

**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: HB1971** by Canales (Relating to the purchase and installation of climate control systems at facilities operated by the Texas Department of Criminal Justice.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1971, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

However, there would be fiscal implications of approximately \$100 million in three future biennia beginning in FY 2024.

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, Seven- Year Impact:**

<i>Fiscal Year</i>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	\$0
2023	\$0
2024	(\$94,944,725)
2025	\$0
2026	(\$100,511,240)
2027	\$0
2028	(\$102,031,458)

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

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2022	\$0
2023	\$0
2024	(\$94,944,725)
2025	\$0
2026	(\$100,511,240)
2027	\$0
2028	(\$102,031,458)

**Fiscal Analysis**

The bill would direct the Texas Department of Criminal Justice (TDCJ) to purchase and install climate control systems in its correctional facilities. The bill would direct TDCJ to install the systems in three separate phases of approximately one-third of all facilities at a cost not to exceed \$100 million per phase. The bill would require that the third phase be completed no later than December 31, 2028.

The fiscal limitations in the bill do not align with TDCJ's fiscal cost estimate and the provisions of the bill could not be achieved within this limitation.

### **Methodology**

While the provisions of the bill specify three separate phases at a cost not to exceed \$100 million per phase, TDCJ estimates at least \$1.1 billion in initial air conditioning construction costs to install climate controlled system in the housing areas of its correctional facilities. In addition, TDCJ estimates a preliminary annual cost of at least \$140 million for utilities and maintenance 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.

Assuming TDCJ implemented three installation phases not to exceed \$100 million each, prioritizing the most cost-effective housing facilities, phase one could consist of installing air conditioning at 17 units for a total of 14,398 beds. According to TDCJ, the total fiscal impact would be \$94,944,725 by 2024. Phase two could consist of installing air conditioning in the housing areas of 6 units for a total of 12,020 beds. The total fiscal impact for phase two would be \$100,511,240 by 2026. Phase three could consist of 7 units for a total of 11,859 air conditioned beds and a total fiscal impact of \$102,031,458 by 2028. According to TDCJ, there would be 76,586 beds remaining at 41 units, and air conditioning the remaining inmate housing areas would have an estimated cost of \$755,409,554.

This analysis assumes implementing 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, KVLE, SD