

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 4, 2007**

**TO:** Honorable John Whitmire, Chair, Senate Committee on Criminal Justice

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB198** by Madden (Relating to the capacity of certain correctional facilities operated under contracts between the Texas Board of Criminal Justice and a private vendor or county commissioners court.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Government Code provisions prescribing the capacity of certain correctional facilities operated under contracts by the Texas Board of Criminal Justice with a private vendor or county commissioners' court. The bill would change the maximum allowable average daily inmate population at a contract facility from 1,000 to 1,150, and would change the total maximum allowable contracted beds from 4,580 to 5,580.

This fiscal note assumes that Chapter 495 of the Government Code applies only to state-owned privately operated prison beds, and excludes privately operated state jails and temporary leased beds. Any expansion of bed space would require an analysis of the existing facilities where growth would occur to verify that the capacity increase would be in compliance with the standards for prison populations established by Chapter 499, Government Code. Any potential savings would also be affected by the costs to expand the bed capacity. This analysis assumes that the beds would be added to the permanent operating capacity of the Texas Department of Criminal Justice (TDCJ) and would reduce the need for contracted temporary capacity.

Assuming that TDCJ continues to contract for temporary leased beds throughout the 2008-09 biennium and that 150 beds could be added to current capacity, the potential annual savings would be \$357,518 per fiscal year. The potential cost savings is calculated by multiplying 150 beds by 365 days by an average daily savings of \$6.53 (average daily cost of temporary leased bed of \$40.00 - (\$29.21 average daily cost for a privately operated prison bed + \$4.26 average daily medical cost) = \$6.53).

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 696 Department of Criminal Justice

**LBB Staff:** JOB, ES, GG, VDS, KJG