

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 1, 2025

TO: Honorable Sam Harless, Chair, House Committee on Corrections

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1410 by Meza (Relating to prohibiting the confinement of inmates by the Texas Department of Criminal Justice in facilities operated by private vendors.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB1410, As Introduced: a negative impact of (\$356,746,260) through the biennium ending August 31, 2027.

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>
2026	(\$328,373,130)
2027	(\$28,373,130)
2028	(\$28,373,130)
2029	(\$28,373,130)
2030	(\$28,373,130)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$328,373,130)	1,373.0
2027	(\$28,373,130)	1,373.0
2028	(\$28,373,130)	1,373.0
2029	(\$28,373,130)	1,373.0
2030	(\$28,373,130)	1,373.0

Fiscal Analysis

The bill would prohibit the Texas Department of Criminal Justice (TDCJ) from housing inmates in facilities owned, operated, or managed by a private vendor.

Methodology

There are currently eight facilities within the TDCJ system that are operated by private vendors. According to TDCJ, the operating costs they would incur operating these facilities, less benefits, would be approximately the same as those of the private vendors. Therefore, the only fiscal implication to the state would be the costs

associated with providing employee benefits, which is estimated to be \$28,373,130.

Seven of the eight privately operated facilities currently in operation are owned by the state, but the eighth, the East Texas Treatment Facility, is owned by the vendor. Therefore, while the agency would be able to assume operations, they would not possess the building in which to house these inmates. While it is a possibility that the vendor would be willing to sell this facility to the state, the cost associated with this purchase is unknown. The agency estimates that the cost to build a new facility to replace the East Texas Treatment Facility would be \$300,000,000.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 696 Department of Criminal Justice

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