

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 6, 2011**

**TO:** Honorable Jim Pitts, Chair, House Committee on Appropriations

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

**IN RE: HB3649** by Otto (Relating to state fiscal matters related to law enforcement and criminal justice.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3649, As Introduced: a positive impact of \$58,719,737 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	\$29,139,123
2013	\$29,580,614
2014	\$31,372,373
2015	\$28,317,834
2016	\$24,880,760

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>	<b>Probable Revenue Gain from General Revenue Fund 1</b>
2012	\$29,108,823	\$30,300
2013	\$29,550,314	\$30,300
2014	\$31,342,073	\$30,300
2015	\$28,287,534	\$30,300
2016	\$24,850,460	\$30,300

**Fiscal Analysis**

Article 1 of the bill would authorize state agencies to reduce or recover expenditures by taking action to consolidate reports, extend license, permit or registration periods, enter into contracts to carry out an agency's duties, adopt additional eligibility requirements for benefits, provide for electronic communication, and adopt and collect fees or charges to recover costs incurred by an agency.

Article 2 of the bill would implement recommendations in the report "Improve the Effectiveness of Motor Vehicle Theft Prevention Programs in Texas" in the Legislative Budget Board's Government Effectiveness and Efficiency Report submitted to the Eighty-second Texas Legislature, 2011. The bill would amend Article 4413 of Vernon's Civil Statutes to require the Automobile Burglary and Theft Prevention Authority (ABTPA) to develop and use standard performance measures for each category of grants it provides. ABTPA would be required to ensure that grants are used to help

increase the recovery rate of stolen motor vehicles, clearance rate of motor vehicle burglaries and thefts, and the number of persons arrested for motor vehicle burglary and theft. The bill would require ABTPA to allocate grant funds primarily based on the number of motor vehicles stolen in or motor vehicle burglary or theft rate across the state and to biennially update a plan of operation and provide it to the Legislature.

The bill would authorize the Department of Public Safety (DPS) to administer, rather than require, a statewide motor vehicle registration program. DPS would be required to collect data regarding theft rates and types of motor vehicles enrolled in the program, the recovery rate for stolen motor vehicles enrolled in the program, and the clearance rate of burglaries and thefts of motor vehicles enrolled in the program.

Section 3.01 of the bill would expand the Commission on Jails Standards (TCJS) fee collection to include any re-inspection that is required by state law or Commission rules or is requested by the operator of the jail.

Section 3.02 of the bill would repeal Government Code, Section 511.091 (b) and (c) to remove language that limits TCJS fee collection authority to certain jails.

Section 4.01 of the bill would implement a recommendation in the report, "Establish A Supervised Reentry Program to Reduce Costs and Improve Efficiencies" in the Legislative Budget Board's Government Effectiveness and Efficiency Report submitted to the Eighty-second Texas Legislature, 2011. This section would amend the Texas Government Code and require the Board of Pardons and Parole (Parole Board) to release offenders who would otherwise serve their entire sentence to be reintroduced into society through a supervised reentry program. Offenders who are eligible for release on parole or mandatory supervision would be eligible for this program. The Texas Department of Criminal Justice (TDCJ) and the Parole Board would be required to work together to define the requirements of the supervised reentry program. Such a program would require a parole panel to order the release of an offender to the supervised reentry program either one year before the date on which the offender would discharge his sentence, or the date on which the offender would have served 90 percent of his sentence (whichever is later). The offender's release date would be determined by the actual calendar time the offender served, without consideration of good conduct time.

Section 4.02, would amend the Government Code to delete the statutory requirement that the Department of Criminal Justice Community Justice Assistance Division pay per diem rates for misdemeanor offenders supervised by community supervision and corrections departments.

Section 4.03, would repeal Section 8, Article 42.12 of the Code of Criminal Procedure and Section 499.052 of the Government Code to abolish state boot camps.

Section 4.04, would add a section to the Government Code to prohibit a judge from recommending a person for a state boot camp and would dictate that an offender would remain a participant in a state boot camp only until the convicting court suspends further execution of sentence and reassumes custody of the offender, or until TDCJ transfer the offender to another unit.

Article V of the bill would repeal Section 5.56 of the Alcoholic Beverage Code, eliminating a recurring transfer of \$250,000 per fiscal year from the Texas Alcoholic Beverage Commission (TABC) to the Texas Department of Agriculture (TDA) for the Wine Marketing Assistance Program.

## **Methodology**

The extent to which an agency would use the authority granted in Article 1 is unknown. Therefore, the impact of these changes is not included in the estimates shown above.

This analysis assumes that the provisions in Article 2 could be implemented using existing resources.

According to TCJS, Section 3.01 would generate up to \$30,300 in collection fees per fiscal year assuming a \$300 fee per re-inspection. CSHB 1 limits the agency's appropriation of fee receipts to

\$13,000 per fiscal year, with any receipts in excess of this amount being transferred to the General Revenue Fund.

While Section 4.01 of the bill does not prescribe the level of supervision offenders in the supervised reentry program would receive, the fiscal impact assumes offenders released into the program would be subject to the highest level of supervision TDCJ's Parole Division currently provides, the Super Intensive Supervision Program (SISP). Incarceration cost savings are estimated using \$49.54 per offender per day cost for prison facilities which is the approximate cost of either operating facilities or contracting with other entities. The costs of reentry supervision are estimated on the basis of \$25.24 per day, which is the active daily supervision cost for SISP. The difference in cost is \$24.00. A simulation model used to estimate the decreased demand in bed capacity estimates that 5,320 offenders in fiscal year 2012 and 3,730 persons in fiscal year 2013 would be released to supervised reentry. Savings from implementing a supervised reentry program is estimated to be \$15,150,456 in General Revenue Funds in fiscal year 2012 and \$15,853,117 in General Revenue Funds in fiscal year 2013.

Section 4.02 of the bill would result in a General Revenue Fund savings of \$27,155,564 for the 2012-13 biennium. The funding level is calculated using the Legislative Budget Board misdemeanor offender population projections, at a rate of \$0.70 per day for 182 days as required by Government Code, Section 509.011.

Section 4.03 of the bill would achieve no direct savings for this item but would provide 408 beds in additional capacity for sentenced offenders which has been assumed in CSHB 1.

Article 5 would save \$250,000 in General Revenue Funds per fiscal year because appropriations to TABC would be reduced by the same amount for the 2012-13 biennium.

### **Local Government Impact**

Each community supervision and corrections department would have to determine the level of misdemeanor supervision it would provide in the absence of state funding. The amount of state savings is based on the misdemeanor supervision population projections. The local cost could be up to \$27.1 million statewide for the 2012-13 biennium if the projected number of misdemeanants is supervised.

**Source Agencies:** 401 Adjutant General's Department, 405 Department of Public Safety, 407 Commission on Law Enforcement Officer Standards and Education, 409 Commission on Jail Standards, 411 Commission on Fire Protection, 458 Alcoholic Beverage Commission, 608 Department of Motor Vehicles, 665 Juvenile Probation Commission, 694 Youth Commission, 696 Department of Criminal Justice, 697 Board of Pardons and Paroles

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