

**ARTICLE IX - RIDER COMPARISON ISSUES**

Item	House 2020-21	Senate 2020-21	Biennial Difference	Explanation
Sec. 3.04. Scheduled Exempt Positions.	IX-33 Rider Packet, Page IX-19	IX-33 Rider Packet, Page IX-19	<b>CONFORM TO FUNDING DECISIONS</b>	The House and Senate differ with respect to the salary group assigned to certain exempt positions at certain state agencies.
Sec. 7.13. Notification of Certain Expenditures Related to Mitigation of Adverse Environmental Impacts.		IX-43 Rider Packet, Page IX-40		The Senate prohibits state agencies and institutions of higher education from expending funds under the Act to enter agreements to comply with federal requirements relating to the mitigation of impacts to wetlands and natural habitats and state requirements relating to the mitigation of adverse environmental impacts, prior to providing notice to the LBB.
Sec. 9.01. Purchases of Information Resources Technologies.		IX-44 Rider Packet, Page IX-44		<b>SENATE AS AMENDED</b>
Sec. 9.02. Quality Assurance Review of Major Information Resources Projects.	IX-46 Rider Packet, Page IX-45	IX-46 Rider Packet, Page IX-45	The House prohibits the Comptroller from issuing warrants for the expenditure of appropriated funds for a major information resources project (MIRP) that has not been approved by QAT, whereas the Senate requires QAT to make recommendations based an analysis of a MIRP's risk. The House and Senate differ with regards to the entity (either the LBB or QAT) that may issue guidelines on software development, quality assurance and review of MIRPs. The House and Senate differ as to whether QAT is required or authorized to require a state agency to define, monitor and evaluate certain metrics related to a MIRP.	
Sec. 9.11. Staff Telecommunications Survey and Analysis.		IX-49 Rider Packet, Page IX-49	<b>SENATE AS AMENDED</b>	
Sec. 9.12. Assignment of Contract Responsibility.			IX-49 Rider Packet, Page IX-49	<b>SENATE AS AMENDED</b>

Item	House 2020-21	Senate 2020-21	Biennial Difference	Explanation
Sec. 9.13. Report on Monitoring Assessments by State Auditor.		IX-53 Rider Packet, Page IX-51		The Senate requires the state auditor to assign ratings pertaining to contract monitoring assessments to each of the 25 largest agencies before July 1 of each year and provide a report on these ratings to the Comptroller on or before September 1 of each year. The Senate requires the Comptroller to develop certain guidelines pertaining to contract monitoring assessments.
Sec. 10.04. Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.	IX-59 Rider Packet, Page IX-51	IX-59 Rider Packet, Page IX-54	<b>Subsection (a) conform to funding decisions</b> <b>Subsection (b) SENATE</b> <b>Subsection (c) HOUSE</b> <b>Subsection (d) HOUSE</b>	The House and Senate differ with regards to the composition of the Statewide Behavioral Health Coordinating Council. The Senate includes a representative from the Texas Mental Health Care Consortium. The House requires the Council to collaborate with the Board of Pharmacy and the Medical Board to create a sub-plan related to substance abuse. The House requires approval of proposal before expenditure of funds.
Sec. 10.06. Cross-agency Coordination on Healthcare Strategies and Measures.	IX-63 Rider Packet, Page IX-54	IX-63 Rider Packet, Page IX-57	<b>Subsection (a) HOUSE as amended</b> <b>Subsection (b) HOUSE</b> <b>Subsection (b) SENATE</b> <b>Subsection (c) SENATE</b>	The House requires HHSC to expend \$5 million per year with the Center of Healthcare Data at the UT Health Science Center at Houston for data analysis. The Senate requires specified agencies to meet quarterly to carry out coordination activities. The House requires the report to be submitted under the rider to include individual agency policies and practices that have been improved due to the application of the healthcare data.
Sec. 10.07. Cross-agency Collaboration on Value-based Payment Strategies.	IX-64 Rider Packet, Page IX-57			The House requires HHSC, ERS, and TRS to collaborate on the development and implementation of potential value-based payment strategies.
Sec. 13.02. Report of Additional Funding.	IX-66 Rider Packet, Page IX-59	IX-66 Rider Packet, Page IX-62		The Senate removes the approval requirements, pertaining to the release of federal funds in an amount in excess of \$10 million by the Comptroller to a state agency, in the event of a disaster proclamation. A state agency is still required to provide notice of receipt to the LBB and the governor.
Sec. 17.04. Veterans Services at Other State Agencies.	IX-68 Rider Packet, Page IX-75	IX-68 Rider Packet, Page IX-78		The House contains a provision requiring information provided pursuant to the rider to be made available on the websites of state agencies, in addition to the other modes of communication.

Item	House 2020-21	Senate 2020-21	Biennial Difference	Explanation
Sec. 17.06. Additional Payroll Contribution for Retirement Contribution.	IX-68 Rider Packet, Page IX-76	IX-68 Rider Packet, Page IX-78	<b>PENDED</b>	The House specifies a state agency contribution to the Employees Retirement System's Retirement Program in the amount of 1.0 percent of the total base wages and salaries for each eligible employee of the agency. The Senate specifies a state agency contribution of 0.5 percent.
Sec. 17.10. Contract Management and Oversight.	IX-70 Rider Packet, Page IX-78	IX-70 Rider Packet, Page IX-81	<b>HOUSE AS AMENDED</b>	The Senate makes changes to the procedures and requirements relating to the reprourement of contracts valued at the lesser of \$10 million or 10 percent of a state agency's or institution's All Funds budget. The Senate restricts the use of funds appropriated in the Act to pay for amendments that extend a contract beyond the period(s) specified in the contract.
Sec. 17.11. Information Listing of Program Funding.		IX-73 Rider Packet, Page IX-82	<b>SENATE AS AMENDED</b>	The Senate requires the LBB to produce an informational report on House Bill 1 appropriations that allocates 2020-21 biennial funding to the program level.
Sec. 17.11. Energy Efficiency Savings for State Facilities.	IX-74 Rider Packet, Page IX-80			The House requires state agencies that are appropriated money in the Act with charge and control over a facility with at least 100,000 gross square feet to have an assessment of the facility performed by a qualified provider to determine whether implementation of continuous commissioning or existing building commissioning practices would result in estimated savings of at least 10 percent. If so, the House requires the state agency to have a qualified provider prepare a plan for implementation and monitoring of the implementation for the state agency.
Sec. 17.12. Additional Funding for School Safety - Informational Listing.	IX-74 Rider Packet, Page IX-80			The House includes an informational listing of \$109.4 million in funding for school safety in addition to funding provided in the 2018-19 biennium.
Sec. 17.12. Human Trafficking Prevention Coordinating Council.		IX-75 Rider Packet, Page IX-82		The Senate includes an informational listing of appropriations made in the Act for the purpose of addressing human trafficking.
Sec. 17.13. Informational Listing of Certain Appropriations.	IX-77 Rider Packet, Page IX-80			The House includes an informational listing of appropriations made in Article I-VIII of the Act from the Economic Stabilization Fund.

Item	House 2020-21	Senate 2020-21	Biennial Difference	Explanation
Sec. 17.14. Reports on Interagency Contracts.	IX-79 Rider Packet, Page IX-81		<b>HOUSE AS AMENDED</b>	The House requires state agencies to make available on their Internet website quarterly reports which provide information on each interagency contract entered into by the agency.
Sec. 17.15. Realtime Captioning of Open Meetings.	IX-80 Rider Packet, Page IX-82			The House requires state agencies to include communication access real-time translation captioning in any live video broadcast, including a video broadcast over the Internet, of an open meeting of the agency.

**Article IX**  
**Proposed Rider Amendment**  
**Major Information Resources Projects and State Contracts**  
Prepared by LBB Staff, 5/16/2019

Overview

Amend riders in Article IX of the committee substitute version of Senate Bill 1 pertaining to major information resources projects (MIRPs) and state contracts. The amendment would require a state agency that cancels a contract for the development of a MIRP and issues a solicitation for identical or similar goods and/or services relating to the same project to submit the contract to QAT prior to execution, in lieu of obtaining QAT approval. The amendment would authorize the Department of Information Resources (DIR), rather than the Quality Assurance Team (QAT), to issue guidelines for software development, quality assurance, and the review of MIRPs.

The amendment would make provisions contained in Article IX pertaining to the assignment of contract responsibility consistent with Senate Bill 1067. Specifically, the amendment would make the provisions apply only to contracts for services that will result in the storing, receiving, processing, transmitting, disposing, or accessing of sensitive information in a foreign country. The amendment would remove the requirement that such assignments be approved by QAT and instead would require the executive director of a state agency or other similar agency or institution administrator or designee to approve the assignment. Finally, the amendment would make certain changes to the notification requirements contained in the provisions.

With regards to the report on monitoring assessments by the State Auditor, the amendment would require the Comptroller, in consultation with the Contract Advisory Team (CAT) to develop guidelines for the additional or reduced monitoring of a contract subject to CAT review, whereas DIR in consultation with QAT would be required to develop such guidelines for a project subject to QAT review.

Required Actions

Amend Article IX, Section 9.01 as follows:

- (h) If a state agency cancels a contract for development of a major information resources project, which if amended would be subject to the requirements of Subsection (f), and issues a solicitation for identical or similar goods and/or services for development of the same project, then the contract must be ~~approved~~ submitted to QAT prior to execution.

Amend Article IX, Section 9.02 as follows:

- (g) ~~QAF~~The Department of Information Resources may issue guidelines for software development, quality assurance, and the review of major information resources projects.

Amend Article IX, Section 9.12 as follows:

(a) In this section:

- (1) “Agency” and “state agency” mean a state officer, board, commission, or department in the executive branch of government appropriated funds under this General Appropriations Act.
- (2) “Assignment” includes any legal means for transferring the responsibilities for fulfillment of any duties, rights, or obligations due to a state agency or institution of higher education under a contract, from the original party obligated to the agency or institution (the assignor) to another party (the assignee) assuming the duties, rights, or obligations due to a state agency or institution of higher education under a contract.
- (3) “Contract” has the meaning provided by Sec. 7.04 (Contract Notification: Amounts Greater than \$50,000), Article IX, of this General Appropriations Act.
- (4) ~~“Information resources technologies” has the meaning provided by Sec. 2054.003, Government Code.~~
- (4~~5~~) “Institution of higher education” or “institution” has the meaning provided by Sec. 61.003(8), Education Code, except that the term does not include a public junior college.
- (5) “Major information resources project” has the meaning provided by Sec. 2054.003, Government Code.
- (6) “Quality assurance team” means the quality assurance team established under Sec. 2054.158, Government Code.
- (7) “Sensitive personal information” has the meaning provided by Sec. 521.002, Business & Commerce Code.
- (8~~7~~) “Total value of the contract” includes the value of all payments, as calculated by the quality assurance team, made and expected to be made in the future by a state agency or institution of higher education over the life of the contract beginning from the date of execution of the original contract between the state agency or institution of higher education and the original party with responsibilities for fulfillment of any duties, rights,

or obligations due to a state agency or institution of higher education under the contract and including total payments made before assignment of the contract and the total payments expected to be made in the future after the assignment of the contract.

- (b) A contract is subject to the requirements of this Sec. 9.12 if:
  - (1) ~~under the contract a state agency or institution of higher education acquires information resources technologies the contract is for a major information resources project;~~
  - (B) there is a proposal for the transfer by assignment of the responsibility for fulfillment of any duties, rights, or obligations due to a state agency or institution of higher education under the contract; and
  - (C) the total value of the contract exceeds \$10 million; ~~or~~
  - (2) the contract involves storing, receiving, processing, transmitting, disposing of, or accessing sensitive personal information in a foreign country contains "sensitive personal information," as that term is defined in Section 521.002, Business & Commerce Code; and
  - (3) the contract is for services.
- (c) An assignment of a contract subject to this Sec. 9.12 shall not be valid and an agency or institution of higher education may not expend appropriated funds to make a payment on a contract subject to this Sec. 9.12 until:
  - (1) the assignment has been approved by the executive director of the agency or other similar agency or institution administrator or designee of the agency or institution of higher education; and
  - (2) the notice described by Subsection (d) has been provided and written approval for making payment has been obtained by the agency or institution from the quality assurance team.
- (d) (1) An agency or institution must provide notice that a contract is subject to this Sec. 9.12 at least not later than the tenth fourteen calendar days prior to the date the assignment is approved pursuant to Subsection (c)(1) following the date of obtaining knowledge of a proposal described by Subsection (b).
- (2) The notice provided by the state agency or institution of higher education must be:

- (A) in writing and meet the requirements of Subsection (e); and
- (B) provided to: the Legislative Budget Board and the quality assurance team.
- (i) ~~the lieutenant governor;~~
  - (ii) ~~the speaker of the house of representatives;~~
  - (iii) ~~chair of the house appropriations committee;~~
  - (iv) ~~chair of the senate finance committee; and~~
  - (v) ~~the quality assurance team; and~~
  - (vi) ~~the comptroller.~~
- (e) The notice provided by a state agency or institution ~~must include all documents relevant to the decision to be made by the quality assurance team regarding whether to approve or deny the permission to expend appropriated funds to make a payment on a contract subject to this Sec. 9.12. The documents must include a contract between the state agency or institution of higher education signed by the assignor or the proposed assignee party but not signed by the state agency or institution of higher education.~~
- (f) ~~Simultaneous with transmittal by the quality assurance team of written approval or denial of permission to expend appropriated funds for payments related to a contract subject to this Sec. 9.12 to a state agency or institution of higher education, the quality assurance team must provide a copy of any notice of the approval or denial to:~~
- (1) ~~the lieutenant governor;~~
  - (2) ~~the speaker of the house of representatives;~~
  - (3) ~~chair of the house appropriations committee;~~
  - (4) ~~chair of the senate finance committee; and~~
  - (5) ~~the comptroller.~~
- (g) ~~The quality assurance team shall review and analyze a contract subject to this Sec. 9.12 for risks to determine whether to approve the expenditure of funds as payment for a contract subject to this Sec. 9.12 as if the contract was a major information resources project under Sec. 2054.118, Government Code. When conducting this review, the quality assurance team shall comply with Department of Information Resources rules and guidelines for a review of a major information resources project under Sec. 2054.118, Government Code. A state agency or institution of higher education shall provide the quality assurance team any information necessary for the quality assurance team to determine the project's~~



~~potential risk. The quality assurance team may not approve a project without the review.~~

- (fh) The quality assurance team may require a state agency or institution of higher education to provide information regarding:
  - (1) the projected total value of the contract subject to this Sec. 9.12;
  - (2) the risk associated with a contract subject to this Sec. 9.12; and
  - (3) the potential for success of a contract subject to this Sec. 9.12.
- (gf) On request by the quality assurance team, the state auditor may audit or review the information provided by a state agency or institution of higher education required to report a contract under this Sec. 9.12.
- (hf) On request by the quality assurance team, the comptroller may provide assistance regarding:
  - (1) verifying the accuracy of information provided by a state agency or institution of higher education required to report a contract under this Sec. 9.12; and
  - (2) determining a state agency's or institution of higher education's compliance with the requirements of this Sec. 9.12.
- (ik) ~~Before granting approval as provided by this Sec. 9.12, the quality assurance team may require~~ a state agency or institution of higher education may utilize independent verification and validation services related to a contract subject to this Sec. 9.12.
- (jt) ~~The quality assurance team must~~ A state agency or institution of higher education shall evaluate a contract under this Sec. 9.12 to determine if the contract ~~and the state agency or institution of higher education generally comply~~ complies with the applicable contracting standards established ~~in a contract and for the state agency or institution of higher education by~~ Sec. 17.10 (Contract Management and Oversight), Article IX, of this General Appropriations Act and other laws of this state.

Amend Article IX, Section 9.13 as follows:

- (c) The comptroller, in consultation with the Contract Advisory Team (CAT) shall develop guidelines for the additional or reduced monitoring of a contract subject to CAT review. The Department of Information Resources in consultation with the Quality Assurance Team (QAT), shall develop guidelines for the additional or reduced monitoring of a project subject to QAT review, of a state agency during

~~the periods described for a contract that falls under the monetary thresholds for review and monitoring by the Contract Advisory Team or the Quality Assurance Team.~~

**Article IX**  
**Motion**  
**Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.**  
 Prepared by LBB Staff, 5/16/2019

The Conference Committee adopts the following rider in Article IX with amounts in Subsection (a) subject to adjustment to conform to amounts actually appropriated under Articles I through VIII:

**Sec. 10.04. Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.**

(a) **Informational Listing - Behavioral Health and Substance Abuse Services Appropriations.** The following is an informational listing of appropriations for behavioral health services made elsewhere in this Act.

Behavioral health services are programs or services directly or indirectly related to the research, prevention, or detection of mental disorders and disabilities, and all services necessary to treat, care for, control, supervise, and rehabilitate persons who have a mental disorder or disability, including persons whose mental disorders or disabilities result from alcoholism or drug addiction. Certain non-behavioral health-related costs which could not be disaggregated from other healthcare costs are also included in the listing below.

	<b>Fiscal Year 2020</b>	<b>Fiscal Year 2021</b>
<b>Article I</b>		
Trusteed Programs, Office of the Governor	\$31,701,616	\$121,083,087
Veterans Commission	\$5,789,000	\$5,789,000
<b>Article II</b>		
Department of Family and Protective Services	\$30,058,047	\$30,488,425
Department of State Health Services	\$2,661,560	\$2,661,558
Health and Human Services Commission	\$2,417,708,974	\$1,581,902,814
Texas Civil Commitment Office	\$154,611	\$154,611
<b>Article III</b>		
Texas Education Agency	\$36,228,500	\$750,000
Texas School for the Deaf	\$63,864	\$63,864
University of Texas - Health Science Center Houston	\$8,000,000	\$8,000,000
University of Texas - Health Science Center Tyler	\$4,000,000	\$4,000,000
Texas Tech University Health Sciences Center	\$10,000,000	\$10,000,000
<b>Article IV</b>		
Supreme Court of Texas	\$1,000,000	\$1,000,000
Court of Criminal Appeals	\$318,500	\$318,500

Office of Court Administration	\$5,000,000	\$5,000,000
<b>Article V</b>		
Commission on Jail Standards	\$185,856	\$185,856
Department of Criminal Justice	\$264,546,849	\$264,496,856
Juvenile Justice Department	\$92,359,719	\$92,335,100
Military Department	\$1,058,700	\$1,036,900
<b>Article VIII</b>		
State Board of Dental Examiners	\$131,928	\$131,928
Board of Pharmacy	\$243,004	\$243,005
Board of Veterinary Medical Examiners	\$45,000	\$45,000
Optometry Board	\$36,000	\$36,000
Board of Nursing	\$1,005,458	\$1,005,458
Medical Board	\$542,492	\$542,492
<b>Total</b>	<b>\$2,912,839,678</b>	<b>\$2,131,270,454</b>
<b>Method of Financing</b>		
General Revenue	\$1,624,678,511	\$1,614,569,844
General Revenue - Dedicated	\$14,143,771	\$14,143,771
Federal Funds	\$322,136,381	\$411,517,850
Other Funds	\$951,881,015	\$91,038,989
<b>Subtotal</b>	<b>\$2,912,839,678</b>	<b>\$2,131,270,454</b>
Estimated Medicaid Expenditures (All Funds)	\$1,674,457,760	\$1,733,515,041
Estimated CHIP Expenditures (All Funds)	\$53,124,970	\$58,574,456
<b>Total</b>	<b>\$4,640,422,408</b>	<b>\$3,923,359,951</b>

Medicaid and CHIP amounts in this table reflect estimated expenditures and may not align with the appropriations made elsewhere in this Act for Medicaid and CHIP.

(b) **Statewide Behavioral Health Coordinating Council.** Each agency identified in subsection (a) of this provision, with the exception of the Texas Higher Education Coordinating Board and Article VIII, shall designate an individual to serve as a member of the statewide behavioral health coordinating council, established by Article IX Section 10.04(b), 2016-17 General Appropriations Act (GAA), Eighty-fourth Legislature, 2015, and may use funds appropriated by this Act to support that council. In addition to the agencies identified in subsection (a) of this provision, the Texas Department of Housing and Community Affairs, the Texas Workforce Commission, and the Texas Education Agency shall each designate an

individual to serve as a representative on the council. The Texas Mental Health Care Consortium shall designate an individual to serve as a representative on the council, contingent upon the enactment of Senate Bill 10, relating to the creation of the Texas Mental Health Care Consortium, or similar legislation by the Eighty-sixth Legislature, Regular Session. Any other state agency or institution that receives funding in this Act and provides specific behavioral health services may participate in the meetings and discussions of the coordinating council. The Mental Health Statewide Coordinator at the Health and Human Services Commission (HHSC) shall serve as chair of this council. The coordinating council shall meet at least once quarterly during fiscal years 2020 and 2021, or more frequently if determined necessary by the Mental Health Statewide Coordinator at HHSC.

HHSC shall require certain community collaboratives that receive state grant funding to present twice annually on the impact each collaborative has had on project implementation and mental health outcomes on the population served by the grant funding. These community collaboratives shall include community collaboratives as defined by Government Code Chapter 539; community recipients of a grant for veterans' mental health pursuant to Government Code 531.0092; recipients of a grant through the Mental Health Grant Program for Justice-Involved Individuals; and recipients of a grant through the Community Mental Health Grant Program. It is the intent of the Legislature that these presentations serve as an opportunity to increase collaboration for the effective expenditure of behavioral health funds between state and local entities. No provision of this Act may be construed as granting the statewide behavioral health coordinating council authority over local projects implemented by the collaboratives listed above.

(c) **Statewide Behavioral Health Strategic Plan.** The purpose of the statewide behavioral health coordinating council shall be to implement the five-year Statewide Behavioral Health Strategic Plan published May 1, 2016 per Article IX, Section 10.04(b), 2016-17 GAA, Eighty-fourth Legislature, 2015. The Statewide Behavioral Health Coordinating Council shall submit an annual report to the Governor, and the Legislative Budget Board including the progress of the strategic plan's implementation no later than December 1 of fiscal years 2020 and 2021. The report shall include coordinating council agency participation and how the strategic plan's implementation serves to coordinate programs and services to eliminate redundancy, utilize best practices in contracting standards, perpetuate identified, successful models for mental health and substance abuse treatment, ensure optimal service delivery, and identify and collect comparable data on results and effectiveness. The coordinating council shall annually update the inventory of behavioral health programs and services. The inventory shall describe how the identified programs, services, initiatives, and expenditures further the goals of the Statewide Behavioral Health Strategic Plan. HHSC shall make available the five-year strategic plan update and the inventory of programs on HHSC's website no later than December 1 of each year.

The Council shall also collaborate with the Board of Pharmacy and the Medical Board to create a sub-plan related to substance abuse. The sub-plan shall include challenges of existing prevention, intervention, and treatment programs, evaluation of substance use disorder prevalence, service ability, gaps in current services, and strategies for working with state agencies to expand treatment capacity.

(d) **Coordination of Behavioral Health Expenditures.** The coordinating council shall submit to the Executive Commissioner of HHSC for approval a coordinated statewide expenditure proposal for each agency, which shall include the appropriation amounts identified in subsection (a) of this provision. The expenditure proposal shall describe how the identified appropriations at each agency or institution would be spent in accordance with, and to further the goals of the approved statewide behavioral health strategic plan. HHSC shall submit the coordinated statewide behavioral health expenditure proposal to the Legislative Budget Board by September 1, 2019 for fiscal year 2020 and by July 1, 2020 for fiscal year 2021. The plan shall be considered to be approved unless the Legislative Budget Board issues a written disapproval by November 1, 2019 for fiscal year 2020, or by September 1, 2020 for fiscal year 2021. Notwithstanding any other appropriation authority granted by this Act, the Comptroller of Public Accounts shall not allow the expenditure of General Revenue-Related funds identified in subsection (a) by a particular agency if the Legislative Budget Board provides notification to the Comptroller of Public

Accounts that the agency's expenditure proposal has not satisfied the requirements of this provision. If fiscal year 2020 or fiscal year 2021 General Revenue-Related funds are used to provide services required by federal law, are related to court-ordered treatment, or required as the result of administrative proceedings, the funding for these services shall still be included in the proposal, but these funds shall not be contingent upon approval.

The coordinated expenditure proposal shall be developed in a format specified by the Legislative Budget Board, and shall, at a minimum, include expenditures related to each program identified in the program inventory required by subsection (c) of this provision, identified by fund type. Behavioral health-related Medicaid expenditures shall also be included as a separate line item for each agency.

## Article IX

### Motion

#### Cross-Agency Coordination on Healthcare Strategies and Measures

Prepared by LBB Staff, 5/16/2019

The Conference Committee adopts the following rider in Article IX:

#### **Sec. 10.06. Cross-Agency Coordination on Healthcare Strategies and Measures.**

- (a) Out of funds appropriated elsewhere in this Act, the Health and Human Services Commission shall coordinate with the Department of State Health Services, the Employees Retirement System of Texas, the Texas Department of Criminal Justice, and the Teacher Retirement System to compare healthcare data, including outcome measures, to identify outliers and improvements for efficiency and quality that can be implemented within each healthcare system. To administer the data comparison, HHSC shall expend \$2.5 million per year with the Center for Healthcare Data at the University of Texas Health Science Center at Houston (UT Data Center) for data analysis, including individual benchmark and progress data for each agency. As applicable, agencies shall collaborate on the development and implementation of potential value-based payment strategies, including opportunities for episode-based bundling and pay for quality initiatives.
- (b) The agencies shall meet quarterly to carry out coordination activities as described above.
- (c) The agencies shall submit a report to the Legislative Budget Board and the Governor no later than September 1, 2020 describing coordination activities, efficiencies identified, individual agency policies and practices that have been improved due to the application of the data, and recommendations on future ways to reduce cost and improve quality of care in each healthcare system.

**Article IX**  
**Motion**  
**Contract Management and Oversight**  
Prepared by LBB Staff, 5/16/2019

The Conference Committee adopts the following rider in Article IX:

**Sec. 17.10. Contract Management and Oversight.**

- (a) It is the intent of the Legislature that all agencies and institutions of higher education establish effective processes and controls to manage contracts and ensure the cost-effective use of state appropriations for contracted goods and services.
- (b) Agencies and institutions should manage contracts consistent with state statute, the General Appropriations Act, and the State of Texas Procurement and Contract Management Guide and ensure proper oversight of contract processes including:
  - (1) Provide adequate time for applicable external reviews by the Quality Assurance Team (QAT) and Contract Advisory Team when establishing procurement timelines;
  - (2) Follow recommendations made by the Contract Advisory Team or adequately explain any deviations from the recommendations and why the deviation is necessary;
  - (3) Ensure proper justification for proprietary purchases and that contracts are established and approved by the Statewide Procurement Division of the Office of the Comptroller;
  - (4) Ensure that contract award decisions are determined based on best value criteria established in solicitation documents to ensure fair and open competition;
  - (5) Ensure that staff involved in contract management or administration duties are adequately trained to perform those duties;
  - (6) Periodically review internal contracting practices and manuals to ensure that they are current and up to date with current regulations and best practices;
  - (7) Ensure that provisions related to service level and pricing mechanisms in existing contracts are correctly enforced;
  - (8) Enforce damage provisions for vendor non-performance and collect monetary refunds for improper payments to vendors;
  - (9) Ensure dollar values of performance bonds and insurance are consistent with risk of non-performance; and
  - (10) Ensure that vendor performance is reported to the Vendor Performance Tracking System (VPTS) and that VPTS data is used in selecting vendors for contract awards.
- (c) Agencies shall make a good faith effort to identify and execute savings and efficiencies in their



use of contracted goods and services. An agency or institution of higher education may not use funds appropriated elsewhere in this Act to pay for a contract for goods or services unless it:

- (1) Seeks competitive bids before renewing or extending a contract that has been in effect more than five fiscal years as of August 31, 2019, and is valued at the lesser of \$10,000,000 or 10 percent of the agency's All Funds budget for the 2020-21 biennium. The following contracts are exempt from the requirements of this Subsection (c)(1) of this §17.10:
  - (A) TxSmartBuy, term, and cooperative contracts administered by the Comptroller or Department of Information Resources;
  - (B) grants;
  - (C) interagency contracts;
  - (D) contracts that relate to a construction project as defined by §2166.001, Government Code;
  - (E) contracts that relate to highway construction or highway engineering;
  - (F) contracts that relate to developing information resource applications or information resource technologies;
  - (G) contracts not required by law to be competitively bid; and
  - (H) managed care contracts in the Medicaid and CHIP program; and
- (2) Conducts a cost-benefit analysis to compare canceling or continuing any major information resource project and related contracts subject to QAT monitoring that is more than 10 percent over budget or over schedule. QAT must approve the cost-benefit analysis for the project to continue. If this requirement is not met, corrective actions in Article IX, Section 9.02, of this Act apply.
- (d) An agency or institution may request, with regards to a contract, an additional exemption from the requirements of Subsection (c)(1) of this §17.10 by submitting a request to the Legislative Budget Board (LBB) which outlines the justification for requesting the exemption. The request shall be considered to be approved unless the Legislative Budget Board issues a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to exempt the contract and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House of Representatives, and Lieutenant Governor.

The request shall state that the agency or institution agrees to enhanced oversight of the contract upon LBB approval of the exemption. The LBB shall determine the level of enhanced oversight that is necessary or may choose to waive oversight. Enhanced oversight may include, but is not limited to, the following elements: additional reporting requirements; increased monitoring of the contract; and the formation of an executive steering committee for the project to which the contract relates. For information technology related contracts, an executive steering committee may include members of QAT and/or its designee(s). Responsibilities of an

executive steering committee may include, but are not limited to, review of procurement and contract terms prior to solicitation/execution; and ongoing oversight of the management of the contract. The LBB shall determine whether an agency or institution has met the requirements of enhanced oversight. If the LBB determines that the requirements have not been met, additional corrective actions, including, but not limited to, those specified in Article IX, Section 9.02 may be applied.

- (e) It is the intent of the Legislature that agencies and institutions minimize the use of extensions that extend a contract beyond the base term and any optional extensions provided in a contract. An agency or institution may not use funds appropriated elsewhere in this Act to pay for an extension to an existing agency contract beyond the base term and optional extensions provided for in that contract unless all of the following conditions are met:
  - (1) The extension is limited in duration and cost to not more than one additional option period, as defined in the contract, to address the immediate operational or service delivery needs. If a contract does not contain a defined option period, the extension is limited to one year.
  - (2) The agency or institution provides notice of the extension, at least 30 days prior to execution of the extension, by uploading required information to the LBB contracts database on a form prescribed by the LBB. Required information includes, but is not limited to: the cost of the contract; the duration of the contract; the reason for the extension of the contract; and a plan to ensure that the contract can be completed within the extension period, signed by the executive director or other similar agency or institution administrator, or designee of the agency or institution.
  - (3) The agency or institution shall ensure, prior to providing notice pursuant to Subsection (e)(2), that all information and documents specified in Article IX, Section 7.12 (d) have been uploaded to the LBB contracts database regardless of whether the information and documents are otherwise required to be uploaded under Article IX, Section 7.12.
  - (f) Each agency and institution of higher education that receives appropriations in this Act, shall provide a report to the Legislative Budget Board and the Governor that details the steps taken to ensure compliance with state procurement requirements and any other information required by the Legislative Budget Board. The report for activities undertaken in fiscal year 2020 is due not later than September 30, 2020, and a summary report for the 2020-21 biennium is due August 31, 2021.

**Article IX**  
**Motion**  
**Information Listing of Program Funding**  
Prepared by LBB Staff, 5/16/2019

The Conference Committee adopts the following rider in Article IX:

**Sec. 17.11. Information Listing of Program Funding.** The Legislative Budget Board shall produce an informational report on House Bill 1 appropriations that allocates 2020-21 biennial funding to the program level. The Legislative Budget Board shall post the report on its website and, upon request, provide printed copies to the members of the Legislature.

## **Article IX**

### **Motion**

#### **Reports on Interagency Contracts**

Prepared by LBB Staff, 5/16/2019

The Conference Committee adopts the following rider in Article IX:

**Sec. 17.14. Reports on Interagency Contracts.** It is the intent of the Legislature that, to the extent their capabilities and resources allow, state agencies shall make available on their Internet website annual reports during each state fiscal year of the state fiscal biennium beginning September 1, 2019, providing information on each interagency contract with a value that exceeds or may reasonably be expected to exceed \$10 million. Each report must be made available not later than the 30th day after the end of each fiscal year. Each report must identify:

- (1) each state agency that is a party to an interagency contract and whether the agency is disbursing or receiving money under the contract;
- (2) the amount spent by the disbursing agency for the contract and the method of finance; and
- (3) the agency programs for which the agencies entered the contract and the appropriation line items from which funds were spent by the agencies to perform the contract.