LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 13, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2442** by White (Relating to the creation of the Justice Reinvestment Incentive Program.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time. The fiscal impact of the bill would be dependent on how many counties opt into the Justice Reinvestment Incentive Program are successfully able to meet the 40 percent reduction in persons committed to TDCJ.

The bill amends the Local Government Code relating to the creation of the Justice Reinvestment Incentive Program.

The bill would authorize counties to create and implement a two-year justice reinvestment plan that seeks to reduce the number of persons committed to the Texas Department of Criminal Justice (TDCJ). A county that implements a justice reinvestment plan resulting in a reduction in the number of persons committed to TDCJ by not less than 40 percent may apply for an award in an amount equal to 90 percent of the amount of the actual cost savings to the state.

The fiscal impact of the bill would be dependent on how many counties opt into the program and are successfully able to meet the 40 percent reduction in persons committed to TDCJ. Also, the number and amount in awards provided to counties through the program would be contingent upon appropriations for the program enabled by the Legislature. As a result, the fiscal impact of this bill cannot be determined.

The Office of the Governor has provided a fiscal analysis scenario for the bill that assumes that all counties across Texas would apply for the program and would qualify for reimbursement grants at the 40 percent reduction amount.

The Office of the Governor estimates that in FY 2024, at a minimum, the bill would result in a cost of roughly $1.6 billion in General Revenue for reimbursements. Additionally, the Office of the Governor estimates that in FY 2026, at a minimum, the bill would result in a cost of $953 million in General Revenue following the successful reduction of a further 40 percent. Counties would be able to seek awards in two-year cycles so long as TDCJ commitments are reduced by 40 percent or more from the previous plan. The actual award amount could be much larger if the entity's inmate reduction amount is larger than the statutory minimum of 40 percent.

According to the Department of Public Safety and the Comptroller's Office, no fiscal impact is anticipated from the bill.

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

The fiscal implications to local units of government cannot be determined at this time.

Source Agencies: 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 696 Department of Criminal Justice

LBB Staff: JMc, DKN, LCO, HGR, AF