

BILL ANALYSIS

Senate Research Center
87S30545 SRA-D

S.B. 8
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The federal American Rescue Plan Act (ARPA) of 2021 provided fiscal relief to states aimed at mitigating the continuing effects of the COVID-19 pandemic. In part, ARPA established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Capital Projects Fund, to which Texas' allocations total \$15.8 billion and \$500.5 million, respectively. S.B. 8 makes appropriations of federal coronavirus relief money, including these two funds from ARPA.

As proposed, S.B. 8 amends current law relating to making appropriations of certain federal coronavirus relief money.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. COMPTROLLER OF PUBLIC ACCOUNTS: UNEMPLOYMENT COMPENSATION FUND. Provides that the amount of \$7,245,419,946 is appropriated to the Comptroller of Public Accounts of the State of Texas (comptroller) from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for use during the state fiscal year beginning September 1, 2021, for the purpose of immediately depositing that amount to the credit of the unemployment compensation fund under Section 203.021 (Unemployment Compensation Fund; Separate Accounts), Labor Code, to pay back outstanding advances received by this state under Section 1201, Social Security Act (42 U.S.C. Section 1321), and to return the unemployment compensation fund to the statutory floor computed under Section 204.061 (Ceiling and Floor of Compensation Fund), Labor Code, on October 1, 2021, as reimbursement for payments made as a result of the coronavirus disease pandemic.

SECTION 2. DEPARTMENT OF STATE HEALTH SERVICES: COVID-19 SERVICES. (a) Provides that the amount of \$3,000,000,000 is appropriated to the Department of State Health Services (DSHS) from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the following purposes related to the coronavirus disease pandemic during the period beginning on the effective date of this Act and ending December 31, 2021:

- (1) providing funding for state and local hospital surge staffing;
- (2) purchasing therapeutic drugs; and
- (3) providing funding for the operation of regional infusion centers.

(b) Provides that it is the intent of the Texas Legislature that any reimbursement received by DSHS from the Federal Emergency Management Agency related to expenditures paid from money appropriated under Subsection (a) of this section be deposited to the general

revenue fund and not expended until appropriated by the 88th Legislature. Provides that appropriations made under Subsection (a) of this section that remain unobligated on January 1, 2022, lapse to the general revenue fund.

SECTION 3. COMPTROLLER OF PUBLIC ACCOUNTS: BROADBAND INFRASTRUCTURE. (a) Provides that the amount of \$500,475,163 is appropriated to the comptroller from money received by this state from the Coronavirus Capital Projects Fund (42 U.S.C. Section No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the purpose of providing funding for broadband infrastructure in accordance with Section 490I.0108 (Broadband Development Account), Government Code, and other applicable state or federal law during the two-year period beginning on the effective date of this Act.

(b) Authorizes \$75,000,000 of the money appropriated by Subsection (a) of this section to be used only for the Texas broadband pole replacement program.

SECTION 4. OFFICE OF THE GOVERNOR: VICTIMS OF CRIME. Provides that the amount of \$160,000,000 is appropriated to the Office of the Governor from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the purpose of providing funding for grants for victims of crime during the two-year period beginning on the effective date of this Act.

SECTION 5. PUBLIC SAFETY AGENCY SALARY COMPENSATION. (a) Provides that from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325, the following agencies are appropriated the following amounts for the purpose of providing compensation for agency employees for the state fiscal biennium beginning September 1, 2021:

(1) Department of Criminal Justice: \$2,729,912,000; and

(2) Department of Public Safety: \$941,836,021.

(b) Requires the agencies listed in Subsection (a) of this section to:

(1) in consultation with the comptroller and the Legislative Budget Board (LBB), determine the proper allocation of benefits included in the appropriations made under Subsection (a) of this section; and

(2) identify the strategies and objectives for which the appropriations made under Subsection (a) of this section are directed.

(c) Provides that it is the intent of the legislature that the agencies receiving appropriations under Subsection (a) of this section consider the appropriations as a change in the method of finance of the compensation to be paid to agency employees and not as an increase in total appropriations to the agencies.

SECTION 6. TEACHER RETIREMENT SYSTEM: TRS-CARE AND TRS-ACTIVECARE. (a) Provides that the amount of \$286,337,761 is appropriated to the Teacher Retirement System from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the purpose of providing funding for coronavirus-related claims in TRS-Care and TRS-ActiveCare incurred before September 1, 2021, during the two-year period beginning on the effective date of this Act.

(b) Provides that it is the intent of the legislature that premiums for TRS-Care and TRS-ActiveCare insurance policies not increase as a result of coronavirus-related claims incurred before September 1, 2021.

SECTION 7. DEPARTMENT OF AGRICULTURE: FOOD BANKS. Provides that the amount of \$100,000,000 is appropriated to the Department of Agriculture from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the purpose of providing supplemental funding to food banks in response to the coronavirus pandemic during the two-year period beginning on the effective date of this Act.

SECTION 8. HIGHER EDUCATION COORDINATING BOARD: TEXAS CHILD MENTAL HEALTH CARE CONSORTIUM. (a) Provides that the amount of \$113,082,887 is appropriated to the Texas Higher Education Coordinating Board (THECB) from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the purpose of supporting the operations and expansion of the Texas Child Mental Health Care Consortium to expand mental health initiatives for children during the two-year period beginning on the effective date of this Act. Requires THECB, at the direction of the Texas Child Mental Health Care Consortium, to transfer appropriations through interagency contracts with health-related institutions of higher education for the following purposes:

- (1) \$20,578,442 for enhancements and expansion of the Child Psychiatry Access Network;
- (2) \$56,218,976 for enhancements and expansion of the Texas Child Access Through Telemedicine program;
- (3) \$32,991,791 for expansion of the child and adolescent mental health workforce; and
- (4) \$3,293,676 for administrative expenses.

(b) Requires THECB, not later than December 1, 2021, out of money appropriated by Subsection (a) of this section, to transfer \$3,293,676 to an institution of higher education designated by the Texas Child Mental Health Care Consortium for oversight and evaluation of the outlined initiatives by means of interagency agreements or any other necessary contracts.

(c) Authorizes the Texas Child Mental Health Care Consortium to transfer up to 10 percent of money appropriated for the purposes described by Subsection (a)(1), (2), or (3) of this section to any of the other purposes described by those provisions. Authorizes the Texas Child Mental Health Care Consortium to transfer more than 10 percent of funds for those purposes only with the prior approval for the transfer and expenditure from the LBB. Provides that a request for approval of the transfer and expenditure by the consortium is considered approved unless the LBB issues a written disapproval within 10 business days of the receipt and review of the request by the LBB.

SECTION 9. TEXAS DIVISION OF EMERGENCY MANAGEMENT: STATE OPERATIONS CENTER. Provides that the amount of \$300,000,000 is appropriated to the Texas Division of Emergency Management from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the purpose of the acquisition of land for, and construction of, a state operations center during the two-year period beginning on the effective date of this Act.

SECTION 10. DEPARTMENT OF INFORMATION RESOURCES: CYBERSECURITY PROJECTS. Provides that the amount of \$200,000,000 is appropriated to the Department of Information Resources for deposit into the Technology Improvement and Modernization Fund No. 187 and for use during the two-year period beginning on the effective date of this Act for the purpose of cybersecurity projects from money received by this state from the Coronavirus State

Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325.

SECTION 11. HIGHER EDUCATION COORDINATING BOARD: UNIVERSITY CONSTRUCTION. Provides that, contingent on legislation by the 87th Legislature, 3rd Called Session, 2021, relating to the issuance of tuition revenue bonds, becoming law, the amount of \$500,000,000 is appropriated to THECB from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the purpose of university construction during the two-year period beginning on the effective date of this Act.

SECTION 12. HEALTH AND HUMAN SERVICES COMMISSION: DALLAS STATE HOSPITAL. Provides that the amount of \$237,800,000 is appropriated to the Health and Human Services Commission from money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) and deposited to the credit of the Coronavirus Relief Fund No. 325 for the purpose of completing construction of a state hospital in Dallas during the two-year period beginning on the effective date of this Act.

SECTION 13. LEGISLATIVE INTENT REGARDING APPROPRIATIONS. Provides that it is the intent of the legislature that the appropriations made by this Act are one-time appropriations made for the purpose of addressing the needs of this state for the two-year period beginning on the effective date of this Act.

SECTION 14. APPROPRIATION AUTHORITY UNDER FEDERAL LAW. Provides that the appropriations made under Sections 4, 7, 8, 9, 10, 11, and 12 of this Act using money received by this state from the Coronavirus State Fiscal Recovery Fund (42 U.S.C. Section 802) established under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2) are made in accordance with 42 U.S.C. Section 802(c)(1)(C), which allows money from the Coronavirus State Fiscal Recovery Fund to be used to provide government services to the extent of a reduction in the revenue of a state government caused by the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the state government that ended before that emergency.

SECTION 15. APPLICABILITY OF TRANSFER PROVISIONS OF OTHER LAW. Provides that the transfer provisions of Part 14, Article IX, Chapter 1053 (S.B. 1), Acts of the 87th Legislature, Regular Session, 2021 (the General Appropriations Act), and the transfer provisions of Section 65, Chapter 995 (H.B. 2), Acts of the 87th Legislature, Regular Session, 2021 (the Supplemental Appropriations Act), apply to the appropriations made by this Act to allow appropriate transfer of appropriations made by this Act as if the appropriations made by the General Appropriations Act, the Supplemental Appropriations Act, and this Act were all a part of the same Act, to the extent permitted by federal law.

SECTION 16. Effective date: upon passage.