

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 20, 2021

TO: Honorable Andrew S. Murr, Chair, House Committee on Corrections

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB357 by Sherman, Sr. (Relating to air conditioning requirements at facilities operated by the Texas Department of Criminal Justice.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB357, As Introduced : a negative impact of (\$1,476,896,977) through the biennium ending August 31, 2023.

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:

| <i>Fiscal Year</i> | <i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i> |
|--------------------|---------------------------------------------------------------------------------|
| 2022 | (\$661,448,489) |
| 2023 | (\$815,448,488) |
| 2024 | (\$154,000,000) |
| 2025 | (\$154,000,000) |
| 2026 | (\$154,000,000) |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | <i>Probable Savings/(Cost) from General Revenue Fund 1</i> |
|--------------------|------------------------------------------------------------|
| 2022 | (\$661,448,489) |
| 2023 | (\$815,448,488) |
| 2024 | (\$154,000,000) |
| 2025 | (\$154,000,000) |
| 2026 | (\$154,000,000) |

Fiscal Analysis

The bill would amend the Government Code to require the Texas Department of Criminal Justice (TDCJ) to maintain the temperature at each cellblock, dormitory, and common area in a TDCJ facility between 65 and 85 degrees Fahrenheit. The bill would require TDCJ to comply with the temperature regulation by September 1, 2023.

Methodology

TDCJ estimates \$1.1 billion in initial air conditioning construction costs in inmate housing areas and \$0.3

billion in preliminary air conditioning costs for common areas to comply with the provisions of the bill. Additionally, TDCJ estimates an annual cost of \$140.0 million for utilities and maintenance in housing areas and \$14.0 million in common areas when fully constructed. According to TDCJ, the preliminary fiscal estimate is based on the following assumptions: a fiscal estimate for each facility would require an engineering assessment; there are a sufficient number of vendors necessary to complete the construction projects; and the electrical grid and unit infrastructure are sufficient to support the increased energy demand.

The 1000 bed dorm prototype facilities includes 4 units with a preliminary cost estimate of \$4.7 million per unit. The fiscal impact, based on the Pack Unit actual cost, would be \$18,793,375 in fiscal year 2022. TDCJ prototype facilities with a 2250 bed capacity includes 10 units for a preliminary estimate of \$25 million per unit. The fiscal impact, based on the Michael Unit engineering study, would be \$250,212,754 in fiscal year 2022. TDCJ prototype facilities with a 1000 bed capacity includes 16 units for an estimated preliminary cost of \$12.5 million per unit. The fiscal impact, based on the Hodge Unit engineering study, would be \$199,459,760 in fiscal year 2022. TDCJ facilities built before 1987 would have a preliminary cost per unit of \$18.5 million. Based on the Coffield Unit engineering study, the preliminary fiscal impact would be \$333,129,286 in fiscal year 2022. Twenty-one transfer facilities would have a fiscal impact of \$248,460,106 in fiscal year 2022. Based on the Hutchins Unit engineering study, the preliminary cost to install air conditioning would be approximately \$11.8 million per unit. Two medical units would have a preliminary fiscal impact of \$2,841,696 in fiscal year 2022, based on the Hodge Unit actual cost. Common areas, including kitchen, dining areas, and recreation areas, would have a preliminary fiscal impact of \$270,000,000 in fiscal year 2022.

This analysis assumes the provisions of the bill would not result in a significant impact on state correctional populations or on the demand for state correctional resources

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 696 Department of Criminal Justice

LBB Staff: JMc, DKN, KFB, KVEL