HOUSE RESEARCH ORGANIZATION • TEXAS HOUSE OF REPRESENTATIVES
P.O. Box 2910, Austin, Texas 78768-2910
(512) 463-0752 • https://hro.house.texas.gov

HOUSE RESEARCH ORGANIZATION

daily floor report

Friday, May 23, 2025
89th Legislature, Number 72
The House convenes at 10 a.m.

Three bills are on the Major State Calendar and six bills are on the General State Calendar for second reading today. The following bills are included in today's *Daily Floor Report*.

Gary VanDeaver
Chairman
89(R) - 72

SUBJECT: Adopting certain Sunset recommendations for TDCJ and related entities

COMMITTEE: Corrections — committee substitute recommended

VOTE: 6 ayes — Harless, V. Jones, Harrison, Lowe, Meza, Wharton

0 nays

3 absent — Allen, Lozano, Schatzline

SENATE VOTE: On final passage (April 22) — 31-0

WITNESSES: None

BACKGROUND: **Texas Department of Criminal Justice.** The Texas Department of Criminal Justice (TDCJ) was created in 1989 by consolidating the state's adult probation, incarceration, and parole supervision functions. TDCJ works with the Board of Pardons and Paroles (BPP), Windham School District, and the Correctional Managed Health Care Committee (CMHCC) to confine, supervise, and provide services for adults convicted of certain crimes in Texas.

Functions. TDCJ assists local Community Supervision and Corrections Departments (CSCDs) that supervise individuals on probation. The agency confines individuals convicted of felony offenses in state jails and prisons, and provides inmates with rehabilitation programs as well as services aimed at reducing recidivism and supporting their reintegration into the community upon release. In addition to incarceration, TDCJ provides direct services to crime victims, supervises individuals released from confinement to TDCJ supervision in the community, and oversees programs designed to support successful reentry, including educational, vocational, and treatment programs. At the end of fiscal year 2023, TDCJ oversaw 530,718 people, including 326,005 probationers, 129,653 inmates, and 75,060 releasees.

Governing structure. The Texas Board of Criminal Justice (TBCJ) governs TDCJ's operations and, in a separate capacity, serves as the

Board of Trustees for Windham. The governor appoints TDCJ's nine-member board with the advice and consent of the Senate and designates the board chair. Members serve staggered, six-year terms. The board is required by statute to employ and supervise an executive director and is responsible for appointing and overseeing the inspector general, director of the State Counsel for Offenders, director of Internal Audit, Prison Rape Elimination Act ombudsman, and independent ombudsman, all of whom directly report to the board.

Funding. In fiscal year 2023, TDCJ operated on a budget of about $3.9 billion, mostly from general revenue funds. TDCJ also received funds from federal grants, interagency contracts, the sale of agricultural and manufactured products, and other sources. BPP is a separate agency funded through TDCJ's appropriations.

Staffing. At the end of fiscal year 2023, TDCJ employed 31,179 staff, including 17,361 correctional officers. Staff are based at TDCJ's central offices in Huntsville and Austin, regional offices, parole offices, and other facilities throughout the state.

TDCJ is subject to abolishment on September 1, 2025, unless continued by the Legislature.

Correctional Managed Health Care Committee. The Correctional Managed Health Care Committee (CMHCC) was established in 1993 to develop a managed healthcare plan for all inmates in TDCJ facilities and to contain costs through contract management. In 2013, the committee was reconstituted as a committee administratively attached to TDCJ.

Functions. The committee is responsible for developing and approving the managed healthcare plan, coordinating cost containment initiatives, providing clinical expertise, and resolving disputes between TDCJ and its healthcare providers.

Governing structure. The volunteer committee consists of nine voting members and one non-voting member. The governor appoints six members, including two licensed mental health professionals and two public members, at least one of whom must be a licensed physician. The

remaining voting members include representatives from TDCJ, the University of Texas Medical Branch (UTMB), and the Texas Tech University Health Sciences Center (TTUHSC). The state Medicaid director or a designee serves as the non-voting member.

Funding and staffing. The committee receives no direct appropriations and relies on TDCJ for administrative support. Members are eligible for reimbursement of travel expenses from TDCJ's managed healthcare budget.

Managed Health Care Plan and university providers. CMHCC contracts with two state university health-related institutions to provide care for individuals incarcerated in TDCJ facilities: the University of Texas Medical Branch at Galveston (UTMB) and Texas Tech University Health Sciences Center (TTUHSC). The committee develops and approves the managed health care plan that outlines health services to be provided, including medical, dental, mental health, and hospital services. The plan sets out reimbursement rates, dispute resolution procedures, and performance expectations. In fiscal year 2023, UTMB served about 80 percent of the incarcerated population and TTUHSC served about 20 percent.

CMHCC is subject to review but not to abolishment under the Sunset Act.

Windham School District. The Windham School District (Windham) provides educational programs and services in the correctional setting of TDCJ. Statute establishes goals for Windham to reduce recidivism, increase post-release employment success, and incentivize positive inmate behavior during incarceration.

Functions. Windham provides academic, technical, and life skills programs to eligible students in TDCJ facilities, including courses aimed at reducing recidivism and supporting post-release employment.

Governing structure. TBCJ serves as the Windham School District's Board of Trustees and appoints the district's superintendent.

Funding. In fiscal year 2023, Windham received over $70 million in total revenue, primarily from the Texas Education Agency's Foundation School Program, along with TDCJ contracts and federal and state grants.

Staffing. Windham employed 915 staff in fiscal year 2023, including 433 certified teachers and 62 principals.

Students and programs. Windham enrolled 47,462 students in fiscal year 2023, representing about 69 percent of individuals released from TDCJ that year. The district offers academic, career and technical education, and life skills programs to incarcerated individuals housed in TDCJ facilities.

Windham is subject to review but not to abolishment under the Sunset Act.

Board of Pardons and Paroles. The Board of Pardons and Paroles (BPP) was established in 1929 as a constitutionally created agency responsible for making clemency recommendations to the governor and determining which eligible inmates may be released early from TDCJ custody.

Functions. BPP makes clemency recommendations to the governor and determines whether eligible inmates may be released on parole. The board also sets conditions of release and may revoke parole if conditions are violated.

Governing structure. The governor appoints BPP's seven full-time board members with the advice and consent of the Senate. Board members serve staggered six-year terms and appoint full-time parole commissioners who assist in parole decisions.

Funding. BPP is funded through TDCJ appropriations and had a budget of roughly $30 million in fiscal year 2023. Most of the board's funding supported parole hearings and decisions. Funding also supported the board's administrative operations and victim services functions.

Staffing. BPP employed 445 staff in fiscal year 2023, including parole commissioners, hearing officers, and administrative staff.

Victim services. The board's Victim Liaison Program provides support to victims who elect to participate in the parole review process. The program offers guidance on victim impact statements and provides other support services such as explaining the panel's vote to the victim. Victim services staff are located across Texas and coordinate with victims, law enforcement, prosecutors, and the public.

BPP is subject to review but not to abolishment under the Sunset Act.

DIGEST:

CSSB 2405 would continue the Texas Department of Criminal Justice (TDCJ) and related entities and implement selected recommendations from the Sunset Advisory Commission. The bill would address facilities planning, parole systems, program evaluation, agency oversight, and administrative procedures. TBCJ and TDCJ would be continued until September 1, 2037.

Facilities and capacity planning. CSSB 2405 would require TDCJ to develop a long-term plan for facility and capacity needs and make related changes to how unit capacity was reviewed, approved, and established.

Long-term facilities plan. The bill would require TDCJ to prepare a 10-year plan identifying the agency's facility and capacity needs, considering regional needs and any ancillary or community benefits associated with TDCJ facilities, and would allow the agency to contract with a third party to assist in the development as needed. No later than December 1, 2026, and every four years after that date, TDCJ would be required to submit the plan to TBCJ for approval, and submit the approved plan to the governor, lieutenant governor, speaker of the House of Representatives, and each standing legislative committee with jurisdiction over appropriations or TDCJ.

Maximum capacity. The bill would repeal the statutory maximum capacities for TDCJ units and require TBCJ to establish maximum capacities by rule, which would have to be adopted as soon as practicable after the bill's effective date. The bill would authorize TBCJ to establish a new maximum capacity based on its acceptance or modification of a recommendation from TDCJ's executive director and would repeal requirements for review and approval by the governor and attorney

general, respectively. TBCJ would still be required to forward the recommendation or modified recommendation and findings to the governor, but would remove the required deadline by which the governor must accept or reject the recommendations. The bill also would transfer to TBCJ the attorney general's authority to authorize TDCJ to exceed 100 percent of capacity under certain conditions.

The bill would add the deputy director for programs to the list of TDCJ officers required to independently review recommendations for capacity increases. It also would specify that the deputy director for health services was the division director for health services and that the assistant director for classification and treatment serves as the division director for classification and inmate transportation.

Rehabilitation and reentry programs. CSSB 2405 would modify how TDCJ and Windham oversaw, evaluated, and coordinated rehabilitation and reentry programs by requiring a strategic plan, revising reporting requirements, and establishing standards for data collection and program assessment.

Program inventory and evaluation. The bill would require TDCJ to develop and maintain a public, comprehensive inventory of active programs and activities offered in its facilities, including each program's goals, capacity, and the facility where the program was offered. TDCJ would be required to collect and analyze data for oversight and improvement of these programs. For programs claiming rehabilitative or reentry effects, TDCJ would have to carry out these duties by:

- collecting results-based performance data;
- working with internal or external researchers to develop evaluation criteria; and
- using those criteria to evaluate the programs.

The bill would require TDCJ to collect and analyze data related to these program, such as institutional violations, recidivism, post-release employment, and confinement costs, and to use that data to produce and compare recidivism rates and other correctional impact trends, and to

make changes to the program as needed. TDCJ could make structural or programmatic adjustments in response to poor evaluation results.

By December 1 of each even-numbered year, TDCJ would be required to submit a report on its program analysis to TBCJ, BPP, and relevant state officials and committees. TDCJ would be authorized to enter into a memorandum of understanding with other entities, including the Texas Workforce Commission (TWC), Office of Court Administration (OCA), Department of Public Safety (DPS), Texas Department of Licensing and Regulation (TDLR), other regulatory entities, and institutions of higher education, to obtain and share data needed to evaluate the programs.

Strategic plan. The bill would require TDCJ and Windham to jointly develop a strategic plan for rehabilitation and reentry programs by December 1, 2026. The plan would be required to include objectives and timelines intended to:

- increase program efficiencies, including reducing delays in parole-voted program placements;
- reduce program redundancies;
- incorporate new evidence-based and evidence-informed approaches; and
- incorporate technology-based solutions.

CSSB 2405 would define a "parole-voted program" as a program or class that TBCJ intended to require an inmate to complete before release on parole or to mandatory supervision. A temporary provision, expiring December 31, 2027, would require that the strategic plan included steps and timelines to reduce parole-voted program placement timelines by at least 50 percent by September 1, 2027, compared to timelines as of August 31, 2023.

In developing the plan, TDCJ would be required to evaluate and, if necessary, renegotiate therapeutic service contracts to meet the current and projected program needs. TDCJ and Windham would be required to jointly update the plan at least every five years and submit a joint report on its implementation by December 1 of each even-numbered year to TBCJ, BPP, the governor, the lieutenant governor, the speaker of the

House, and relevant legislative committees. In preparing the report, the agencies would be required to consider the most recent joint report from TDCJ's reentry and integration division and parole division.

Reentry report deadline. The bill would change the deadline for TDCJ to submit its biennial report on reentry and reintegration services from September 1 to December 1 of each even-numbered year.

Evidence-based programming lists. CSSB 2405 would require TDCJ, BPP, and Windham to collaborate on developing evidence-based program criteria for evaluating and assessing required individual treatment plan programs and parole-voted programs. The agencies would be required to:

- develop and maintain required individual treatment plans and parole-voted programs lists, excluding any non-evidence-based or non-evidence-informed programs;
- establish procedures for evaluating programs to be added to the lists, for assessing existing programs, and for removing programs that did not meet the evidence-based criteria; and
- coordinate on programming options through regular meetings.

The bill would define a “required individual treatment plan program” as a program required by law to be included in an inmate’s treatment plan, other than a parole-voted program. TDCJ and Windham would have joint authority to decide which programs were included on the required program list, provided that BPP would have sole authority to decide which programs were included on the parole-voted program list after reviewing program options and evaluation results presented by TDCJ and Windham.

TDCJ would be required to collect and analyze certain parole-voted program data on a rolling basis and use the data to calculate wait times, track and reduce enrollment timelines, and address placement delays. The data and analysis would be included in the strategic plan for rehabilitation and reentry programs. TDCJ also would be required to prioritize inmate placement, ensure program capacity met demand, and expand access to parole-voted programs in line with that strategic plan.

Individual treatment plans. The bill would require each inmate's individual treatment plan to include a comprehensive, plain-language list of the inmate's program participation, including state-funded programs, intensive volunteer programs, and program enrollment and completion dates. The list would be required to distinguish between evidence-based programs and correctional elective programs and activities that were non-evidence-based or non-evidence-informed. TDCJ would be required to revise existing plans to meet these requirements by December 1, 2026.

Parole systems. CSSB 2405 would revise various aspects of parole administration, including parole officer staffing and supervision, caseload management, special conditions, and data collection, and would shift certain rulemaking responsibilities from TDCJ to TBCJ.

Salary career ladder. The bill would repeal the requirement for TDCJ's executive director to adopt and apply a specified salary career ladder based on parole officer classifications and years of service. Instead, TBCJ would be required to consult relevant stakeholders, review the current salary structure, and align it with TDCJ's future needs. TBCJ would be authorized to revise the salary career ladder as needed.

Maximum caseload guidelines. The bill would repeal the requirement for TDCJ to adopt maximum caseload guidelines for parole officers based on statutory ratios and to submit funding reports when those guidelines were not met. Instead, the bill would require TBCJ by rule to establish maximum caseload guidelines, which would have to be adopted as soon as practicable after the bill's effective date. TBCJ would be required to periodically review the guidelines to ensure they were achievable and informed by research-supported supervision practices and would be authorized to revise them as needed. Before TBCJ adopted or amended the guidelines, TDCJ would be required to conduct a job task analysis and workload study on parole officers.

Parole supervision and caseload report. CSSB 2405 would require TDCJ, in consultation with relevant stakeholders, to review current parole supervision practices and caseload approaches and, by December 1, 2026, submit a report with proposed changes to TBCJ, BPP, the governor, the lieutenant governor, the speaker, and relevant legislative committees. The

report would be required to include proposed maximum caseloads, an evaluation of TDCJ's practice of assigning parole caseloads where staffing vacancies existed, and the results of any pilot project assessing changes to supervision practices or caseload approaches. The bill would prohibit implementing any such pilot project statewide before submission of the report. These provisions would expire September 1, 2027.

Special conditions working group. The bill would require BPP and TDCJ to jointly establish a work group composed of BPP members and parole commissioners who were actively serving on a parole panel, along with staff from TDCJ's parole division. The work group would be required to meet annually to:

- discuss the efficacy of special conditions, including by soliciting input from parole officers and relevant parties;
- assess the continuing need for specific special conditions; and
- identify potential modifications for BPP to consider adopting.

Parole panel data. CSSB 2405 would require BPP to coordinate with TDCJ to collect and analyze data on inmate releases through parole, mandatory supervision, and medically recommended intensive supervision, as well as the use of special conditions and graduated sanctions. BPP would be required to use the data collected to evaluate outcomes and trends and to determine a method for assessing the consistency of revocation decisions across parole panels. BPP also would be required to use the findings to develop training for its designees, members, and parole commissioners.

Qualification waivers. The bill would authorize the parole division of TDCJ to establish a waiver procedure for instances when the division director was unable to appoint parole officers or supervisors who met the employment qualifications required under state law.

Medically recommended intensive supervision. The bill would revise eligibility, procedures, and oversight for medically recommended intensive supervision (MRIS). The bill would expand the exception prohibiting certain inmates from being eligible for a parole-granted MRIS to include those who were not a U.S. citizen, as defined by federal law.

It also would expand eligibility for MRIS to include inmates that the Texas Correction Office on Offenders with Medical or Mental Impairments (TCOOMI) identified as having a medical condition prescribed as eligible by BPP rule. The bill would also specify that, if all other conditions were met, an inmate could qualify for an MRIS upon a determination that the inmate was elderly, regardless of whether the inmate had any other qualifying condition.

The bill would amend provisions establishing the qualifications that inmates that had committed an offense which required registration as a sex-offender would have to meet in order to be eligible for an MRIS.

CSSB 2405 would authorize, rather than require, TCOOMMI to request proposals from vendors to provide services for MRIS releasees and would revise parole panel composition to include BPP members and parole commissioners appointed by the presiding officer.

BPP would be required to adopt rules to administer MRIS and related release determinations. The rules would have to specify procedures for evaluating an inmate's prognosis, identify factors relevant to release decisions beyond the inmate's condition, define what constitutes a threat to public safety, and describe how those determinations should be made for MRIS. The rules would have to be adopted as soon as practicable after the bill's effective date.

Prognosis evaluations would have to require a review of the inmate's condition by at least one health care practitioner. Each practitioner would have to submit a written report to the parole panel before it made a final decision containing information on the inmate's condition specified by the bill.

In developing the information that would be required to be reported by the health care practitioner, BPP would be authorized to consult with TCOOMMI, CMHCC, the parole division of TDCJ, the Texas Tech University Health Sciences Center, and the University of Texas Medical Branch at Galveston. The identity of a health care practitioner who provided a report, other than the practitioner's specialization, would be

protected from disclosure under public information law, though BPP would be authorized to redact or release the information as appropriate.

The bill would require BPP to develop and provide a comprehensive training program for board members and parole commissioners serving on panels that consider MRIS. The training would be required to include background information on MRIS and education on:

- applicable statutes and BPP rules;
- supervision of individuals released on MRIS, including the use and modification of special conditions and graduated sanctions; and
- how to read and review the health care practitioner's report on an inmate's condition.

In developing the program, BPP would be required to use available MRIS data and consult with TDCJ, a practicing physician, and a psychiatrist as needed. BPP also would be required to create a condensed version of the training and inform members of any subsequent updates after completion.

A parole panel member would be prohibited from voting on MRIS release decisions until completing the initial training. Afterward, the member would be required to complete the condensed version biennially to remain eligible to vote on such cases. BPP would be required to make the training available by December 1, 2025, and members and commissioners would not be required to complete it until that date.

Postsecondary education. CSSB 2405 would transfer responsibility for administering postsecondary education programs to the Windham School District and make related changes to program oversight, data collection, interagency coordination, and tuition reimbursement.

Transfer of programming. The bill would require Windham and TDCJ to enter into a memorandum of understanding for Windham to administer postsecondary education programs.

Advisory board. The bill would require Windham to establish a postsecondary education advisory board to advise the district and TDCJ

on these programs. The advisory board would be composed of relevant stakeholders, including representatives of:

- the Texas Higher Education Coordinating Board;
- the Texas Department of Licensing and Regulation;
- the Texas Workforce Commission;
- public institutions of higher education, on a rotating basis;
- an organization representing families of student participants;
- an organization advocating for the education of student participants; and
- current or former student participants in the programs.

Data collection and sharing. The bill would require Windham to include career and technical education and postsecondary education programs among those evaluated for program effectiveness. In addition to existing requirements, the bill would specify that the compiled data used in program evaluations would have to be disaggregated by sex and include the number and percentage of students who completed training in a regulated industry and applied for, received, or were denied a certificate or license from a state agency. The bill would also make conforming changes to other provisions related to schools in TDCJ to replace "vocational training" with "career and technical education."

The bill also would authorize Windham to enter into an agreement with a governmental entity, including TWC, DPS, TDLR, other regulatory entities, or the Texas Higher Education Coordinating Board, to obtain and share data needed to support and evaluate district and postsecondary education programs within TDCJ. The bill would repeal the existing authority for Windham to enter into a memorandum of understanding for this purpose with TDCJ, DPS, and TWC.

Tuition reimbursement program. The bill would require TDCJ, using appropriated funds, to establish and administer a program to pay postsecondary education tuition and fees for eligible inmates. Inmates who received such payments during confinement would be required to reimburse TDCJ for the costs, without interest. A parole panel could require reimbursement as a condition of parole or mandatory supervision.

Administration and governance. CSSB 2405 would revise the structure, oversight responsibilities, and reporting requirements of TBCJ and TDCJ, including changes to board member qualifications and the supervision of independent offices and reporting entities. The bill also would revise procedures for complaint handling, inmate safety notifications, and legal representation in certain civil commitment proceedings. Additionally, it would modify deadlines and responsibilities for various reports and interagency coordination efforts.

TBCJ member qualifications. The bill would require that at least two of the nine members of TBCJ have significant business or corporate experience. This requirement would not affect the ability of members serving before the bill's effective date to complete their terms. As terms expired, the governor would be required to appoint or reappoint members who met this qualification.

Independent reporting entities. The bill would require TBCJ to maintain oversight and supervision of certain independent reporting entities, including the offices of the independent auditor, independent ombudsman, inspector general, ombudsperson appointed by TBCJ, and the office providing legal representation for indigent inmates. TBCJ would be authorized to adopt rules as necessary for their operation and would be required to employ a director for each office, who would serve at the pleasure of TBCJ. TBCJ would be required to approve the operating budgets and appropriation requests for these offices and develop and implement policies separating the management responsibilities of the independent reporting entities from those of the executive director and TDCJ staff.

Office of the Inspector General. CSSB 2405 would specify that the Office of the Inspector General was an independent law enforcement agency under the direction of TBCJ responsible for preventing and investigating offenses committed by TDCJ employees and inmates, as well as offenses occurring at TDCJ-operated or contracted facilities or other facilities where individuals in TDCJ custody were housed or received medical or mental health treatment. These offenses would include:

- unauthorized or illegal entry into a TDCJ facility;
- introduction of contraband into a TDCJ facility;
- escape from a TDCJ facility and parole absconding;
- organized criminal activity; and
- violations of TDCJ policy or procedure.

The bill would authorize the inspector general to employ and commission peace officers to carry out these duties. TBCJ would be required to employ a commissioned peace officer as inspector general, who could be terminated by TBCJ action. Peace officers employed and commissioned by the inspector general would be required to be licensed under certain Occupations Code provisions and complete advanced training as part of their continuing education requirements. The office would be required to work cooperatively with other law enforcement agencies to carry out its duties.

Criminal justice information system oversight. The bill would remove the inactive Criminal Justice Policy Council from provisions requiring DPS and TDCJ to develop biennial plans to improve the criminal justice information system. The bill would require the State Auditor's Office (SAO), rather than the council, to examine system records and operations to ensure accuracy, completeness, and timely reporting. The SAO would be required to submit a report with findings and recommendations to the governor in addition to the Legislature.

Advisory Committee on Offenders with Medical or Mental Impairments. The bill would revise the composition of the Advisory Committee to TBCJ on Offenders with Medical or Mental Impairments to include the executive heads of the Texas Veterans Commission and TWC.
TCOOMMI biennial report. The bill would change the deadline for TCOOMMI to submit its biennial report to TBCJ and state leadership from February 1 of each odd-numbered year to December 1 of each even-numbered year. The bill would repeal the requirement for TCOOMMI to submit an annual report on services to wrongfully imprisoned persons and instead require that information in its biennial report.

Continuity of care programs. The bill would add TWC to the list of agencies required to adopt by rule memorandums of understanding with TDCJ, the Department of State Health Services (DSHS), and the Health and Human Services Commission (HHSC) to establish responsibilities for continuity of care and service programs. These programs would apply to elderly offenders and offenders with physical disabilities, terminal illnesses, or significant illnesses in the criminal justice system.

Civil commitment representation. CSSB 2405 would transfer responsibility for representing indigent individuals in civil commitment proceedings for sexually violent predators from the Office of State Counsel for Offenders to TBCJ. TBCJ would be authorized to employ attorneys, support staff, and other personnel as needed. These personnel would report directly to TBCJ, who would be required to pay all fees and costs associated with the representation.

Complaint procedure notice. The bill would require TDCJ to provide notice, rather than a written copy, of its policies and procedures for complaint investigation and resolution to all TDCJ employees and to each person who filed a complaint.

Inmate assault reporting. The bill would require the executive director of TDCJ to refer allegations that a TDCJ employee assaulted an inmate to an appropriate law enforcement official, rather than file a complaint with a county official.

Inmate death reporting. The bill would require facility staff to notify the Office of the Inspector General, rather than the Office of Internal Affairs, when an inmate died in TDCJ custody.

AIDS and HIV education report. The bill would revise the deadline for TDCJ to report to the Legislature on AIDS and HIV education and testing efforts from January 15 of each odd-numbered year to December 1 of each even-numbered year.

Other provisions. CSSB 2405 would amend certain outdated references to agency, division, and office names and remove references to defunct

entities. The bill also would revise certain terminology and align statutory provisions with TDCJ's existing organizational structure and operations.

Pen packet submission training. The bill would require TDCJ to develop and provide annual training for county employees on submitting documents required before TDCJ took custody of a person transferred from a county jail. The training would cover documents required under applicable Code of Criminal Procedure provisions and could be offered in person or online, including live or prerecorded online formats.

Overtime compensation. The bill would require unused compensatory time accrued by TDCJ employees under the federal Fair Labor Standards Act to be credited to the employee's vacation leave if not used within 24 months, rather than lapse. This change would apply to compensatory time accrued before, on, or after the bill's effective date.

Volunteer and faith-based organizations. The bill would transfer responsibility for identifying and encouraging volunteer and faith-based organizations that provided inmate programs from each facility warden to TDCJ staff. TDCJ staff would be required to actively encourage such organizations to offer programs in TDCJ facilities and solicit feedback from wardens and chaplains on facility needs. The bill also would remove the requirement for each warden to submit an annual report to TBCJ and instead require TDCJ to include the relevant summary in the biennial report on its program inventory.

Location for released inmate funds. CSSB 2405 would change the required location of banks where the comptroller would be required to maintain at least $100,000 for prompt payments to inmates released on parole, mandatory supervision, or conditional pardon from Huntsville, Texas, to any location in Texas.

Across-the-board recommendations. The bill also would amend provisions governing TBCJ, CMHCC, and BPP to include across-the-board Sunset recommendations on:

- specific grounds for removal of a member of CMHCC;
- training for the applicable entities' members;

- maintenance of a complaint system; and
- person-first language.

The bill would provide for the transition to the new training requirements for current TBCJ, CMHCC, and the BPP members, as well as for current parole commissioners.

Repealed provisions. The bill would repeal:

- the requirement that TDCJ's institutional division assess its long-term administrative segregation and maximum security needs every three years and report the results to the Legislative Criminal Justice Board;
- statutes that established the Advisory Committee on Agriculture and set out its administration, operation, and duties;
- the requirement that TDCJ submit a report comparing the recidivism rates of sex offenders who had undergone orchiectomy to those who had not;
- the requirement that TBCJ designate at least nine regions for state jail felony facilities; and
- provisions that required TBCJ to adopt and enforce regional and intra-regional allocation policies for those regions.

Effective date. CSSB 2405 would take effect September 1, 2025.

SUPPORTERS SAY:

By continuing and amending various statutory provisions for the Texas Department of Criminal Justice (TDCJ), CSSB 2405 would better position TDCJ to confront ongoing challenges in safely confining, supervising, and providing services to convicted criminals in Texas while also preparing the department to address future crises. Requiring TDCJ to develop a 10-year facilities plan would help the agency respond more strategically to staffing shortages and capacity demands by improving long-term planning and resource management. These plans could help address issues that have led TDCJ to suspend operations in certain facilities due to chronic staffing shortages, while also preparing the agency for projected increases in the inmate population that could exceed capacities TDCJ is currently capable of managing.

Currently, TDCJ does not maintain an inventory of its rehabilitation programs or evaluate the majority of these programs for effectiveness, limiting the agency's ability to determine which programs are most impactful. Additionally, a lack of oversight can contribute to delays in program placement timelines for parole-contingent programs. By requiring TDCJ to inventory and evaluate these programs, the bill would allow for better planning and oversight of the agency's rehabilitation efforts and help address costly delays in parole-voted releases.

Transferring oversight of postsecondary education programs to the Windham School District would restore and strengthen educational opportunities for incarcerated individuals. Windham is better positioned to manage education services, as data shows that the prior transfer of oversight to TDCJ has led to a decrease in access and enrollment, and Windham's mission is more specifically aligned with the goal of educating inmates.

By requiring the review and evaluation of parole decisions, the bill would address concerns that have been raised about variation in parole outcomes and support the uniform application of standards, reducing potential risks to public safety and the drain on state resources as a result of poorly made determinations. Evidence has shown that inconsistent parole decisions can undermine faith in the review process and the transparency of the criminal justice system, and CSSB 2405 would enhance fairness, transparency, and public safety in the parole system.

By requiring training and medical report reviews in medically recommended intensive supervision cases, the bill would ensure that release decisions for elderly or seriously ill inmates were informed by accurate medical information and consistent standards.

CRITICS SAY:

While CSSB 2405 implements needed reforms within TDCJ, the bill falls short of establishing specific, outcome-based performance measures that could better its rehabilitation programs. Without defined metrics for success or failure or a requirement that reports be open and available to the public, program evaluation measures may not substantively improve the agency's parole and rehabilitation programs. The bill should ensure

that program evaluation data is clearly linked to tangible, data-based improvements and that performance criteria is specific enough to ensure that data collected is reliable and useful. Additionally, TDCJ should collaborate with qualified external researchers who can offer objective insights and help develop more effective performance measures.

Coordination of postsecondary education efforts also could be hindered by the absence of formal data-sharing requirements between Windham, TDCJ, and related agencies. In addition, the bill should require TDCJ and Windham to enter into a memorandum of understanding to formalize the administrative transfer of higher education responsibilities. Without such mechanisms, the effectiveness of education delivery in correctional settings could remain fragmented.

The bill also should do more to improve medically recommended intensive supervision (MRIS) by providing for a presumption of release for eligible sick or elderly inmates unless the board finds by clear and convincing evidence that the individual would still pose a public safety risk.

OTHER CRITICS SAY:

CSSB 2405 should go further to address systemic issues in Texas prisons, such as high incarceration rates and exonerations, by including provisions aimed at long-term reduction in the incarcerated population and addressing wrongful convictions. More comprehensive reforms are needed to address pervasive health and safety risks and critical staffing shortages in TDCJ facilities.

NOTES:

According to the Legislative Budget Board, the fiscal implications of the bill cannot be determined due to a lack of data on the number of individuals affected by changes to parole release rules, which may result in a change in demand on state correctional resources. The fiscal implications of developing a long-term facilities and staffing plan also cannot be determined because TDCJ may need to contract with a private vendor to complete the plan, and the cost of that contract is unknown.

SUBJECT: Revising the Sabine River Authority of Texas (SRA)

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 11 ayes — Harris, Martinez, Ashby, Barry, C. Bell, Buckley, Gámez, J. Garcia, Romero, Villalobos, Zwiener

0 nays

2 absent — Fairly, M. González

SENATE VOTE: On final passage (April 9) — 30 - 0

WITNESSES: None (*Considered in a formal meeting on April 29*)

BACKGROUND: The Sabine River Authority of Texas (SRA) has managed the floodwaters, rivers, streams, and tributaries of the Sabine River basin since its creation in 1949.

Mission. SRA was established by the Legislature to control, store, preserve, and distribute the waters of the Sabine River basin. Under the direction of its board, SRA is tasked with managing the waters of the Sabine River basin, including water supply and wastewater infrastructure. As with other Texas river authorities, SRA is authorized to carry out a broad range of functions, including building and operating reservoirs, monitoring water quality, selling raw water, treating wastewater, acquiring property by eminent domain when needed, building and managing park land, and generating electricity.

Funding. SRA does not receive state appropriations and does not assess taxes, but is authorized to issue bonds. The authority primarily funds its operations through revenues generated from the sale of raw water to municipal and industrial customers. Additional funding comes from the sale of hydroelectric power, water quality testing services, and fees for limited use permits and on-site sewage facilities.

Staffing. In fiscal year 2023, SRA employed 122 full-time staff members. The majority of employees work out of SRA's headquarters and other division offices in Orange, TX, while remaining staff members work in division offices at SRA's three reservoirs, Lake Tawakoni in Point, Lake Fork in Quitman, and Toledo Bend in Burkeville.

Governing structure. SRA is governed by a nine-member board of directors appointed by the governor with the advice and consent of the Senate. The board is comprised of four members representing the upper basin, four representing the lower basin, and one at-large member. Directors serve staggered six-year terms, and the board elects a president and other officers from its members. The board meets quarterly and as needed to provide oversight of the authority's operations and approve SRA's budget.

SRA is subject to review but not to abolishment under the Sunset Act.

DIGEST:

SB 2406 would amend the next Sunset review date of SRA to September 1, 2037.

The bill would require, rather than authorize, the board of directors to employ a manager for the district.

The bill also would amend provisions on SRA to include across-the board Sunset recommendations on:

- board member training;
- separation of duties between board members and SRA staff;
- governor designation of the presiding officer of SRA's board of directors;
- specific grounds for removal of a board member;
- public testimony before the board; and
- maintenance of a complaint system.

The bill would take effect September 1, 2025.

SUPPORTERS SAY:

SB 2406 would strengthen accountability and transparency at SRA by adopting standard governance provisions, including those related to board member training, conflict-of-interest policies, and the separation of board and staff responsibilities. Requiring the governor to designate the presiding officer of the board would ensure a more direct connection between the board and state leadership. Adding statutory board training requirements also would ensure that board members fully understand the authority's operations, budget, rulemaking authority, and other key responsibilities before making decisions that impact the public.

The bill would promote operational efficiency and improve governance and public trust by clearly delineating policymaking responsibilities of the board from day-to-day administrative duties carried out by staff. SB 2406 also would enhance SRA's responsiveness to the public by requiring the agency to implement systems for receiving and acting on complaints and to allow for public testimony. Furthermore, by establishing a clear statutory basis and process for removing board members who fail to meet eligibility requirements, the bill would ensure a functioning and accountable policymaking body.

CRITICS SAY:

No concerns identified.

SUBJECT: Revising Lower Neches Valley Authority (LNVA)

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 13 ayes — Harris, Martinez, Ashby, Barry, C. Bell, Buckley, Fairly, Gámez, J. Garcia, M. González, Romero, Villalobos, Zwiener

0 nays

SENATE VOTE: On final passage (April 9) — 30 - 0

WITNESSES: None *(Considered in a formal meeting on May 2)*

BACKGROUND: The Lower Neches Valley Authority (LNVA) was created in 1933 to store, conserve, control, and distribute the storm and flood waters of the Neches River and the waters within the lower Neches River basin for use within the state. LNVA shares management of the river basin with the Angelina and Neches River Authority.

Mission. LNVA serves Tyler, Hardin and Jefferson counties and eastern Liberty and Chambers counties to provide for present and long-term freshwater needs of municipal, agricultural, and industrial customers, protect water quality in the Neches River and Neches Trinity Coastal Basin, ensure affordability of the water supply, and enhance economic development within the authority's jurisdiction.

Funding and staffing. LNVA receives no state appropriations and does not have the authority to levy taxes but can issue bonds. LNVA primarily generates revenue by selling raw water to industrial, agricultural, and municipal customers and through prescribing fees for water use, water connection, or other services. The charges are reviewed annually.

In fiscal year 2023, LNVA employed 125 full-time employees, 118 of whom worked at LNVA's service center and other division offices in Beaumont, while six employees worked at the West Regional Water Treatment Plant in Winnie and a field office in Devers.

Governing structure. LNVA is governed by a nine-member board of directors appointed by the governor with advice and consent from the Senate. All members are required to be property taxpayers, with five residing in Jefferson County and two each in Hardin and Tyler Counties. The board is required to meet monthly in open-to-the-public meetings to provide oversight. LNVA is supervised by the Texas Legislature through Texas Commission on Environmental Quality (TCEQ).

DIGEST:

SB 2407 would extend the next Sunset review date of Lower Neches Valley River Authority (LNVA) to September 1, 2037.

The bill also would amend provisions on LNVA to include across-the board Sunset recommendations on:

- the governor's designation of the board president;
- separation of policymaking and management functions;
- specific grounds for removal of board members;
- board member training;
- public testimony before the board; and
- maintenance of a complaint system.

A board member could not participate in a board meeting held on or after December 1, 2025, until the member completed the required training.

SB 2407 would take effect September 1, 2025.

SUPPORTERS SAY:

SB 2407 would make several statutory revisions based on Sunset Advisory Commission recommendations to strengthen LNVA's ability to continue serving the Neches River and Neches Trinity Coastal Basin to safeguard limited water resources and address water issues. By adopting certain Sunset Advisory Commission across-the-board recommendations related to board member training, public testimony, and the operation of a complaint system, the bill would help LNVA's board's to operate more effectively while enabling greater transparency and open communication with the public. Furthermore, by establishing a clear statutory basis and process for removing board members who fail to meet eligibility requirements, had a conflict of interest, or neglected their duties, the bill

would ensure a functioning and accountable policymaking body. Requiring that the governor designate the presiding officer of the governing board would also ensure a more direct connection between and increase the authority's accountability to state leadership.

CRITICS SAY:

No concerns identified.

SUBJECT: Providing for planning and expedited processing for large electric loads

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 11 ayes — King, Darby, Geren, Guillen, Hull, McQueeney, Metcalf, Phelan, Raymond, Smithee, Turner

1 nay — Y. Davis

1 absent — Anchía

2 present not voting — Hernandez, Thompson

SENATE VOTE: On final passage (March 19) — 31 - 0

WITNESSES: For — Greg Thurnher, Liberty Power Innovations; Cyrus Reed, Lone Star Chapter Sierra Club; Jaren Taylor, Oncor Electric Delivery; Taylor Kilroy, Texas Public Power Association (*Registered, but did not testify*: Rick Ramirez, City of Austin; Erika Akpan, NRG Energy; Rita Beving, Public Citizen; Matt Abel, Texas Economic Development Council; Steven Deline; Thomas Parkinson)

Against — (*Registered, but did not testify*: Susan Stewart)

On — Mark Bell, Association of Electric Companies of Texas; Gideon Powell, Cholla Inc.; Sara Axelrod, Crusoe; Dan Diorio, Data Center Coalition; Chad Seely, Electric Reliability Council of Texas (ERCOT); Joel Yu, Enchanted Rock, LLC; Stacie Bennett, LS Power; Walt Baum, Powering Texans; Barksdale English, Public Utility Commission of Texas; Katie Coleman, Texas Association of Manufacturers, Texas Chemistry Council, Texas Oil and Gas Association; Lee Bratcher, Texas Blockchain Council; Julia Harvey, Texas Electric Cooperatives; Will McAdams, Texas Energy Buyers Alliance (*Registered, but did not testify*: Mattie Utley, Calpine Corporation; Christopher Smith, Constellation Energy; Gilbert Hughes, Woody Rickerson, Pablo Vegas, Electric Reliability Council of Texas (ERCOT); David Glenn, Intersect Power; Michael McNamara, Lancium; Victor Alcorta, New APR Energy LLC;

Zach Whiting, Riot Platforms; Mia McCord, Texas Chemistry Council; Mance Zachary, Vistra Corporation; Margo Cardwell, Wise Energy Resources LTD)

DIGEST:

CSSB 6 would require the Public Utility Commission of Texas (PUC) to adopt standards for interconnecting large load customers in the ERCOT region, establish an expedited processing program for such loads, and require PUC to evaluate the methodology for allocation of transmission costs. The bill also would provide procedures for ERCOT to approve proposed net metering arrangements and require ERCOT to develop a large load demand management service.

Large load interconnection standards. CSSB 6 would require PUC to establish standards for interconnecting large load customers in the ERCOT power region in a manner designed to support business development in the state while maintaining system reliability and minimizing the potential for stranded infrastructure costs. The standards would have to apply only to customers requesting a new or expanded interconnection where the total load at a single site would exceed a demand threshold set by PUC based on the size of loads that significantly impacted transmission needs in the ERCOT region. The demand threshold would have to be 75 megawatts unless PUC determined that a lower threshold was necessary. The standards also would have to:

- require each large load customer to disclose to the interconnecting electric utility or municipally owned utility whether the customer was pursuing a similar request for electric service in Texas that would result in the customer changing, delaying, or withdrawing the interconnection request if approved;
- require each large load customer to disclose to the interconnecting utility information about the customer's on-site backup generating facilities, meaning generation that was not capable of exporting energy to the ERCOT grid and that could serve at least 50 percent of on-site demand, and require the utility to provide this information to ERCOT;
- set a flat fee of at least $100,000 to be paid to the interconnecting utility for initial transmission screening studies for large loads;

- include a method for a large load customer to demonstrate site control for the proposed load location through an ownership interest, lease, or other legal interest acceptable to PUC;
- include uniform financial commitment standards for the development of transmission infrastructure needed to serve a large load customer before a utility could submit a project for ERCOT review based on the customer's demand;
- establish uniform requirements for determining when capacity that was subject to an outstanding financial commitment under the bill could be reallocated; and
- establish a procedure to allow ERCOT to access any information collected by the interconnecting utility to ensure compliance with transmission planning analysis standards.

The bill would establish certain disclosure and confidentiality requirements related to information collected by ERCOT or a utility under these provisions.

The bill would require ERCOT to establish a threshold before or during an energy emergency alert at which ERCOT could issue reasonable notice that large load customers could be directed to deploy on-site backup generating facilities or curtail load. After deploying all available market services other than frequency response services, ERCOT would be authorized to direct the applicable utility to require the large load customer to either deploy on-site backup generation or curtail load.

PUC would be required to ensure by rule that a large load customer who was subject to standards adopted under the bill contributed to the recovery of the interconnecting electric utility's costs to interconnect the large load to the utility's system. Reasonable interconnection costs also would have to be passed through to a large load customer by an electric cooperative or municipally owned utility that had not adopted consumer choice.

CSSB 6 would prohibit PUC from limiting the authority of a municipally owned utility or an electric cooperative to impose electric service requirements for large load customers on their systems in addition to the standards adopted under the bill.

The bill would require PUC to establish criteria by which ERCOT included forecasted large load of any peak demand in ERCOT's transmission planning and resource adequacy models and reports.

Expedited processing for large loads. CSSB 6 would require PUC to establish a program to provide an expedited process for the interconnection of large loads. The program would have to require the interconnecting utility and ERCOT to give priority in the interconnection queue to a large load for which a retail customer had received approval for expedited processing over other large loads that had not entered into a contractual agreement with a utility. If applicable, the generation interconnection application for a generation facility associated with the large load would have to be processed in parallel with the load.

The program would have to require a large load to qualify for expedited processing by bringing in-service, within 180 days after the interconnection date, behind-the-meter generation that was registered with ERCOT and capable of serving the customer's full load requirement. As an alternative to these requirements, a large load could qualify for expedited interconnection processing if it was a facility with an aggregated peak demand at a single site of more than 75 megawatts by:

- providing to the interconnecting utility all data regarding the load and making satisfactory proof of financial commitment for the load, and
- being subject to a contract or agreement with ERCOT to establish the load as a flexible load for a minimum period established by PUC of at least 10 years.

For the purposes of the bill, a flexible load would mean a load operated by a retail customer who was obligated by contract or agreement in the ERCOT market to reduce the load or power the load exclusively with backup generation at the direction of ERCOT or as required to protect the integrity of the ERCOT grid.

A large load that qualified for expedited interconnection processing that was authorized by ERCOT and the relevant utility could choose to contract with a vendor approved by one of those entities to perform all

studies required before interconnection approval. A qualifying large load that was authorized by the relevant utility could choose to procure equipment required for the interconnection and construct interconnection facilities according to technical and other requirements of the utility.

The expedited interconnection program could provide that studies required before approval of an interconnection application for a flexible load could evaluate the load as non-firm. Demand reductions from flexible loads that received expedited processing and were removed from the system using behind-the-meter generation during an energy emergency alert would have to be counted toward any obligation of the utility to shed load.

PUC would be required to establish financial penalties that could be imposed on the owner or operator of a large load approved for expedited processing that failed to reduce the load or power the load with back-up generation as directed by ERCOT.

ERCOT review of net metering arrangements. CSSB 6 would require a power generation company, municipally owned utility, or electric cooperative to submit a notice to ERCOT before implementing a net metering arrangement between an operating facility registered with ERCOT as a stand-alone generation resource as of September 1, 2025, and a new large load customer. The new net metering arrangement would have to be requested or consented to by the cooperative or utility certificated to provide electric services at the location.

Within 180 days of receiving notice, ERCOT would have to approve, deny, or impose conditions on a proposed net metering arrangement as necessary to maintain system reliability. If ERCOT did not meet the deadline, the arrangement would be considered approved by ERCOT. If conditions imposed by ERCOT were not limited to a specific period, ERCOT would have to review the conditions at least every five years. The owner of the generation resource or the large load customer could appeal an ERCOT decision on a net metering arrangement to PUC. PUC would be required to post ERCOT's decision on its website but could not post information regarding the decision that was competitively sensitive or otherwise confidential.

Large load demand management. Under CSSB 6, PUC would have to require ERCOT to ensure that each electric cooperative, transmission and distribution utility, and municipally owned utility serving a transmission-voltage customer developed protocols and installed, or required to be installed, before the customer was interconnected, any necessary equipment to allow the to be curtailed during a firm load shed. The cooperative or utility would be required to confer with the customer to the extent feasible to shed load in a coordinated manner. This requirement would apply only to a load interconnected after December 31, 2025, that was not operated by a critical load industrial consumer or designated as a critical natural gas facility.

PUC would have to require ERCOT to develop a reliability service to competitively procure demand reductions from large load customers with a demand of at least 75 megawatts to be deployed in the event of an anticipated emergency condition. The bill would specify certain requirements for rules governing this service.

Evaluation of transmission cost allocation. CSSB 6 would require PUC to evaluate:

- whether the existing methodology used to charge wholesale transmission costs to distribution providers continued to appropriately assign costs for transmission investment;
- whether the current four coincident peak methodology used to calculate transmission rates ensured that all loads appropriately contributed to the recovery of utilities' costs to provide access to the transmission system;
- whether alternative methods to calculate wholesale transmission rates would more appropriately assign transmission costs;
- the portion of transmission costs that should be nonbypassable; and
- whether PUC's retail ratemaking practices ensured that transmission cost recovery appropriately charged the system costs caused by each customer class.

PUC would be required to begin this evaluation within 90 days after the bill's effective date. After completion of the evaluation and no later than December 31, 2026, PUC would be required to amend its rules to ensure that wholesale transmission charges appropriately assigned costs for transmission investment.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025.

SUPPORTERS SAY:

SB 6 would help Texas plan for significant anticipated growth in power demand, much of it coming from energy-intensive facilities such as data centers, by requiring uniform standards for large electric loads and ensuring that PUC and ERCOT have reliable insight into the size and number of such customers interconnecting with the ERCOT grid. The bill would improve ERCOT load forecasting by requiring large loads applying for interconnection to provide financial commitments and pay a minimum fee of $100,000 for the interconnecting utility to study necessary transmission infrastructure for the proposed facility, which would help deter speculative applications that make such planning difficult. This enhanced transparency would help the state avoid passing unnecessary costs to consumers by overbuilding transmission infrastructure or exacerbating power scarcity by underbuilding.

SB 6 also would strengthen grid reliability, protect residential consumers from outages, and allow ERCOT to leverage large load flexibility by requiring large loads to inform PUC about back-up power capabilities and authorizing ERCOT to order large loads to curtail power use or switch to backup power during times of power shortage. Without the changes proposed in SB 6, ERCOT modeling could struggle to account for the flexibility of loads like data centers, leading to constraints and risks for the state's transmission systems.

The bill also would incentivize large load flexibility and co-location with new power generation by providing an expedited interconnection process for large loads that include behind-the meter generation or otherwise commit to being a flexible load. This process would further improve grid reliability, moderate power market volatility, and accelerate the economic

benefits of data centers and similar businesses without adding costs for ratepayers. The bill also would enhance reliability by directing ERCOT to develop a demand response service to incentivize large loads to reduce power consumption in emergency events.

CSSB 6 would require PUC to evaluate the current methodology for allocating transmission costs for the ERCOT grid based on measuring four peak demand readings during the summer (4CP). Given record levels of winter power demand and the ability of sophisticated large load customers to lower their transmission costs by powering down or using backup power during 4CP measurements, the 4CP method may be outdated and could be adjusted to allocate costs more fairly.

CRITICS SAY:

CSSB 6 could increase government control over the Texas energy market, which could discourage businesses from locating in the state and raise costs for consumers. The bill would create a burdensome approval process, which could add costly delays for industries that the state has sought to attract. The bill's regulatory framework could make Texas a riskier place to invest and be duplicative of existing review processes. Many businesses already invest in backup power to ensure reliability, but SB 6 would allow the state to direct backup power usage, which could deter businesses from making investments in power that would be subject to government mandates. Potentially shutting off a facility with little warning also could impact data centers that provide essential services, which could risk public safety. ERCOT already has a system in place for large-load facilities to temporarily reduce power consumption under certain conditions, and additional reliability requirements could limit market innovation.

OTHER CRITICS SAY:

CSSB 6 could further enhance grid transparency by including reporting requirements on total and peak energy use and water use, and by applying its requirements to all loads of over 25 megawatts rather than 75.

In addition, the bill should clarify that large loads directed to curtail power consumption are counted towards utilities' load shed allocation so that electric providers are not obligated for load reductions that cannot be met because a large load is already offline.

NOTES: According to the Legislative Budget Board, the bill would have a negative impact of $2,638,412 to general revenue related funds through the biennium.

SUBJECT: Amending oversight, financing of TWDB-funded water projects

COMMITTEE: Natural Resources — committee substitute recommended

VOTE: 10 ayes — Harris, Martinez, Ashby, C. Bell, Buckley, Fairly, Gámez, Romero, Villalobos, Zwiener

0 nays

3 absent — Barry, J. Garcia, M. González

SENATE VOTE: On final passage (April 2) — 31 - 0

WITNESSES: For — Scott Stewart, American Council of Engineering Companies of Texas; Shane Saum, City of Lago Vista; Vanessa Puig-Williams, Environmental Defense Fund; Rachel Hanes, Greater Edwards Aquifer Alliance; Jennifer Walker, National Wildlife Federation; Christopher Lee, North Texas Commission; Cyrus Reed, Sierra Club Lone Star Chapter; Anson Howard, Texas & Southwestern Cattle Raisers Association; Jeremy Mazur, Texas 2036; Larry French, Texas Public Policy Foundation; Sarah Kirkle, Texas Water Association; Perry Fowler, Texas Water Infrastructure Network (TXWIN); Heather Harward, TWSP; Julie Nahrgang, Water Environment Association of Texas (*Registered, but did not testify*: Jeff Heckler, Alliance Regional Water Authority, Sharyland Water Supply Corp; Joe Morris, Aqua Water Supply Corporation; Eric Hale, Austin Chamber; Shauna Sledge, Barton Springs Edwards Aquifer Conservation District, Prairielands GCD, San Antonio River Authority; Melissa Shannon, Bexar County Commissioners Court; Matt Phillips, Brazos River Authority; Buddy Garcia, Brownsville Public Utilities Board; Rick Ramirez, City of Austin; Brian Sledge, City of Bryan; Benbrook Water Authority; Upper Trinity GCD; Clifford Sparks, City of Dallas; Leticia Van de Putte, City of Del Rio, San Antonio Chamber of Commerce; Ariel Traub, City of Garland; Keely Hovatter, City of McAllen; Rebekah Chenelle, Dallas Regional Chamber; Sam Gammage, Will McAdams, Dow; Shea Pearson, El Paso Water; Keith Strama, Exxon Mobil; Neftali Partida, Greater Houston Partnership; Jonathan Stinson, Guadalupe Blanco River Authority; Ray Sullivan, HNTB Services; Jay

Barksdale, Irving - Las Colinas Chamber of Commerce, Plano Chamber of Commerce; Tom Glass, Lee County Conservatives; David Whitley, McAllen Public Utility; Angela Hale, McKinney Chamber of Commerce; Christine Yanas, Methodist Healthcare Ministries; David Kelly, North Texas Municipal Water District; Matt Creel, Opportunity Austin; Brian Yarbrough, Port of Corpus Christi Authority; Dana Pate, Samsung; Cayethania Castillo, San Antonio River Authority; Prairielands GCD;; Blaire Parker, San Antonio Water System (SAWS); Heather Ramsey, San Jacinto River Authority; Renzo Soto, TechNet; Frances Blake, Texas Association of Builders; Jeff Emerick, Texas Association of Business; Wroe Jackson, Texas Association of Manufacturers; Kelle Kieschnick, Texas Business Leadership Council; Logan Harrell, Texas Chemistry Council; Kyle Frazier, Texas Desalination Association; Charlie Leal, Texas Farm Bureau; Ryan Paylor, Texas Independent Producers & Royalty Owners Association (TIPRO); Monty Wynn, Texas Municipal League; CJ Tredway, Texas Oil & Gas Association; Mary Alice McKaughan, Texas Rural Water Association; Susana Carranza)

Against — Jed Murray, Texas International Produce Association

On — Kenneth Flippin, Chispa Texas; Dr. Kathy Alexander, Kim Nygren, Michele Risko and Elizabeth Sifuentez Koch, TCEQ; Bryan McMath and Matt Nelson, Texas Water Development Board

DIGEST:

CSSB 7 would amend provisions related to the oversight and financing of water infrastructure and supply under the jurisdiction of the Texas Water Development Board (TWDB). The bill would expand the permitted uses of several TWDB-administered funds. The bill also would add provisions related to water supply conveyance, revise legislative oversight of water funding, and require TWDB to create a publicly available tool for accessing information about financial assistance and water projects.

Article 1: Water infrastructure development

Texas Water Fund. The bill would expand the permitted uses of the Texas Water Fund to include transfer to the Flood Infrastructure Fund, the Texas Water Development Fund II economically distressed areas program account, and the Agricultural Water Conservation Fund.

Effective September 1, 2027, the bill would add to the sources of the Texas Water Fund money transferred or deposited to the credit of the fund as provided by a proposed constitutional amendment of the 89th Legislature dedicating $1 billion to the fund in each state fiscal year.

The bill would add wastewater infrastructure projects to the projects for which TWDB would have to ensure that a portion of the money in the fund was used. Water and wastewater projects under this provision would include projects to rehabilitate or replace deteriorating infrastructure.

TWDB also would have to ensure that a portion of the money in the fund was used to provide technical assistance to applicants in obtaining and using financial assistance from TWDB-administered funds and accounts.

Texas Water Fund Administrative Fund. CSSB 7 would establish the Texas Water Fund Administrative Fund as a fund outside the general revenue fund administered by TWDB. The fund would be established for the payment or reimbursement of TWDB for expenses incurred in administering the Texas Water Fund.

TWDB could enter into an agreement with the Texas Commission on Environmental Quality (TCEQ) to pay from the Texas Water Fund Administrative Fund the necessary and reasonable staffing expenses, not to exceed $2 million, incurred by TCEQ on or before August 31, 2027, for the review of permit applications for water supply projects receiving financial assistance from the Texas Water Fund. This provision would expire September 1, 2028.

New Water Supply for Texas Fund. The bill would expand the permitted uses of the New Water Supply for Texas Fund. The fund could be used to provide financial assistance to political subdivisions for:

- water and wastewater reuse projects;
- acquisition of water or water rights originating from outside Texas; and
- certain reservoir projects.

The bill would amend the existing permitted uses of the fund to include the development of infrastructure to integrate water into a water supply system other than groundwater produced from a well in Texas that is not part of a water supply project.

The New Water Supply for Texas Fund could also be used to make transfers to the Texas Water Development Fund II state participation account. The bill would authorize money from the fund to be used to acquire another person's right acquired or authorized in accordance with state law to impound, divert, or use state water only by a water supply contract or a lease of that right from its owner.

Water supply conveyance coordination. CSSB 7 would require TWDB, subject to appropriation, to:

- for the development of water transportation infrastructure made available by a supply development, treatment, or conveyance project, facilitate joint planning and coordination among certain entities to reduce the necessity of exercising the power of eminent domain by using existing transportation and utility easements;
- facilitate the development of guidance and best practices for standardization of the specifications, materials, and components used to design and construct water transportation infrastructure;
- facilitate the development of standards and guidance to ensure potential interconnectivity and interoperability between different systems developed to transport water from different projects;
- facilitate the development of standards for the integration of water that was made available by a project into a water supply system or into water transportation infrastructure that was made available by a project, as applicable; and
- take other action TWDB determined necessary to facilitate interconnectivity and interoperability between water transportation infrastructure in different projects.

When developing guidance and best practices for standardization, TWDB would be required to, if practicable, recommend building excess capacity into water transportation infrastructure to facilitate the transportation of additional water supplies that were developed after the initial construction.

The bill would authorize TWDB to procure professional and consulting services to achieve a purpose described by these provisions.

TWDB would be authorized to convene one or more ad hoc committees composed of representatives of current or potential project sponsors, the Texas Department of Transportation, and other entities that could advise TWDB in fulfilling any purpose described by provisions related to water conveyance.

Texas Water Bank. The bill would specify that the purchasing, holding, and transferring by TWDB of water or water rights included the purchasing, holding, and transferring of water or water rights originating from outside of Texas for the purpose of providing water for the state's use or benefit. The bill would exempt from provisions related to supply contracts for conserved or stored water such a transfer of water or water rights originating from outside Texas to any person having the right to acquire use of the water.

State Participation Account of the Development Fund. TWDB would be allowed to use the State Participation Account of the Development Fund for the development of water supply projects described by provisions related to financial assistance to political subdivisions under the New Water Supply for Texas Fund.

Financial assistance for economically distressed areas. The bill would increase to $100 million the limit on the amount of bonds that TWDB was authorized to issue during a fiscal year to provide financial assistance to economically distressed areas for water supply and sewer service, rather than $25 million in constitutionally-dedicated bonds and $50 million in total bonds.

The bill also would increase the limit on bonds issued by TWDB to economically distressed political subdivisions for which repayment was

not required from 70 to 90 percent of the total principal amount of bonds authorized under relevant constitutional provisions, plus outstanding interest on those bonds.

Article 2: Legislative oversight

Texas Water Fund Advisory Committee. CSSB 7 would rename the State Water Implementation Fund for Texas Advisory Committee to the Texas Water Fund Advisory Committee and transfer certain provisions related to the committee.

Committee powers. The bill would authorize, rather than require, the advisory committee to submit comments and recommendations to TWDB regarding the use of money in certain funds and information to be posted on TWDB's website. The bill also would expand the funds for which the committee could submit comments and recommendations to include the Texas Water Fund, the Flood Infrastructure Fund, and the Texas Infrastructure Resiliency Fund, in addition to the State Water Implementation Fund for Texas.

The committee would be authorized to provide comments and recommendations to TWDB on any matter and to review the overall operation, function, and structure of any fund established under Water Code provisions on the Texas Water Assistance Program or provisions generally applicable to water development.

Membership and staff. The bill would amend the advisory committee's membership to be composed of the following eight members:

- the comptroller or designee;
- the director of the Texas Division of Emergency Management, the successor in function to that entity, or designee;
- the chair of the Senate committee having primary jurisdiction over water resources;
- the chair of the House committee having primary jurisdiction over water resources;

- two members of the Senate appointed by the lieutenant governor, including at least one member of the Senate committee having primary jurisdiction over matters relating to finance; and
- two members of the House of Representatives appointed by the speaker of the House, including at least one member of the House committee having primary jurisdiction over appropriations.

Access to records and confidentiality. The advisory committee could access all records related to the administration of the funds described in this article that were maintained by any entity under contract with TWDB. TWDB, by providing such information that was confidential or otherwise excepted from required disclosure under law, would not waive or affect the confidentiality of the information. TWDB could require the requesting individual or committee to sign a confidentiality agreement.

Sunset. CSSB 7 would remove the sunset date for the advisory committee and specify that it was not subject to the Texas Sunset Act.

Repeals. The bill would repeal provisions of the Water Code related to the State Water Implementation Fund for Texas Advisory Committee and the Texas Infrastructure Resiliency Fund Advisory Committee.

Article 3: Performance and accountability

TWDB would be required to develop and maintain on its website a publicly available tool by which a person could obtain information regarding:

- state progress toward meeting future water supply needs;
- certain water supply projects that received commitments of financial assistance from TWDB in the preceding year;
- TWDB's commitments of financial assistance for water supply projects, by program;

- the net amount of water projected to be developed, conserved, or reclaimed through projects that receive financial assistance from the board;
- TWDB's progress toward providing financial assistance to utilities that had water losses meeting or exceeding TWDB's water loss threshold;
- the transfer of money from the Texas Water Fund to other eligible TWDB-administered funds in the preceding year;
- the total estimated statewide costs of water, wastewater, and flood infrastructure needs and the estimated amount of state financial assistance required to address those needs; and
- the state's progress in closing the gap between total statewide water infrastructure needs and the state financial assistance required to meet those needs.

Article 4: Effective dates

The bill would take effect September 1, 2025, except that the provision adding constitutionally-dedicated funding to the Texas Water Fund would take effect on January 1, 2026, only if the voters approved the constitutional amendment proposed by HJR 7 in the 89th Legislature.

SUPPORTERS SAY:

By revising the regulatory framework for funding water projects and amending certain oversight provisions, CSSB 7 would give the Texas Water Development Board (TWDB) additional tools to address the state's water shortages and respond to diverse local needs.

According to the 2022 State Water Plan, Texas currently faces a severe long-term water supply deficit, which could threaten the economic vitality of the state due to impacts on business and agriculture. The allocation of $1 billion annually to the Texas Water Fund under SB 7 and the proposed constitutional amendment, HJR 7, could help to address significant water project funding shortfalls and the current oversubscription of existing TWDB funding mechanisms. By expanding the kinds of projects eligible for funding under the New Water Supply for Texas Fund and making more funds eligible for transfers from the Texas Water Fund, the bill also

would increase TWDB's flexibility to strategically target financing toward statewide needs.

The costs of new water supply projects typically exceed the financial capacity of most water supply providers, requiring additional support from the state for such projects. Expanding the categories of water supply projects that would be eligible to receive funding from the New Water Supply for Texas Fund would help encourage the development of nontraditional water supplies, thus expanding and diversifying the state's water resources. In addition, including water reuse among these projects would help the state to maximize the use of existing water supplies.

The prohibition established by the bill against using the New Water Supply for Texas Fund to purchase in-state surface water rights out of their basin of origin also would help protect local control of surface water, and the prohibition against pipelines constructed using money from the fund from transporting groundwater would help prevent the depletion of these resources in certain areas.

Some areas of the state currently have excess water but are limited in capacity to transport it to areas facing shortages. The bill would help address these shortages by providing a framework for water conveyance projects and imports from out of state.

Additionally, the establishment of the Texas Water Fund Advisory Committee would provide meaningful oversight of the state's water investments. Requiring TWDB to make public reports on its progress regarding financing and water projects would improve accountability so that taxpayers can better understand their return on investment.

CRITICS SAY:

The bill should focus more explicitly on conserving existing water resources by prioritizing funding for infrastructure repair and replacement and water loss mitigation, given that water saved through these methods is significantly cheaper than new water. In particular, the development of new water supplies under the bill may not be able to happen quickly enough to address the state's currently pressing agricultural water needs. For these reasons, the bill should require the New Water Supply for Texas Fund to prioritize strategies like water reuse and aquifer storage and

recovery over reservoir construction and the desalination of produced water. In addition, the bill's focus on water conveyance could overshadow more cost-effective and sustainable solutions and could risk increased water loss during transportation.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of $10,476,834 in general revenue through the biennium. The Legislative Budget Board also estimates a two-year net impact of $2,230,834 to General Revenue-Dedicated Water Resource Management Account No. 153 through the biennium.

SB 7 is the enabling legislation for HJR 7 by Harris, which appeared on the calendar for second reading consideration on April 29.

SUBJECT: Establishing the Homeland Security Division in DPS

COMMITTEE: Homeland Security, Public Safety & Veterans' Affairs — committee substitute recommended

VOTE: 10 ayes — Hefner, R. Lopez, Cortez, Dorazio, Hickland, Holt, Isaac, Louderback, McLaughlin, Pierson

0 nays

1 absent — Canales

SENATE VOTE: On final passage (April 10) — 27 - 3

WITNESSES: For — Sheriff Bobbie Vickery, Sheriffs Association of Texas; Ammon Blair, Texas Public Policy Foundation (*Registered, but did not testify*: Sabrina Brown, American Chemistry Council; Alex Smith, ASSIST; Doug Clements, Centegix; Jeff Bonham, CenterPoint Energy; Sloan Byerly, Ky Ash, DPS Officers Association (DPSOA); Jay Howard, HillCo Partners; Heidi Ruiz, Houston Police Department; Sarah Horn, National Federation of Independent Business (NFIB); Charles Maley, South Texans' Property Rights Association; Mia McCord, Texas Chemistry Council; Bryan Flatt, Texas Municipal Police Association; Scott Rubin, Texas Police Chiefs Association; Dennis Kearns, Texas Railroad Association; John McCord, Texas Retailers Association; Mark Borskey, Texas Trucking Association; Jay Brown, Valero Energy Corporation; Keith Oakley; John Pitts, Jr)

Against — (*Registered, but did not testify*: Levi Fiedler, Rocio Fierro Perez, Texas Freedom Network; Michelle Venegas-Matula, Texas Unitarian Universalist Justice Ministry; Elva Mendoza; Shan Schaffer)

On - Mike George, Texas Department of Public Safety; Freeman Martin, Texas Department of Public Safety.

DIGEST: CSSB 36 would establish the Homeland Security Division in the Texas Department of Public Safety (DPS) to lead multi-agency, multi-

jurisdictional, and public-private efforts to enhance law enforcement initiatives and operations to support homeland security objectives in Texas. The bill would require the division to develop a comprehensive homeland security strategic plan, coordinate the collection and analysis of intelligence for Texas' border security operations, and coordinate efforts to protect Texas' critical infrastructure. The bill would also require the division to manage Operation Drawbridge at the Texas-Mexico border.

The bill would require the DPS director to appoint a chief of the division with the consent of the Texas Commission on Law Enforcement (TCOLE). The chief would act as the chief administrative officer of the division and would be under the supervision and direction of the DPS director, and to the extent the director determines, a deputy director of the department. The chief could employ deputy chiefs and other employees as necessary to perform the duties or exercise the powers of the division, or perform any duty or exercise any power of the department assigned to the division. The chief could also delegate any power or duty assigned to the chief or division unless prohibited by statute or rule.

Border security: planning and coordination. The bill would require the division, in collaboration with any other person who by law performs similar duties, to:

- provide the strategic and operational planning for Texas border security operations; and
- support Texas border security operations by coordinating the law enforcement efforts of federal and state agencies, local governments, and private organizations and by ensuring clarity and alignment on the law enforcement priorities and responsibilities of each stakeholder.

The division would be required to assist DPS as necessary, including each DPS region, with the department's tactical planning of border security operations, and to produce intelligence and similar reports as necessary to assist DPS.

Border security: intelligence. The division would be required to coordinate the collection, dissemination, and analysis of intelligence for

Texas' border security operations and operate dedicated intelligence centers for this purpose.

The division also would have to establish policies and procedures relating to the collection and management of intelligence, including establishing collection priorities and assigning the management responsibilities, for state agencies, local governments, and any private organizations participating in border security operations. With respect to Texas border security operations, the division would be required to analyze and assess collected intelligence to produce information bulletins and other similar reports considered advisable.

The division also would be required to manage the program for the installation and monitoring of cameras and surveillance equipment along the Texas-Mexico border, known as Operation Drawbridge.

Homeland security planning and preparedness. The bill would require the division, in collaboration with any other person who by law performs similar duties, to:

- regularly develop a comprehensive homeland security strategic plan for Texas;
- plan and facilitate homeland security exercises in coordination with the Texas Division of Emergency Management (TDEM) and other state agencies, federal agencies, local governments, and any participating private organizations;
- develop operational and tactical plans for significant law enforcement emergencies or contingencies, including assisting each department region with developing plans specific to the needs of that region; and
- conduct assessments of the risks and hazards posed to this state by criminal actors and organizations, and the capabilities of state and local stakeholders to respond to the occurrence of those risks and hazards, including by coordinating the annual completion of certain federal assessments by state agencies and local governments.

Public outreach and awareness. In addition, the division would be required to establish programs for regular outreach to and information

sharing among public and private organizations regarding threats by criminal actors and organizations, including coordinating the Bomb-Making Materials Awareness Program and similar programs, and ensuring private industry organizations were aware of:

- criminal threats to critical infrastructure, such as espionage and sabotage operations;
- best practices for protecting critical infrastructure from criminal actors and organizations; and
- available law enforcement resources to assist in protecting critical infrastructure and responding to threats.

Federal compliance. The division would be required to assist state agencies and local governments in complying with restrictions under federal law on commerce with certain entities, including any entity:

- listed in Supplement No. 4 to 15 C.F.R. Part 744, a federal supplement on certain entities or addresses subject to license requirements;
- identified as a Chinese military company by the U.S. Secretary of Defense; or
- restricted under any similar sanction program under federal law.

The division would be required to develop any additional assessment for risks and hazards posed by criminal actors and organizations that it considered necessary, and include recommendations to mitigate those risks and hazards in the comprehensive homeland security strategic plan.

Internship program. The bill would authorize the division to administer, or assist the department in administering, an internship program for students and other interested persons to participate in the operations of the division or the department, as appropriate.

Planning for physical protection of critical infrastructure. The division would be required to coordinate multi-agency, multi-jurisdictional, and public-private efforts to protect Texas' critical infrastructure from criminal actors and organizations. The division would

be required to prioritize efforts to ensure the physical protection of critical infrastructure in the energy, communications, transportation systems, and water and wastewater systems sectors identified by the National Security Memorandum on Critical Infrastructure Security and Resilience (NSM-22).

The division would have the authority to analyze and assess collected intelligence to produce information bulletins considered advisable. The division would be required to develop a system to identify and categorize critical infrastructure to facilitate initiatives to protect from criminal actors and organizations, including for facilitating any risk assessment of the infrastructure's assets or systems, and identifying any dependency or interdependency among those assets or systems.

The division also would provide support to TDEM in a disaster.

Infrastructure Liaison Officer Program. The division would be required to operate a program to train volunteers from public and private organizations to collect or receive intelligence information related to critical infrastructure threats and properly identify and report threats to DPS. The division would be authorized to set eligibility requirements for the program.

Work groups, study of technologies. The division would have the authority to establish a work group and appoint members to study any issue related to the division's duties or law enforcement initiatives or operations, and advise or produce written reports on an issue studied. The work group could be composed of representatives from state and federal agencies, local governments, and private organizations.

The division would be required, in collaboration with any person who by law performed similar duties, to establish or operate work groups to study methods or technologies to enhance border security operations and the security of critical infrastructure.

Research. The division would have to annually propose research priorities and an agenda to DPS and coordinate with higher education institutions to enhance the research capabilities of the institutions and DPS

by sharing information and aligning priorities. The division also would be required to research new technologies to enhance law enforcement initiatives and operations, including border security operations conducted by a state agency, local government or private organization.

Counseling and budgeting. The division would be required to, on request, provide subject matter expertise and counsel to a state agency or local government regarding the state's border security operations and critical infrastructure protection initiatives, including related grant programs, legislation, risk management assessments, and other initiatives.

Before each legislative session, the division would be required to confer with each state agency involved in homeland security activity regarding the portion of the agency's budget request that financed the agency's homeland security activities and coordinate with the agency to eliminate unnecessary redundancies. Under the bill, homeland security activity would mean any activity related to the prevention or discovery of, response to, or recovery from a terrorist attack, a hostile military or paramilitary action, or an extraordinary law enforcement emergency.

Grant and reimbursement programs. Notwithstanding any other law establishing a grant or reimbursement program administered by a state agency or local government related to preparedness against terrorist or criminal threats or to border security, the division would be required to, in collaboration with the governor, set priorities and guidelines for the program, including priorities for intended outcomes and guidelines for assessing the effectiveness of the program. The governor and DPS would be required to account for any federal grant money secured and any accompanying restrictions or requirements imposed by the federal agency awarding the grant.

Website and reports. The division would be required to maintain a publicly accessible website and publish assessments and other reports produced by the division that were not confidential.

Sensitive information provided by private organizations. Any information shared by a private organization during performance of duty would have to be kept confidential by the division, work group, or task

force if the private organization notified in writing that the information was not public information. If a division, task force, or work group was required to disclose the information, the division or applicable work group or task force would:

- by the fifth business day before the date the information was disclosed, notify the private organization that provided the information of the required disclosure; and
- disclose the information in the same condition as the division or applicable work group or task force received the information, including providing any labels or other markings that were originally provided with the information.

Duties. The bill would amend the duties of the Homeland Security Council and permanent special advisory committees in the Government Code and require the council or committee to collaborate with DPS's Homeland Security Division to advise the governor on homeland security strategies and matters related to its planning and development.

As soon as practicable, DPS would be required to transfer the management and operations of the Border Security Operations Center and the Joint Operations and Intelligence Centers to the Texas Homeland Security Division and formalize written agreements with any other state agency involved in the management or operations to transfer related assets and responsibilities of those centers to the division.

CSSB 36 would take effect September 1, 2025.

SUPPORTERS SAY:

CSSB 36 would establish a centralized strategic framework through a Homeland Security Division of the Texas Department of Public Safety to lead multi-agency, multi-jurisdictional, and public-private efforts to protect Texas' critical infrastructure and prepare against terrorist or criminal threats or threats to border security. Texas faces significant challenges across the state, with current responsibilities related to border security, critical infrastructure protection, and emergency preparedness spread across DPS, local law enforcement, and private partners. The bill would address overlapping efforts, gaps in coordination, and

inconsistencies in how intelligence is collected to more proactively safeguard Texans against transnational threats.

By consolidating the Border Security Operations Center and Joint Operations & Intelligence Centers into one chain of command, CSSB 36 would reduce duplication and unify existing efforts to better align law enforcement operations at the border and statewide without expanding government powers. Forming the division under DPS would maximize the use of established resources to coordinate counter terrorism, intelligence, and border security operations to run as one centralized program rather than several individual units under different divisions. Texas already spends considerable dollars on border security, and CSSB 36 would help to manage those dollars more intelligently.

By creating a formal process for sharing confidential border-related information between law enforcement agencies, private organizations, and federal partners working in joint intelligence operations on the border and with Mexico, the bill would prevent confusion about which partners were authorized to receive sensitive information. Additionally, by requiring research into new technologies, the bill would encourage collaboration between DPS and higher education institutions.

All personnel in the division would be DPS employees subject to standard training and would not include ad-hoc militias. The only volunteer element under the bill would be the Infrastructure Liaison Officer Program, which would teach vetted industry employees how to report suspicious activity. These volunteers would not be armed or deputized, and selection criteria would ensure those that DPS would not authorize were not included.

While some have suggested that the bill would discriminate against foreign companies, CSSB 36 would only require the division to assist agencies in complying with restrictions under the existing federal export control and sanction lists that apply to any entity designated as a national security risk by the federal government.

The Operation Drawbridge surveillance cameras under the division would focus on the smuggling corridors, not private or urban centers, and any

footage captured would have to comply with the Texas Public Information Act on investigative evidence.

CRITICS SAY:

While CSSB 36 would establish the Homeland Security Division to combat border security issues and terrorism, these problems facing the state are larger than what Texas can counter on its own and could be more appropriately and sufficiently addressed by the federal government with its military capacity.

The bill would require the division to work with private organizations along with law enforcement agencies in leading border security and other statewide efforts, which could encourage private militia participation or participation by other private entities without appropriate oversight. Establishing additional infrastructure and surveillance cameras along the U.S.-Mexico border would further militarize the border and could raise questions about privacy and constitutional protections among border residents. The bill would also centralize too much power in the new DPS division, which could reduce local input and democratic oversight. The bill should include transparency provisions, such as a grievance process, to address the needs of impacted residents.

By focusing on Chinese military companies among the entities subject to commerce restrictions that the division would be required to assist state agencies and local governments in complying with, CSSB 36 could lead to discriminatory targeting of Chinese companies, particularly given the separation from other sanctioned entities in the bill.

In addition, the bill would allocate significant funding annually to state homeland security functions that overlap with existing federal Department of Homeland Security responsibilities. These resources would be better directed towards other pressing state needs. As such, CSSB 36 would be an overreach that could compromise certain civil liberties while duplicating federal efforts at significant taxpayer expense.

NOTES:

According to the Legislative Budget Board, SB 36 would have a negative impact of $7,150,649 on the general revenue related funds through the biennium.

SUBJECT: Revising procedures for eviction suits and appeals

COMMITTEE: Judiciary & Civil Jurisprudence — favorable, without amendment

VOTE: 6 ayes — Leach, Dyson, Hayes, LaHood, Moody, Schofield

4 nays — Johnson, Dutton, Flores, J. González

1 absent — Landgraf

SENATE VOTE: On final passage (April 10) — 21 - 8 - 1

WITNESSES: None

DIGEST: SB 38 would make revisions and additions to certain procedures for eviction suits under the Property Code.

Venue. SB 38 would require an eviction suit to be brought in the justice precinct in which the relevant property was located. Under certain circumstances, the justice court would be required, on the plaintiff's motion, to transfer the suit to a justice court in an adjacent precinct in the county in which the property was located.

Notice. SB 38 would repeal, revise, and replace various provisions for a landlord's eviction notice. In a suit against a tenant whose right of possession was terminated based on nonpayment of rent, the bill would specify that the landlord was required to provide written notice to the tenant, in the form of either a notice to pay rent or vacate or a notice to vacate, before filing a forcible detainer suit.

If a federal law or rule required a landlord to give notice before requiring the tenant to vacate, the federal requirement would not be a basis to delay or abate the suit. A writ of possession could not be served on a tenant until the period between the delivery of the notice under state law and the service of the writ equaled or exceeded the period prescribed by the federal requirement.

The bill would repeal a provision that prohibited notifying a tenant to vacate before the period to respond to an eviction notice had expired. Instead, the bill would allow the period for a notice to pay rent or vacate or a notice to vacate to, at the landlord's discretion, run concurrently with the period for the tenant to respond.

The bill also would allow a notice to vacate to include the required opportunity to respond. The notice would have to be delivered using at least one of the methods specified in the bill, including by electronic communication if the parties had agreed in writing.

Petition. Under SB 38, to initiate an eviction suit, a sworn petition would have to be filed with the court, including contents required by the Texas Rules of Civil Procedure. A court could adopt local rules, forms, or standing orders for eviction suits in accordance with the Rules of Civil Procedure. A court could not:

- require content other than that required by the Texas Rules of Civil Procedure;
- require any mediation, pretrial conference, or other proceeding before trial; or
- authorize dismissal of an eviction suit on the basis that the petition was improper if it met or could be amended to meet the requirements of the Texas Rules of Civil Procedure.

The bill would require a sheriff or constable to make a diligent effort to serve the petition and accompanying citation for a suit to recover possession within five business days of the petition being filed. If the citation and petition were not so served, the bill would allow the landlord to provide for service by another law enforcement officer who had received appropriate training as determined by the Texas Commission on Law Enforcement.

The bill would require the court to hold the trial of an eviction suit no earlier than the 10th day or later than the 21st day after the petition was filed. The court could not hold the trial earlier than the fourth day after the tenant was served with the petition and could not postpone the trial for more than seven days unless the parties agreed in writing. If the parties

agreed, a justice court could allow parties to appear at a suit proceeding by videoconference, teleconference, or other electronic means.

SB 38 would establish that a justice court in which a petition was filed under the bill would have to adjudicate the right to actual possession of the premises and could not adjudicate title to the premises. Counterclaims and the joinder of suits against third parties would not be permitted in eviction suits.

Summary disposition. SB 38 would authorize a landlord who filed a sworn petition for eviction to include a sworn motion for summary disposition without trial. Notice to a tenant of a landlord's motion for summary disposition would have to be included in the citation for an eviction petition.

If the motion showed that there were no genuinely disputed facts that would prevent a judgment in favor of the landlord, the court could enter judgment in favor of the landlord without a trial, unless the tenant responded within four days of being served and the court determined that there were genuinely disputed facts. The court would be authorized to consider a response filed by a tenant later than the fourth day if the response was filed before judgment had been entered.

The court would have to notify a tenant in writing of a summary judgment for possession by sending a copy of the judgment by first-class mail no later than 48 hours after entering the judgment.

Appeal. SB 38 would repeal and replace certain provisions governing procedures for a party to an eviction suit to appeal the judgment of a justice court in an eviction suit. A party could appeal by filing a bond, cash deposit, or statement of inability to afford payment of court costs with the justice court within five days after the judgment was signed. A tenant who filed an appeal would have to affirm, under penalty of perjury, the tenant's good faith belief that the tenant had a meritorious defense and that the appeal was not for the purpose of delay.

The justice court would be required to forward the appeal to the county court no earlier than 4 p.m. on the sixth day or later than 4 p.m. on the

10th day after the tenant filed the appeal, except that, if the court confirmed that the tenant had timely paid the required initial rent payment into the justice court registry, the court could forward the papers for the appeal immediately. The county court would be required to hold a trial within 21 days of the papers being delivered.

Rent payment during pending appeal. SB 38 also would repeal, revise, and replace certain provisions governing rent payment during an eviction appeal. The bill would require a tenant to pay rent for one rental pay period, no later than five days after filing an appeal. On or before the beginning of each rental pay period during the pendency of the appeal, the tenant would have to pay rent for one rental period into the justice or county court registry, as applicable, according to the court in which the case was pending.

The court would be required to disburse the rent to the landlord on request at any time during or after the pendency of the appeal. The bill would provide for the rent amount to be paid in the absence of a rental agreement.

The bill would repeal a provision limiting the rent obligation by certain tenants whose rent was paid in part by a government agency and who objected to a justice court's ruling on the portion of rent to be paid during appeal.

Writs of possession. The bill would amend provisions governing the execution of a writ of possession during an eviction appeal in which the tenant failed to pay the required rent to allow the writ to be executed by other law enforcement officers in addition to the sheriff or constable.

SB 38 would establish that a writ of possession was a ministerial act not subject to review or delay and would require a sheriff or constable to serve the writ within five days. If the writ was not so served, the landlord could have the writ served by any other law enforcement officer who had received appropriate training.

The bill would revise the definition of "premises" by adding that any outside area or facility must be occupied by or in the possession of a

person against whom an eviction suit was filed to meet the definition of premises for the purposes of an eviction suit.

The bill would require the Texas Supreme Court to adopt rules as necessary to clarify eviction procedures consistent with statue as amended by SB 38. This provision of the bill would go into effect on September 1, 2025.

Otherwise, the bill would take effect January 1, 2026, and would apply only to an eviction suit in which the petition was filed on or after that date.

SUPPORTERS SAY:

SB 38 would protect property rights by streamlining the process to evict unauthorized occupants. Under the current process, eviction can take months and involves many procedural technicalities that work against landlords, imposing unnecessary costs on the property owner and potentially allowing property damage or rent delinquency to occur or continue. SB 38 would make the eviction process more timely, fair, and predictable while balancing the rights of owners and residents and improving community safety. The bill would address both growing concerns around the problem of squatters and the more common problems of bad-faith holdovers and serial non-payment of rent by tenants. The bill also would help address the problem of housing affordability and accessibility by reducing landlords' expenses and ensuring that units could be made available to new tenants more quickly.

The bill would allow property owners to file a motion for a summary judgment without trial in certain cases where the facts were not in dispute, while retaining adequate notice requirements and the right of appeal for a trial for tenants. Summary judgment mechanisms are common in civil law and are constitutional when proper notice and opportunity are provided, as they would be under SB 38. The bill also would not reduce the existing 3-day notice to vacate but would add structure to trial scheduling and response deadlines that reflect existing court practices in many counties, providing greater uniformity and potentially reducing case duration and backlogs. The bill also would allow for electronic filings and proceedings, enabling modernization of court processes.

Although SB 38 would promote faster adjudication of eviction cases, it would not prevent voluntarily negotiated solutions between landlords and tenants. The bill could instead incentivize such agreements by providing structured timelines. Under the current process, landlords are pressured to initiate legal proceedings as early as possible because of how long the process may take. Providing landlords more certainty about their ability to regain control of their property in a timely fashion would allow them more flexibility to give tenants time to pay overdue rent or otherwise come to an agreement.

SB 38 would take a holistic approach to fix systemic bottlenecks in the eviction process, including addressing the problem of delays in serving writs of possession due to a lack of available manpower among sheriffs and constables by allowing landlords to used trained alternative officers if writs are not served within five days.

The bill would not aim to increase evictions or punish tenants, but would streamline a process that already exists and restore balance to the system to ensure that property owners' rights are respected.

CRITICS SAY:

SB 38 would limit the due process rights of tenants under the Texas Constitution by allowing evictions without a hearing and proper representation. The bill would shorten an already rapid process, and tenants, especially economically disadvantaged individuals, would be unlikely to be able to adequately respond to an eviction notice and motion for summary judgment within the bill's proposed timelines. The current eviction process is not difficult for landlords to comply with, and most evictions are able to be carried out in a timely fashion under this process.

SB 38 would not be specifically tailored to address the problem of squatters, who make up a small fraction of eviction cases, but would apply to all tenants, including those who are only slightly late for rent payment. Most such eviction cases are resolved by negotiation before going to trial, but SB 38 could make such settlements harder to reach due to the shorter timeline. Institutional landlords, especially those from out of state, could be incentivized to remove tenants as quickly as possible with no opportunity for negotiation in order to maximize profits. The problem of squatters could be addressed more directly by limiting the scope of the bill

and providing stiffer criminal penalties. Additionally, the problem of delays in serving writs of possession could be addressed more specifically without extensive revisions to eviction proceedings under the bill.

SB 38 could increase evictions in Texas, which could lead to more homelessness, food insecurity, and negative health outcomes. This in turn, could place a greater burden on government services and nonprofits, including homeless shelters, emergency rooms, and food banks. Eviction should be a last resort carried out with fairness and due process, which the bill could threaten.

OTHER CRITICS SAY:

SB 38 would substantially increase workloads for justice courts. The bill's requirements would add complexity to the eviction process that could require budget increases, technological upgrades, and additional training for court staff.

SUBJECT: Prohibiting use of automated decision systems for adverse determinations

COMMITTEE: Insurance — favorable, without amendment

VOTE: 8 ayes — Dean, Vo, J. González, Goodwin, Hopper, Morgan, Paul, Wharton

0 nays

1 absent — Spiller

SENATE VOTE: On final passage (March 26) — 30 - 0 - 1

WITNESSES: For — (*Registered, but did not testify*: Stacy Wilson, Children's Hospital Association of Texas; T.J. Patterson, City of Fort Worth; Christine Busse, NAMI Texas; Mark Bordas, Patient Choice Coalition; Jessica Schleifer, Teaching Hospitals of Texas; David Mintz, Texas Academy of General Dentistry; David Reynolds, Texas Chapter American College of Physicians; Lauren Fleming, Texas Coalition For Patients; Sara Allen, Texas College of Emergency Physicians, Texas Radiological Society and Texas Society of Pathologists; Kelsey Bernstein, Texas Council of Community Centers; McCann Turner, Texas Health Resources (THR); Danielle Lobsinger Bush, Texas Healthcare and Bioscience Institute; Ben Wright, Texas Medical Association; Clayton Travis, Texas Pediatric Society; Richard Evans, Texas Society of Anesthesiologists; Desiree Ingram, Texas Women's Healthcare Coalition)

Against — None

On — (*Registered, but did not testify*: Amanda Dillon, Health and Human Services Commission (HHSC); Rachel Bowden, Texas Department of Insurance)

BACKGROUND: Concerns have been raised that relying solely on artificial intelligence (AI) algorithms to determine medical necessity in the health benefit claims process could lead to inappropriate denials, delays, or modifications of care.

DIGEST:

SB 815 would amend the Insurance Code to prohibit a utilization review agent from using an automated decision system to make an adverse determination wholly or partly. The insurance commissioner would be authorized to conduct an audit or inspection any time a utilization review agent used an automated decision system for utilization review. These provisions would not prohibit the use of an algorithm, artificial intelligence system, or automated decision system for administrative support or fraud-detection functions.

The bill would amend the definition of "adverse determination" to include a determination that health care services provided or proposed to a patient were not appropriate, in addition to not medically necessary, or experimental or investigational.

"Automated decision system" would mean an algorithm, including an algorithm incorporating an artificial intelligence system, that used data-based analytics to make, suggest, or recommend certain determinations, decisions, judgments, or conclusions.

The bill would require a notice of an adverse determination to include both, rather than either, a description of and the source of the screening criteria used as guidelines in making the determination. The bill also would require the notice to include a description of and the source of review procedures used as guidelines in making the determination.

The bill would take effect September 1, 2025, and would apply only to utilization review conducted for a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2026.

SUBJECT: Establishing a capacity cost recovery rider for certain electric utilities

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 13 ayes — King, Hernandez, Anchía, Darby, Y. Davis, Geren, Hull, McQueeney, Metcalf, Phelan, Raymond, Thompson, Turner

0 nays

2 absent — Guillen, Smithee

SENATE VOTE: On final passage (May 9) — 31 – 0, on Local and Uncontested Calendar

WITNESSES: None (*Considered in a formal meeting on May 15*)

DIGEST: SB 1856 would establish a capacity cost recovery rider for an electric utility that operated solely outside of ERCOT in areas of the state included in the Southeastern Electric Reliability Council.

The bill would provide that it was the intent of the Legislature that certain changes to the level of an electric utility's capacity-related costs and capacity-related revenues due to wholesale rate decisions and determinations by a federal agency or a regional transmission organization subject to federal jurisdiction should be timely reflected in the utility's rates.

On application by an applicable electric utility that had not exceeded its authorized return on equity as shown in the most recent earnings monitoring report at the time of the application, the Public Utility Commission of Texas (PUC) would be required to establish a capacity cost recovery rider that would have to be annually updated, allow recovery of the utility's eligible costs, and allow return to ratepayers of the utility's eligible revenues.

The bill would specify that eligible costs and revenues were capacity-related costs and revenues associated with the electric utility's participation in a multi-state capacity auction operated by a regional

transmission organization or independent system organization authorized by the Federal Energy Regulatory Commission (FERC), to the extent the costs and revenues were not already being recovered through the utility's base rates.

Amounts recovered through a capacity cost recovery rider would be subject to reconciliation in the utility's next base rate proceeding. As part of the reconciliation, PUC would have to review the costs and revenues to determine if they were reasonable and prudently incurred and to ensure the electric utility was only recovering costs allocable to retail customers in the state and was not over-recovering costs. In each base rate proceeding following the establishment of a capacity cost recovery rider, PUC would be required to remove from the electric utility's base rates all cost and revenue items eligible for recovery through the rider.

The annual revenue requirement and rates for a proposed capacity cost recovery rider would have to include:

- the electric utility's calculated costs and revenues for the upcoming year beginning on the June 1 associated with the utility's participation in a multi-state capacity auction; and
- a true-up amount that accounted for any difference between the utility's actual eligible costs and revenues and its actual collections under any rider put into effect two years before the effective date of the proposed rider, plus certain adjustments for identified mathematical errors and certain refunds or surcharges ordered by FERC or a regional transmission organization.

The capacity cost recovery rider charges would have to be derived using the same production demand allocation factors approved in the electric utility's most recent base rate case and the projected billing determinants for the rate effective period. The billing determinants would have to be derived using each customer class's projected kilowatt-hour usage, except for customer classes with demand meters for which the billing determinants would be derived using each customer class's projected kilowatt billing demand.

Until the time the electric utility removed from base rates any costs eligible for rider recovery and these costs were recovered solely through the capacity cost recovery rider, calculation of the rider would have to include a load growth adjustment to take into account changes in the number of the utility's customers and the effects, on a weather-normalized basis, that energy consumption and energy demand had on the amount of revenue recovered through the utility's base rates.

PUC would be required to process an application to establish or update a capacity cost recovery rider in accordance with timelines and other criteria provided by the bill.

For a capacity cost recovery rider that would include an electric utility’s costs to be incurred beginning on June 1 of a given year, the utility would have to submit the rider application by May 15 of that year or, if the regional transmission organization or independent system operator published its capacity auction cost results after the 20th business day of April of that year, a date that was the same number of days after May 15 of that year as the number of days after the 20th business day of April the results were published.

The application would have to be fully documented, including testimony and all supporting work papers in native format. A response to the electric utility's filing that was made by PUC staff or an intervenor would have to be filed within 15 days of the utility's filing and could address only whether the application conformed with any rule the PUC adopted to implement the bill and the mathematical accuracy of the utility's proposed capacity cost recovery rider revenue requirement and rates. Any other inaccuracy identified could be addressed only in the electric utility's next capacity cost recovery rider application.

PUC could review costs and revenues and would have to issue an order approving, modifying, or denying an electric utility's proposed or updated capacity cost recovery rider within 60 days of the application being filed.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2025. The bill would expire September 1, 2035.

SUPPORTERS SAY:

By establishing a capacity cost recovery rider and requiring annual updates, SB 1856 would modernize the regulatory framework for capacity cost recovery in areas outside of ERCOT, specifically the area served by Entergy Texas. Currently, capacity-related costs are set only once during a base rate case proceeding every four years based on expenses from a single year. Such long-term fixed rates do not reflect real-time market fluctuations, which can lead to consumers being over- or undercharged. The existing structure complicates efforts to meet growing energy demands and could hinder timely infrastructure investments if costs exceed the set rates, and does not offer a mechanism for utilities to pass savings to customers when costs are lower. The bill would enable a more accurate reflection of actual costs, help stabilize rates for utilities, and ensure fair pricing for consumers.

While some have suggested that full base rate case proceedings would allow for more balanced rate adjustments than capacity cost recovery riders, base rate case proceedings rely on outdated data and lack a mechanism to adjust for volatile, market-driven expenses, resulting in rates being out of sync with current conditions. Utilities also would not be able to select costs for the rider for their own benefit, as the relevant costs would be determined by the independent MISO capacity market rather than the utilities.

The bill also would include consumer protections that would prevent utilities from using the rider if they were overearning and would preserve the Public Utility Commission's ability to review, modify, or deny costs to ensure utilities were not profiting from these adjustments, balancing financial stability for utilities with protections for ratepayers.

CRITICS SAY:

SB 1856 would establish a rate rider where single costs, rather than a utility's entire costs and revenues, were considered in isolation to adjust utility rates. This could allow for individual cost selection that benefits the utility and could cause other potential changes in costs and revenue that offset the need for a rate increase to be overlooked. A full base rate case proceeding, in contrast, would provide a more comprehensive view of a utility's financial picture and ensure more balanced rate adjustments.