legislative Reference Library

C.S.H.B. 5 appropriates to the Legislative Reference Library (LRL) from the general revenue fund \$1,733,325 for each state fiscal year of the 2022-2023 state fiscal biennium for certain authorized operational expenses. The bill establishes that all funds transferred to LRL pursuant to interagency contracts for services provided by LRL and all funds reimbursed to LRL by governmental entities for the provision of services are appropriated to LRL during the fiscal year in which they are received and must be used as provided by applicable state law governing LRL.

#### Carryover of Unobligated and Unexpended Balances

C.S.H.B. 5 establishes that any unobligated and unexpended balances remaining as of August 31, 2021, from appropriations made to an Article X agency are appropriated to that agency for the same purposes for the 2022-2023 state fiscal biennium and that any unobligated and unexpended balances remaining as of August 31, 2022, from appropriations made to the agency are appropriated for the same purposes for the 2023 fiscal year.

#### **Texas Education Agency**

C.S.H.B. 5 appropriates \$50,000,000 from the general revenue fund to the Texas Education Agency (TEA) for each state fiscal year of the 2022-2023 state fiscal biennium for the purpose of implementing the provisions of S.B. 8 or similar legislation by the 87th Legislature, 2nd

Called Session, 2021, relating to the authority of a person who acquires a residence homestead to receive a property tax exemption for the homestead in the year in which the property is acquired, contingent on such legislation being enacted and becoming law.

C.S.H.B. 5 appropriates \$14,625,000 from the general revenue fund to TEA for the 2022-2023 state fiscal biennium for the purpose of implementing the provisions of S.B. 3 or similar legislation by the 87th Legislature, 2nd Called Session, 2021, relating to certain curriculum in public schools, including certain instructional requirements and prohibitions, contingent on such legislation being enacted and becoming law.

### **Department of Family and Protective Services**

C.S.H.B. 5 appropriates \$35,000,000 from the general revenue fund to the Department of Family and Protective Services (DFPS) for each fiscal year of the 2022-2023 state fiscal biennium for the purpose of providing supplemental payments to retain providers and increase provider capacity. The bill requires this money to be spent in coordination with certain appropriations provided with respect to community-based care (CBC) capacity and, beginning with the 2023 state fiscal year, to be spent in compliance with applicable rate methodology requirements.

C.S.H.B. 5 appropriates \$20,000,000 from the general revenue fund to DFPS for the 2022 state fiscal year for the purpose of providing targeted foster care capacity grants across Texas to address the existing foster care capacity shortage. The grants should focus on serving children with the highest level of need, expanding certain types of placements and bringing new providers and capacity online, and promoting long-term viability of child placements. All unexpended balances of the amount appropriated for the 2022 state fiscal year are appropriated for the same purposes for the 2023 state fiscal year.

C.S.H.B. 5 requires DFPS to prepare a report on the specific efforts that DFPS has implemented with money appropriated by the bill and the effect of those efforts on improving foster care capacity across Texas. Not later than September 1, 2022, DFPS must submit the report to the LBB, Senate Finance Committee, House Appropriations Committee, and each standing committee of the senate and house of representatives with primary jurisdiction over health and human services.

### **Department of Information Resources**

C.S.H.B. 5 appropriates \$17,443,511 from the general revenue fund to the Department of Information Resources (DIR) for the purpose of providing cybersecurity enhancements for the state during the 2022-2023 state fiscal biennium to be allocated as follows:

- \$6,534,350 for Endpoint Detection and Response;
- \$6,909,161 for the Security Operations Center; and
- \$4,000,000 for Multifactor Authentication Expansion.

Out of that money, DIR may employ additional full-time equivalent (FTE) employees during the biennium as follows:

- one FTE employee for Endpoint Detection and Response;
- seven FTE employees for the Security Operations Center; and
- one FTE employee for Multifactor Authentication Expansion.

### **Teacher Retirement System of Texas**

C.S.H.B. 5 appropriates \$701,100,535 from the general revenue fund to the Teacher Retirement System of Texas (TRS) for the 2022-2023 state fiscal biennium for the purpose of implementing the provisions of S.B. 7 or similar legislation by the 87th Legislature, 2nd Called Session, 2021, relating to a one-time supplemental payment of TRS benefits, contingent on such legislation being enacted and becoming law.

## **Office of Court Administration, Texas Judicial Council**

C.S.H.B. 5 makes appropriations to the Office of Court Administration (OCA), Texas Judicial Council, in the following amounts for purposes of implementing the provisions of S.B. 6 or similar legislation by the 87th Legislature, 2nd Called Session, 2021, relating to rules for setting the amount of bail, to the release of certain defendants on a monetary bond or personal bond, to related duties of certain officers taking bail bonds and of a magistrate in a criminal case, to charitable bail organizations, and to the reporting of information pertaining to bail bonds, contingent on such legislation being enacted and becoming law:

- \$1,427,218 for the 2022 state fiscal year and \$885,798 for the 2023 state fiscal year from the general revenue fund; and
- \$1,500,000 for the 2022 state fiscal year and \$462,500 for the 2023 state fiscal year from the General Revenue-Dedicated Statewide Electronic Filing System Account No. 5157.

The bill authorizes OCA, during the biennium, to use that money to employ six FTE employees to implement the provisions of the legislation and increases the capital budget authority for OCA by \$1,500,000 from the General Revenue-Dedicated Statewide Electronic Filing System Account No. 5157 for the 2022 state fiscal year for capital budget items related to that implementation.

### **Secretary of State**

C.S.H.B. 5 appropriates \$4,300,000 from the general revenue fund to the secretary of state for the 2022 state fiscal year for the purpose of reimbursements for the retrofitting of certain auditable voting systems, the replacement of certain systems that cannot be upgraded, and the development of secure tracking systems for mail ballots in accordance with H.B. 3 or similar legislation of the 87th Legislature, 2nd Called Session, 2021. Unexpended balances remaining for those purposes for the 2022 state fiscal year are appropriated for the same purposes for the 2023 state fiscal year.

### **Budget Execution Order Superseded**

C.S.H.B. 5 specifies that the bill's provisions supersede any budget execution order issued during August 2021 and that any authorization for a transfer of an appropriation or of money under such an order is void on the bill's effective date.

### **EFFECTIVE DATE**

On passage.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 5 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 omits a provision from the original that appropriated \$114,865,660 from the general revenue fund to the Texas Education Agency for the 2023 state fiscal year for the purpose of implementing S.B. 12 or similar legislation by the 87th Legislature, 2nd Called Session, 2021, relating to the reduction of the amount of a limitation on the total amount of property taxes that may be imposed by a school district on the residence homestead of an individual who is elderly or disabled to reflect any reduction from the preceding tax year in the district's maximum compressed rate, contingent on such legislation being enacted and becoming law.

The substitute includes provisions not in the original appropriating \$4,300,000 from the general revenue fund to the secretary of state for the 2022 state fiscal year for the purpose of

reimbursements for the retrofitting of certain auditable voting systems, the replacement of certain systems that cannot be upgraded, and the development of secure tracking systems for mail ballots in accordance with H.B. 3 or similar legislation of the 87th Legislature, 2nd Called Session, 2021, and establishing that any unexpended balances remaining for those purposes for the 2022 state fiscal year are appropriated for the same purposes for the 2023 state fiscal year.