

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 10, 2007

TO: Honorable Jerry Madden, Chair, House Committee on Corrections

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

IN RE: HB2512 by Dutton (Relating to the capacity and location of correctional facilities operated by the Texas Youth Commission and the transfer of correctional facilities from the Texas Youth Commission to the Texas Department of Criminal Justice.), **As Introduced**

The probable impact of the bill cannot be determined due to the unavailability of reliable data or information relating to the circumstances involved in transferring a large number of facilities from TYC to TDCJ.

The bill would amend the Human Resources Code by adding Sections 61.055 and 61.056. The bill would limit the maximum capacity of the Youth Commission (TYC) to 3,000 youth, including youth housed in TYC-operated facilities, halfway houses, and contract programs, unless the governor provides approval to exceed the maximum capacity. TYC would be required to confine no more than 100 youth in each community-based facility, would be required to operate community-based facilities in counties with a population of at least 600,000, and could operate a community-based facility in any other county. A youth would be required to be confined in a TYC facility in the county in which he resides, or if no TYC facility exists in the county in which the youth resides, he must be confined in the facility nearest the county in which the youth resides. TYC would be required to transfer to the Department of Criminal Justice (TDCJ) any facility designed to house more than 100 youth not later than September 1, 2008. TDCJ would be allowed to use transferred TYC facilities in any manner the agency determines appropriate. All TYC employees who work in facilities housing more than 100 youth would be required to reapply for their jobs on September 1, 2008. Section 61.049, Human Resources Code, placing the Crockett State School for Girls under the jurisdiction of TYC, would be repealed. The bill would take effect September 1, 2007.

TYC makes several assumptions in the cost estimate provided. The 3,000 beds would be comprised of 218 in halfway houses, 496 in contracted capacity, 1,518 in secure community-based contract programs, and 768 in state-operated leased space (8 facilities at 96 beds each). The leased facilities would be located in or near counties with a population of 600,000 (Harris, Dallas, Tarrant, Bexar, Travis, El Paso, Hidalgo, and Collin), causing the assessment function to be decentralized and a need for more FTEs and funds for transportation. Additional contract specialists and quality assurance staff would be required. Education would be provided at each facility by the local school districts. Workforce development and central office non-grant funded staff would be retained to manage and monitor the programs. Federal grant and Foundation School Funding would be lost. The parole population is expected to increase, assuming the commitment rate remains the same, and lengths of stay would be shortened. Central administrative staff would be decreased for indirect functions including accounting, budgeting, payroll, human resources, purchasing, etc.

TYC anticipates a reduction of 2,778.6 FTEs in each year beginning in fiscal year 2008. A reduction of \$67,899,709 in General Revenue funds in fiscal year 2008 and \$70,901,962 in fiscal year 2009, with an ongoing reduction of \$70,901,962 in future years, is anticipated by the agency. An additional reduction of \$9,815,763 in Federal Funds, \$380,051 in appropriated receipts, and \$10,194,934 in Interagency Contracts is anticipated in each year of the biennium and in ongoing future years. The total anticipated All Funds reduction for TYC is \$88,290,457 in fiscal year 2008 and \$91,292,710 in fiscal year 2009.

TYC residential capacity would be transferred to TDCJ as a result of this proposal. TDCJ's use of the former TYC beds would depend upon numerous factors that cannot be determined at this time, including: the future number of beds needed by TDCJ, the type of beds needed by TDCJ, location of facilities and local approval of TDCJ operation of facilities, and the need to retrofit for TDCJ inmate occupation. It is possible that TDCJ could use the beds to replace temporary contract capacity or permanent capacity. It is not possible to determine if the final result of passage of the bill would be a cost or a savings, as the fiscal impact of the bill regarding

TDCJ cannot be determined at this time.

Local Government Impact

Local governments would assume the costs of TYC youth who are not committed to TYC. The fiscal impact of the bill regarding local government cannot be determined at this time.

Source Agencies: 665 Juvenile Probation Commission, 694 Youth Commission, 696 Department of Criminal Justice

LBB Staff: JOB, ES, GG, AI