

## **BILL ANALYSIS**

C.S.H.B. 1923

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International Relations & Economic Development  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The COVID-19 pandemic revealed the fragility of our state and nation's supply chains. Hospital systems throughout Texas struggled with procurement of critical personal protective equipment such as respirators, surgical gloves, and N-95 surgical masks. Supply chains were riddled with logistical problems from shipping delays to price gouging. Simultaneously, consumer demand for food and essential items such as toilet paper and cleaning products, completely overwhelmed our state's grocery supply chains and operations. The ERCOT power outages in February of this year only exacerbated these supply chain disruptions.

Even with the distribution of COVID-19 vaccines, the pandemic has left long-lasting implications on businesses and consumers. Government and private businesses must be able to use data which includes risks and losses from the pandemic and power outages as a part of long-term resilience plans to outmaneuver and successfully navigate external supply chain pressures. Industry leaders want to create new and agile systems to prevent supply chain breakdowns in the event of a future health crisis, catastrophic event, or other extreme disruption. C.S.H.B. 1923 seeks to prevent future supply chain disruptions by providing for a study to identify and evaluate local and state supply chain disruptions caused by the COVID-19 pandemic and the ERCOT power outages.

### **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. 1923 requires a public institution of higher education selected by the comptroller of public accounts, using available appropriated funds and in collaboration with the Texas Higher Education Coordinating Board (THECB), to conduct a study to identify and evaluate local and state supply chain disruptions caused by the COVID-19 pandemic and the sustained power outages that occurred in February 2021 within the ERCOT power region. The bill requires the comptroller, not later than January 1, 2022, to select the institution to conduct the study based on proposals submitted in response to a request for proposals issued by the comptroller.

C.S.H.B. 1923 requires the institution to do the following in conducting the study:

- assess the overall cost to the state of the disruptions;
- determine the number of jobs affected by the disruptions;
- determine which industries were most affected by the disruptions; and

- recommend policies and procedures for maintaining effective supply chains in future health, power, and economic crises.

The bill requires the institution, not later than September 1, 2022, to prepare and submit to the governor and the legislature a report containing the results of the study and any recommendations for legislative or other action to aid in the state's recovery from the COVID-19 pandemic and the ERCOT power outages and to prepare for future health, power, and economic crises. The bill's provisions expire September 1, 2023.

### **EFFECTIVE DATE**

September 1, 2021.

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

While C.S.H.B. 1923 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 original commissioned a study by the comptroller to identify and evaluate local and state supply chain disruptions caused by the COVID-19 pandemic, whereas the substitute requires a public institution of higher education selected by the comptroller to conduct a study in collaboration with the THECB to identify and evaluate supply chain disruptions caused by both the pandemic and ERCOT power outages. The substitute makes related changes to the associated report requirement.

The substitute includes the following provisions, which were absent from the original:

- a specification that the study is to be conducted using available appropriated funds;
- a requirement for the comptroller, not later than January 1, 2022, to select the institution to conduct the study; and
- a definition of "ERCOT power outages."