

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 28, 2011

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

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

IN RE: HB1599 by Rodriguez, Eddie (Relating to the sale of prison-made products to nonprofit organizations.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to provide the Department of Criminal Justice (TDCJ) authority to sell prison-made (Texas Correctional Industries) articles or products to non-profit organizations.

TDCJ would anticipate increased revenue from the expansion of sales to non-profit organizations. Selling TCI products to non-profit organizations would also increase the number of full-time-equivalents and the amount of materials necessary to meet the increased demands for products. Since the number of non-profit organizations that may purchase TCI products and the type of products non-profit organizations may purchase is unknown, the agency cannot determine the amount of additional revenue the expansion would create. However, it is not anticipated to be significant due to the offsetting costs associated with the expansion of sales.

TDCJ estimates collections of \$50.8 million in TCI receipts in fiscal year 2010. TDCJ has appropriation authority for TCI receipts for use in the production of TCI goods. TDCJ may maintain unexpended and unobligated fund balances up to \$5 million per fiscal year. The unexpended and unobligated balance at the end of fiscal year 2010 was approximately \$3.5 million. In recent years, the balance of unexpended and unobligated funds at the end of each fiscal year has not exceeded \$5 million and no funds have been transferred to the General Revenue Fund.

Local Government Impact

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

Source Agencies: 696 Department of Criminal Justice

LBB Staff: JOB, ESi, GG, AI