

## **BILL ANALYSIS**

Senate Research Center  
84R90 MEW-D

H.B. 307  
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Criminal Justice  
5/17/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties contend that a pay-for-performance program, in which nongovernmental organizations finance and implement new service delivery models on behalf of governments under a pay-for-success contract model, could prove beneficial in a public-private partnership for the provision of certain criminal justice programs and services. Under this model, the privately financed interventions that successfully improve social outcomes and save public funds would merit payments from the government, which in turn would generate a commensurate return on investment; but unsuccessful outcomes would not merit such payments. The parties believe that such a program for those services would place the focus squarely on the implementation of evidence-based practices that deliver results. H.B. 307 seeks to implement a study on the impact of such a program for criminal justice programs and services.

H.B. 307 amends current law relating to a study on the feasibility and potential costs and benefits of implementing a pay-for-performance contract program for certain criminal justice programs and services.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. (a) Defines "department."

(b) Requires the Texas Department of Criminal Justice (TDCJ) to conduct a study to determine the feasibility and potential costs and benefits to this state of implementing a pay-for-performance contract program under which TDCJ would:

(1) contract with an administrator for the operation of criminal justice programs or the provision of criminal justice services, the operation or provision of which would be funded using investor-provided financial capital; and

(2) make contract payments to the administrator using general obligation bond proceeds or other available money only if specified performance requirements for and outcomes from the programs and services are achieved and the return on investment to this state is positive, thereby rewarding successful results and shifting the financial risk from this state.

(c) Authorizes TDCJ to request assistance and information from the comptroller of public accounts of the State of Texas, the Texas Public Finance Authority, or any other state agency as necessary to conduct the study required by this section.

(d) Requires TDCJ, not later than November 1, 2016, to submit a report on the results of the study to the governor, the lieutenant governor, and the presiding officers of the standing committees of the senate and house of representatives having jurisdiction over criminal justice programs and services. Requires that the report indicate whether and to what degree implementing a pay-for-performance program described by Subsection (b)

of this section would be cost-effective and feasible, as determined by TDCJ. Requires that the report, if TDCJ determines a pay-for-performance program would be cost-effective and feasible:

(1) make recommendations regarding the manner in which TDCJ could effectively operate the program and the types of criminal justice programs and services that would be selected for the program; and

(2) identify any changes in law necessary for implementation of the program.

(e) Provides that this section expires January 1, 2017.

SECTION 2. Effective date: upon passage or September 1, 2015.