

The image features the Texas state flag waving on a white flagpole with a gold finial. The flag is divided into three horizontal stripes: blue at the top, white in the middle, and red at the bottom. A large white five-pointed star is centered on the blue stripe. The background is a light blue sky with a white, cloud-like border at the top and bottom.

*Texas Department of Criminal Justice
Fiscal Year 2015 Operating Budget*

*Fiscal Years 2016-2017
Legislative Appropriations Request
August 22, 2014*

Texas Department of Criminal Justice

The attached summary document contains the Texas Department of Criminal Justice (TDCJ) Fiscal Year 2015 Operating Budget, as well as the FY 2016-17 biennial Legislative Appropriations Request (LAR), prepared as directed by the policy letter from the Legislative Budget Board (LBB) and the Governor's Office of Budget, Planning and Policy (see page 10 of this document). Considering our responsibilities as fiscal stewards and the continued statewide emphasis on fiscal restraint, we have structured our Fiscal Year 2015 Operating Budget and requested funding levels for the 2016-17 biennium to include only those operational and policy items of critical importance.

Fiscal Year 2015 Operating Budget

TDCJ's FY 2015 Operating Budget was based on amounts appropriated during the 83rd Legislative Session. Funding was provided for the projected population increases in probation and paroled offenders in an effort to sustain current caseload ratios, and maintained the expanded treatment and diversion initiatives (substance abuse treatment programs, halfway house beds, and intermediate sanction facility beds) at current operational levels. Additionally, the Legislature provided funding for the 2014-15 biennium for targeted salary increases for correctional security positions and Office of Inspector General (OIG) investigators. All other state employees received a 1% increase (with a \$50 monthly minimum) in FY 2014 and an additional 2% (with a \$50 monthly minimum) in FY 2015.

Other key FY 2014-15 initiatives include: funding for an additional 75 Reentry Transitional Coordinators to assist offenders in reentry; additional funding for Community Supervision and Corrections Department (CSCD) diversion programs to maintain community supervision and programs throughout the state and funding for CSCD health insurance at current levels; and funding for the replacement of obsolete personal computers and aging vehicles. Amounts budgeted for Correctional Managed Health Care (CMHC) in FY 2014-15 are approximately \$62.0 million above the 2012-13 levels and includes funding intended to reflect current costs for health care delivery, market adjustments to retain staff, critical capital equipment, restoration of key health care staff.

Fiscal and operational challenges in FY 2015 include: correctional staffing levels resulting in overtime at specific facilities; increases in medical care and offsite hospital costs for CMHC that may require supplemental funding; potential reductions in federal State Criminal Alien Assistance Program (SCAAP) funding; and, uncertain and volatile prices of major operational items such as utilities, fuel and food. Realizing the challenges of these fiscal realities, we will continue monitoring our expenditures and reducing costs where possible.

Texas Department of Criminal Justice FY 2016-17 Legislative Appropriations Request (LAR)

The budget request for the 2016-17 biennium is consistent with instructions from state leadership, which directs agencies' baseline request for the 2016-17 biennium not to exceed 100% of the 2014-15 general revenue-related funding levels. Additionally, the LBB recently updated offender population projections to assist the agency in preparing the 2016-17 LAR. These projections indicate a stable incarcerated offender population during the next biennium, slightly declining number of felony probationers under supervision compared to current levels, and a slight increase in the number of supervised parolees.

TDCJ's LAR also includes funding requests above the baseline budget for exceptional items of policy and/or operational significance. A considerable portion of this request for additional appropriations deals directly with basic operational issues related to critical staffing requirements, infrastructure needs, and offender health care. Our continued emphasis on diversionary initiatives and population management is also reflected by requests that include increased funding for the local CSCDs, mental health, substance abuse treatment, and offender reintegration. A continued investment in these diversion and treatment initiatives remains the best strategy to maintain a stable and successful criminal justice system. Each exceptional item is fundamentally important to the operations of the agency and included in the list below.

- ❑ In order to limit the growth of state expenditures, long-term contracts have historically been established with private vendors for the operations of seven private prisons (4,118 beds), and four privately operated state jails (5,129 beds). These competitively awarded contracts are evaluated and awarded with escalating rates, resulting in increases of approximately 2.5% annually. Based on the current funding level, we will require an additional \$7.7 million for the 2016-17 biennium to maintain the current population within these correctional facilities.
- ❑ Continued funding for the agency's major repair and renovation efforts is necessary to maintain our existing physical plant totaling over 100 correctional facilities statewide, with many of these facilities over 75 years old. The size, scope, and complexity of our physical plant require substantial ongoing preventive repair and renovation expenditures. Identified through condition assessments as well as major work requests prepared by operational staff, the 2016-17 request, which is a similar level of funding appropriated as general obligation bonds in previous biennia, represents only a portion of the agency's infrastructure repair and renovation needs. Continuously prioritized based on security and safety requirements, these projects include: roof repairs, security fencing and lighting, electrical renovations, water/wastewater improvements, and other major infrastructure repairs.
- ❑ A substantial and comprehensive Correctional Officer and Parole Officer salary increase will continue to address recruitment and retention of critical agency positions. Our core focus continues to be the operation of safe and secure correctional facilities and the supervision of released offenders in support of the agency's primary mission to ensure public safety. A 10% pay increase in the first year of the biennium for these positions will raise the starting salary of a Correctional Officer from \$29,220 to \$32,142 with the maximum salary after 7 ½ years increasing from \$38,888 to \$42,777. The Parole Officers would receive comparable increases, with

Texas Department of Criminal Justice

FY 2016-17 Legislative Appropriations Request (LAR) - *continued*

the starting salary increasing from \$35,879 to \$39,467 with a maximum salary after 10 years increasing from \$40,344 to \$44,378. Ranking Correctional Officers and Parole Officers, as well as Correctional Laundry and Food Service Managers, would also receive similar salary increases.

- ❑ CSCDs have limited funding sources and, without additional funding, will not be able to meet the \$11.3 million required to maintain the employer's portion of state health insurance without reducing current staffing levels and programs that divert offenders from incarceration. Caseload sizes may increase by approximately 6% due to an estimated 90 community supervision officers (CSOs) statewide not being funded in order to cover these rising health insurance costs. Consistent with the FY 2016-17 LAR instructions, the agency requested consideration for the amount necessary to maintain the CSCD health insurance payments at the FY 2015 budgeted level. As such, the base request includes a portion of the necessary funding increase for the FY 2016-17 biennium.
- ❑ We are requesting \$28.2 million in additional funding for CSCDs basic supervision and diversion programs for the supervision of an increasing higher risk and need offender population in the community. This funding would allow for management of caseload ratio size, enhanced and expanded substance abuse treatment initiatives, assist in retaining experienced specialized officers who work with medium and high risk offenders (such as substance abuse, mental health, and intensive supervision), provide for the continuation of specialized programs and services, and allow for the implementation of specialized programs in areas where they are currently limited. In addition, this funding would address the rising costs of fuel, utilities, aging equipment, and other operational needs. These programs and services provide judges with more alternatives to incarceration, both as a sentencing option and as an alternative to revocation.
- ❑ According to university providers, additional funding of \$174.8 million is critical to maintain operations and ensure effective overall quality of care within the system and deliver the level of services required by minimum standards. Of this amount, an estimated \$84.9 million is required to bring the FY 2016-17 funding to the projected level of expense incurred for the delivery of services currently provided. University providers are encountering significant difficulties in the ability to recruit and retain the professional staff necessary to provide care at TDCJ correctional facilities. Therefore, \$59.4 million is included in this request to provide market level adjustments (5% in FY 2016 and an additional 5% in FY 2017) to the salaries of the direct offender health care delivery staff. The correctional health care system is also facing critical capital equipment needs for x-ray units, dialysis machines, dental chairs, hospital beds, and other equipment with estimated cost totaling \$6.7 million. Other initiatives at a cost of \$23.8 million will provide primarily for the hiring of nursing and key health care staff to increase coverage at targeted correctional units.

Texas Department of Criminal Justice

FY 2016-17 Legislative Appropriations Request (LAR) - *continued*

- ❑ We are requesting 50 additional reentry transitional coordinators to enhance agency reentry initiatives. Of these, 40 reentry transitional coordinators will provide individual community-based case management focused on identifying and removing barriers to successful reentry into society post-release. The additional transitional coordinators would provide reentry services to offenders in halfway houses and under parole supervision. Offenders will be provided with resources and classes to help them move toward sustainable employment, self-supported housing, and overall self-sufficiency. The remaining 10 requested positions will be utilized as special needs reentry transitional coordinators dedicated to address the mental health needs of incarcerated offenders by providing a full range of reentry services to this special needs population.
- ❑ This item includes funding to expand jail diversion services in metro areas, providing offenders with special needs services designed to divert them from incarceration in prisons and state jails. The program expansion would serve an additional 1,250 offenders with serious mental illnesses. Also, we are requesting additional funding to expand caseloads that serve offenders with a high criminogenic risk and clinical care need through our contracts with Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) and local mental health authorities. The additional caseloads would serve an additional 1,400 offenders. The expansion of these programs in jail diversion services and caseloads will enhance our capability to provide intensive mental health case management, psychiatric assessments and diagnostics, and psychosocial rehabilitation.
- ❑ Halfway house placements are made for offenders scheduled to be released on parole supervision who have no viable residential plan at the time of release. Currently, the agency contracts for 1,880 halfway house beds located throughout the state. A significant number of offenders who are approved for parole do not have a residential plan and require a halfway house placement. Since these beds turn over approximately four times a year, an additional 250 halfway house beds will allow for 1,000 additional placements annually.
- ❑ The In-Prison Driving While Intoxicated (DWI) Recovery program is utilized for offenders with diverse anti-social behavior issues and re-offending risk factors. As of May 2014, 6,512 prison offenders' offense of record is DWI. Currently, there are approximately 1,000 offenders who are provided DWI treatment within the system annually. We are seeking to increase the number of DWI treatment slots by 500. This increase will provide needed DWI treatment to an additional 1,000 institutional and state jail DWI offenders annually prior to release.
- ❑ There are four facilities that currently house intermediate sanction offenders and provide substance abuse treatment, cognitive restructuring, and social skill interventions for 1,526 of the 2,545 Intermediate Sanction Facility (ISF) beds. This item will provide funding for treatment of the remaining 1,019 existing ISF beds. ISF beds are utilized to house offenders who have committed technical violations of release. The benefit of utilizing a 60-90 day ISF sanction is offenders are not being revoked to prison and are remaining on parole supervision. Consequently, the offender does not have to serve the remainder of their sentence incarcerated.

Texas Department of Criminal Justice

FY 2016-17 Legislative Appropriations Request (LAR) - *continued*

- The OIG's primary function and responsibility is timely and proactive investigations. OIG consists primarily of peace officers responsible for investigating allegations of criminal behavior, serious policy violations, excessive use of force, and suspected fraud on TDCJ facilities, as well as coordinating with local law enforcement to apprehend absconders and escapees. This funding request would provide additional staff to enable OIG to develop more proactive investigations and enhance the safety and security of offenders, employees, and the public.

We acknowledge that state expenditure requests may exceed available revenues; however, in addition to our request for salary increases for correctional officers and parole officers, we would encourage you to also consider providing a pay raise to all state employees for the hard work and dedication they demonstrate everyday throughout this state. In addition, we ask that you give careful consideration to any funding request made by the Employees Retirement System (ERS) for the purpose of reducing unfunded liabilities and maintaining fiscally sound employee pension and health insurance programs. We are committed to the long term health and stability of these important employee benefits and will be available as a resource both before and during the upcoming session.

We recognize that the state's leadership will be required to make many difficult funding decisions during the upcoming legislative session and appreciate the hard work of the Governor and the Legislature and their recognition of the valuable service performed by the frontline employees of this agency. We share a commitment to public safety and sound correctional management and are confident that the critical funding requirements within the criminal justice system will be met.

We continue to share your commitment to public safety and will work tirelessly to achieve the goals established by state leadership.

Brad Livingston
Executive Director

TEXAS DEPARTMENT OF CRIMINAL JUSTICE
FY 2015 - 2017 Agency Budget

	Estimated FY14	Budgeted FY15	100% Base Request FY16	100% Base Request FY17	Total Budget Request FY16	Total Budget Request FY17
A. Goal: PROVIDE PRISON DIVERSIONS	297,711,932	301,087,389	302,384,929	302,057,048	319,444,774	324,451,234
B. Goal: SPECIAL NEEDS OFFENDERS	22,005,686	22,572,485	21,985,944	21,985,944	24,985,944	24,985,944
C. Goal: INCARCERATE FELONS	2,554,301,590	2,545,529,630	2,551,946,815	2,552,144,872	2,741,753,223	2,773,111,613
D. Goal: ENSURE ADEQUATE FACILITIES	36,274,310	32,611,674	-	-	30,000,000	30,000,000
F. Goal: OPERATE PAROLE SYSTEM	174,902,613	177,012,042	175,969,577	175,433,121	189,856,137	189,300,548
G. Goal: INDIRECT ADMINISTRATION	78,694,813	69,586,263	74,087,353	74,248,218	75,477,964	75,638,828
GRAND TOTAL	3,163,890,944	3,148,399,483	3,126,374,618	3,125,869,203	3,381,518,042	3,417,488,167

NOTE: The FY 2015 Operating Budget and FY 2016-17 LAR for the Texas Board of Pardons and Paroles (Goal E) are not included in the TDCJ amounts shown in this document.

Texas Department of Criminal Justice

GOALS						
Strategies	Estimated FY14	Budgeted FY15	100% Base Request FY16	100% Base Request FY17	Total Budget Request FY16	Total Budget Request FY17
Program Descriptions						
A. PROVIDE PRISON DIVERSIONS						
A.1.1. Basic Supervision	110,159,693	113,135,151	114,988,756	114,660,876	125,639,677	129,166,378
A.1.2. Diversion Programs	129,108,318	129,108,317	128,681,534	128,681,533	134,561,998	135,596,191
A.1.3. Community Corrections	46,732,508	47,032,508	46,868,685	46,868,685	47,364,312	47,722,596
A.1.4. Treatment Alternatives to Incarceration	11,711,413	11,811,413	11,845,954	11,845,954	11,878,787	11,966,069
B. SPECIAL NEEDS OFFENDERS						
B.1.1. Special Needs Programs & Services	22,005,686	22,572,485	21,985,944	21,985,944	24,985,944	24,985,944
C. INCARCERATE FELONS						
C.1.1. Correctional Security Operations	1,104,605,516	1,106,803,204	1,105,704,360	1,105,704,360	1,210,571,470	1,210,571,470
Correctional Security	1,088,081,745	1,090,400,061	1,089,240,903	1,089,240,903	1,194,108,013	1,194,108,013
Workers Compensation & Unemployment	16,523,771	16,403,143	16,463,457	16,463,457	16,463,457	16,463,457
C.1.2. Correctional Support Operations	87,394,384	88,749,922	88,817,436	88,817,434	88,817,436	88,817,434
Correctional Unit Support	64,587,364	65,511,890	65,548,611	65,548,609	65,548,611	65,548,609
Classification & Records	22,807,020	23,238,032	23,268,825	23,268,825	23,268,825	23,268,825
C.1.3. Correctional Training	4,854,902	4,886,417	4,882,388	4,882,388	4,882,388	4,882,388
C.1.4. Offender Services	13,884,271	13,873,657	13,951,782	13,951,783	13,951,782	13,951,783
Counsel Substitute/Access to Courts	4,686,922	4,697,285	4,733,024	4,733,026	4,733,024	4,733,026
Release Payments for Adult Offenders	5,078,768	5,151,745	5,115,257	5,115,256	5,115,257	5,115,256
State Counsel for Offenders	3,459,036	3,348,443	3,431,151	3,431,152	3,431,151	3,431,152
Interstate Compact	659,545	676,184	672,350	672,349	672,350	672,349
C.1.5. Institutional Goods	162,166,027	161,659,780	161,976,782	161,976,781	167,725,926	167,725,925
Food Services for Offenders	114,490,328	114,017,698	114,254,013	114,254,013	117,366,231	117,366,231
Unit Necessities & Laundry	47,675,699	47,642,082	47,722,769	47,722,768	50,359,695	50,359,694
C.1.6. Institutional Services	208,189,260	196,728,247	204,163,295	204,163,296	204,163,295	204,163,296
Agriculture Operations	52,202,785	50,098,619	50,253,843	50,253,842	50,253,843	50,253,842
Commissary Operations	107,897,040	111,380,255	113,888,648	113,888,647	113,888,648	113,888,647
Freight Transportation & Warehouse Operations	48,089,435	35,249,373	40,020,804	40,020,807	40,020,804	40,020,807

Texas Department of Criminal Justice

GOALS						
Strategies	Estimated FY14	Budgeted FY15	100% Base Request FY16	100% Base Request FY17	Total Budget Request FY16	Total Budget Request FY17
Program Descriptions						
C.1.7. Institutional Operations & Maintenance	195,754,385	196,529,298	196,634,599	196,634,597	196,634,599	196,634,597
Institutional Operations & Maintenance	75,798,091	77,500,603	77,142,105	77,142,102	77,142,105	77,142,102
Utilities	119,956,294	119,028,695	119,492,494	119,492,495	119,492,494	119,492,495
C.1.8. Unit & Psychiatric Care	258,731,781	256,142,476	257,437,128	257,437,129	292,211,154	310,256,878
C.1.9. Hospital & Clinical Care	171,408,125	170,788,053	167,598,089	167,598,089	202,174,592	211,005,573
C.1.10. Managed Health Care - Pharmacy	54,271,272	58,765,870	56,518,571	56,518,571	59,867,578	62,426,790
C.1.11. Health Services	4,967,867	4,932,384	4,991,175	4,991,176	4,991,175	4,991,176
C.1.12. Contract Prisons/Private State Jails	100,337,106	102,902,905	103,866,119	103,866,119	106,868,051	108,596,468
C.1.13. Residential Pre-Parole Facilities	8,710,042	9,071,878	9,350,704	9,548,766	9,350,704	9,548,766
C.2.1. Texas Correctional Industries	71,023,822	65,582,605	68,469,227	68,469,225	68,469,227	68,469,225
C.2.2. Academic/Vocational Training	1,919,044	1,919,044	1,919,044	1,919,044	1,919,044	1,919,044
C.2.3. Treatment Services	26,190,570	24,297,783	24,701,200	24,701,199	26,725,886	26,725,885
Chaplaincy	5,561,273	5,538,890	5,606,497	5,606,499	5,606,497	5,606,499
Classification Case Managers	8,627,950	8,298,818	8,551,534	8,551,529	8,551,534	8,551,529
Sex Offender Treatment Program	3,598,499	2,743,812	3,216,199	3,216,201	3,216,199	3,216,201
Parole Special Needs	1,704,415	1,552,859	1,629,582	1,629,584	1,629,582	1,629,584
Reentry Transitional Coordinators	6,698,433	6,163,404	5,697,388	5,697,386	7,722,074	7,722,072
C.2.4. Substance Abuse Felony Punishment	49,463,682	49,947,150	49,718,310	49,718,310	49,718,310	49,718,310
C.2.5. In-Prison Substance Abuse Treatment & Coordination	30,429,534	31,948,957	31,246,606	31,246,605	32,710,606	32,706,605
D. ENSURE ADEQUATE FACILITIES						
D.1.1. Major Repair of Facilities	31,604,335	32,290,374	-	-	30,000,000	30,000,000
D.1.2. Lease-Purchase of Facilities	4,669,975	321,300	-	-	-	-
F. OPERATE PAROLE SYSTEM						
F.1.1. Parole Release Processing	7,066,887	6,842,952	7,021,329	7,021,330	7,021,329	7,021,330
F.2.1. Parole Supervision	110,045,851	112,040,497	110,989,015	110,452,556	117,872,897	117,336,438
F.2.2. Halfway House Facilities	23,618,404	23,536,097	23,577,250	23,577,251	27,969,250	27,957,251
F.2.3. Intermediate Sanction Facilities	34,171,471	34,592,496	34,381,983	34,381,984	36,992,661	36,985,529

Texas Department of Criminal Justice

GOALS						
Strategies	Estimated FY14	Budgeted FY15	100% Base Request FY16	100% Base Request FY17	Total Budget Request FY16	Total Budget Request FY17
Program Descriptions						
G. INDIRECT ADMINISTRATION						
G.1.1. Central Administration	27,477,435	28,168,568	28,129,965	28,129,964	28,129,965	28,129,964
Administration & Support	22,842,735	23,583,223	23,463,449	23,463,449	23,463,449	23,463,449
Correctional Institutions Administration	291,756	266,949	282,772	282,771	282,772	282,771
Parole Administration	219,884	195,792	210,201	210,200	210,201	210,200
Reentry & Integration Programs Administration	210,794	221,634	218,793	218,793	218,793	218,793
Rehabilitation Programs Administration	279,945	272,650	279,521	279,521	279,521	279,521
Community Justice Assistance Division	3,632,321	3,628,320	3,675,229	3,675,230	3,675,229	3,675,230
G.1.2. Inspector General	12,169,276	11,689,403	11,796,484	11,796,484	13,187,095	13,187,094
G.1.3. Victim Services	1,876,590	1,832,512	1,643,746	1,643,746	1,643,746	1,643,746
G.1.4. Information Resources	37,171,512	27,895,780	32,517,158	32,678,024	32,517,158	32,678,024
<i>GRAND TOTAL</i>	<u>\$ 3,163,890,944</u>	<u>\$ 3,148,399,483</u>	<u>\$ 3,126,374,618</u>	<u>\$ 3,125,869,203</u>	<u>\$ 3,381,518,042</u>	<u>\$ 3,417,488,167</u>

TEXAS DEPARTMENT OF CRIMINAL JUSTICE

Method of Finance

	Estimated FY14	Budgeted FY15	100% Base Request FY16	100% Base Request FY17	Total Budget Request FY16	Total Budget Request FY17
GENERAL REVENUE:						
General Revenue Fund	2,916,127,314	2,931,103,539	2,922,993,635	2,935,488,224	3,178,137,059	3,227,107,188
Education and Recreation Program Receipts	116,397,040	111,380,255	113,888,648	113,888,647	113,888,648	113,888,647
Texas Correctional Industries Receipts	5,149,938	5,048,977	5,099,458	5,099,457	5,099,458	5,099,457
GENERAL REVENUE DEDICATED:						
Private Sector Prison Industry Expansion Acct. 5060	293,550	293,634	293,635	293,634	293,635	293,634
OTHER FUNDS:						
Texas Correctional Industries - Interagency Contracts	51,923,768	44,251,487	47,087,628	47,087,627	47,087,628	47,087,627
Federal Funds	1,501,888	1,072,983	-	-	-	-
Federal Funds for Incarcerated Aliens	10,336,844	10,336,844	11,208,647	11,208,647	11,208,647	11,208,647
Criminal Justice Grants	1,567,389	480,157	-	-	-	-
Appropriated Receipts	28,113,451	11,315,806	25,166,306	12,166,306	25,166,306	12,166,306
Bond Proceeds-General Obligation Bonds	31,604,335	32,290,374	-	-	-	-
Interagency Contracts	875,427	825,427	636,661	636,661	636,661	636,661
GRAND TOTAL	\$ 3,163,890,944	\$ 3,148,399,483	\$ 3,126,374,618	\$ 3,125,869,203	\$ 3,381,518,042	\$ 3,417,488,167

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS REQUEST SUMMARY

(Detail on pages 7-9)

ESTIMATED COST		
FY16	FY17	<i>FTEs</i>
Requested Funding in millions		

1) <i>Contractual Per Diems - Privately Operated Facilities</i>	3.0	4.7	-
2) <i>Repair and Renovation of Facilities</i>	30.0	30.0	-
3) <i>Correctional Officer / Parole Officer Pay Raise</i>	117.5	117.5	-
4) <i>Community Supervision and Corrections Department Health Insurance - Employer Portion</i>	3.0	8.3	-
5) <i>Probation - Substance Abuse Counseling and Basic Supervision</i>	14.1	14.1	-
6) <i>Offender Health Care</i>	72.7	102.1	-
7) <i>Reentry Initiatives / Transitional Coordinators</i>	2.0	2.0	50
8) <i>TCOOMMI - Expansion of Mental Health / Criminal Justice Initiatives</i>	3.0	3.0	-
9) <i>250 Additional Halfway House Beds</i>	4.4	4.4	-
10) <i>500 DWI Treatment Slots</i>	1.5	1.5	-
11) <i>Treatment for Remaining Intermediate Sanction Facilities (ISF)</i>	2.6	2.6	-
12) <i>Office of Inspector General (OIG)</i>	1.4	1.4	25
GRAND TOTAL, ALL EXCEPTIONAL ITEMS	255.1	291.5	75

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST		
FY16	FY17	
Requested Funding		<i>FTEs</i>
<i>in millions</i>		

1) Contractual Per Diems - Privately Operated Facilities

\$ 3.0 | \$ 4.7

Item Description / Impact if not Funded

In order to limit the growth of state expenditures, long-term contracts have historically been established with private vendors for the operations of seven private prisons (4,118 beds), and four privately operated state jails (5,129 beds). These competitively awarded contracts are evaluated and awarded with escalating rates, resulting in increases of approximately 2.5% annually. Based on the current funding level, we will require an additional \$7.7 million for the 2016-17 biennium to maintain the current population within these correctional facilities.

2) Repair and Renovation of Facilities

\$ 30.0 | \$ 30.0

Item Description / Impact if not Funded

Continued funding for the agency's major repair and renovation efforts is necessary to maintain our existing physical plant totaling over 100 correctional facilities statewide, with many of these facilities over 75 years old. The size, scope, and complexity of our physical plant require substantial ongoing preventive repair and renovation expenditures. Identified through condition assessments as well as major work requests prepared by operational staff, the 2016-17 request, which is a similar level of funding appropriated as general obligation bonds in previous biennia, represents only a portion of the agency's infrastructure repair and renovation needs. Continuously prioritized based on security and safety requirements, these projects include: roof repairs, security fencing and lighting, electrical renovations, water/wastewater improvements, and other major infrastructure repairs.

3) Correctional Officer / Parole Officer Pay Raise

\$ 117.5 | \$ 117.5

Item Description / Impact if not Funded

A substantial and comprehensive Correctional Officer and Parole Officer salary increase will continue to address recruitment and retention of critical agency positions. Our core focus continues to be the operation of safe and secure correctional facilities and the supervision of released offenders in support of the agency's primary mission to ensure public safety. A 10% pay increase in the first year of the biennium for these positions will raise the starting salary of a Correctional Officer from \$29,220 to \$32,142 with the maximum salary after 7½ years increasing from \$38,888 to \$42,777. The Parole Officers would receive comparable increases, with the starting salary increasing from \$35,879 to \$39,467 with a maximum salary after 10 years increasing from \$40,344 to \$44,378. Ranking Correctional Officers and Parole Officers, as well as Correctional Laundry and Food Service Managers, would also receive similar salary increases.

4) Community Supervision and Corrections Department Health Insurance - Employer Portion

\$ 3.0 | \$ 8.3

Item Description / Impact if not Funded

CSCDs have limited funding sources and, without additional funding, will not be able to meet the \$11.3 million required to maintain the employer's portion of state health insurance without reducing current staffing levels and programs that divert offenders from incarceration. Caseload sizes may increase by approximately 6% due to an estimated 90 community supervision officers (CSOs) statewide not being funded in order to cover these rising health insurance costs. Consistent with the FY 2016-17 LAR instructions, the agency requested consideration for the amount necessary to maintain the CSCD health insurance payments at the FY 2015 budgeted level. As such, the base request includes a portion of the necessary funding increase for the FY 2016-17 biennium.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST		
FY16	FY17	FTEs
Requested Funding <i>in millions</i>		

5) Probation - Substance Abuse Counseling and Basic Supervision

\$ 14.1 | \$ 14.1

Item Description / Impact if not Funded

We are requesting \$28.2 million in additional funding for CSCDs basic supervision and diversion programs for the supervision of an increasing higher risk and need offender population in the community. This funding would allow for management of caseload ratio size, enhanced and expanded substance abuse treatment initiatives, assist in retaining experienced specialized officers who work with medium and high risk offenders (such as substance abuse, mental health, and intensive supervision), provide for the continuation of specialized programs and services, and allow for the implementation of specialized programs in areas where they are currently limited. In addition, this funding would address the rising costs of fuel, utilities, aging equipment, and other operational needs. These programs and services provide judges with more alternatives to incarceration, both as a sentencing option and as an alternative to revocation.

6) Offender Health Care

\$ 72.7 | \$ 102.1

Item Description / Impact if not Funded

According to university providers, additional funding of \$174.8 million is critical to maintain operations and ensure effective overall quality of care within the system and deliver the level of services required by minimum standards. Of this amount, an estimated \$84.9 million is required to bring the FY 2016-17 funding to the projected level of expense incurred for the delivery of services currently provided. University providers are encountering significant difficulties in the ability to recruit and retain the professional staff necessary to provide care at TDCJ correctional facilities. Therefore, \$59.4 million is included in this request to provide market level adjustments (5% in FY 2016 and an additional 5% in FY 2017) to the salaries of the direct offender health care delivery staff. The correctional health care system is also facing critical capital equipment needs for x-ray units, dialysis machines, dental chairs, hospital beds, and other equipment with estimated cost totaling \$6.7 million. Other initiatives at a cost of \$23.8 million will provide primarily for the hiring of nursing and key health care staff to increase coverage at targeted correctional

7) Reentry Initiatives / Transitional Coordinators

\$ 2.0 | \$ 2.0

50

Item Description / Impact if not Funded

We are requesting 50 additional reentry transitional coordinators to enhance agency reentry initiatives. Of these, 40 reentry transitional coordinators will provide individual community-based case management focused on identifying and removing barriers to successful reentry into society post-release. The additional transitional coordinators would provide reentry services to offenders in halfway houses and under parole supervision. Offenders will be provided with resources and classes to help them move toward sustainable employment, self-supported housing, and overall self-sufficiency. The remaining 10 requested positions will be utilized as special needs reentry transitional coordinators dedicated to address the mental health needs of incarcerated offenders by providing a full range of reentry services to this special needs population.

8) TCOOMMI - Expansion of Mental Health / Criminal Justice Initiatives

\$ 3.0 | \$ 3.0

-

Item Description / Impact if not Funded

This item includes funding to expand jail diversion services in metro areas, providing offenders with special needs services designed to divert them from incarceration in prisons and state jails. The program expansion would serve an additional 1,250 offenders with serious mental illnesses. Also, we are requesting additional funding to expand caseloads that serve offenders with a high criminogenic risk and clinical care need through our contracts with Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) and local mental health authorities. The additional caseloads would serve an additional 1,400 offenders. The expansion of these programs in jail diversion services and caseloads will enhance our capability to provide intensive mental health case management, psychiatric assessments and diagnostics, and psychosocial rehabilitation.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST		
FY16	FY17	FTEs
Requested Funding <i>in millions</i>		

9) 250 Additional Halfway House Beds	\$	4.4	\$	4.4	
<u>Item Description / Impact if not Funded</u>					
Halfway house placements are made for offenders scheduled to be released on parole supervision who have no viable residential plan at the time of release. Currently, the agency contracts for 1,880 halfway house beds located throughout the state. A significant number of offenders who are approved for parole do not have a residential plan and require a halfway house placement. Since these beds turn over approximately four times a year, an additional 250 halfway house beds will allow for 1,000 additional placements annually.					
10) 500 DWI Treatment Slots	\$	1.5	\$	1.5	
<u>Item Description / Impact if not Funded</u>					
The In-Prison Driving While Intoxicated (DWI) Recovery program is utilized for offenders with diverse anti-social behavior issues and re-offending risk factors. As of May 2014, 6,512 prison offenders' offense of record is DWI. Currently, there are approximately 1,000 offenders who are provided DWI treatment within the system annually. We are seeking to increase the number of DWI treatment slots by 500. This increase will provide needed DWI treatment to an additional 1,000 institutional					
11) Treatment for Remaining Intermediate Sanction Facilities (ISF)	\$	2.6	\$	2.6	
<u>Item Description / Impact if not Funded</u>					
There are four facilities that currently house intermediate sanction offenders and provide substance abuse treatment, cognitive restructuring, and social skill interventions for 1,526 of the 2,545 Intermediate Sanction Facility (ISF) beds. This item will provide funding for treatment of the remaining 1,019 existing ISF beds. ISF beds are utilized to house offenders who have committed technical violations of release. The benefit of utilizing a 60-90 day ISF sanction is offenders are not being revoked to prison and are remaining on parole supervision. Consequently, the offender does not have to serve the remainder of their sentence incarcerated.					
12) Office of Inspector General (OIG)	\$	1.4	\$	1.4	25
<u>Item Description / Impact if not Funded</u>					
The OIG's primary function and responsibility is timely and proactive investigations. OIG consists primarily of peace officers responsible for investigating allegations of criminal behavior, serious policy violations, excessive use of force, and suspected fraud on TDCJ facilities, as well as coordinating with local law enforcement to apprehend absconders and escapees. This funding request would provide additional staff to enable OIG to develop more proactive investigations and enhance the safety and security of offenders, employees, and the public.					
GRAND TOTAL, ALL EXCEPTIONAL ITEMS	\$	255.1	\$	291.5	75

Policy Letter from the Legislative Budget Board and Governor's Office of Budget, Planning and Policy regarding the 2016-17 General Revenue Baseline



Legislative Budget Board
Robert E. Johnson Bldg.
1501 N. Congress Avenue, 5th Floor
Austin, TX 78701
(512) 463-1200

Governor's Office of
Budget, Planning and Policy
1100 San Jacinto, 4th Floor
Austin, TX 78701
(512) 463-1778

MEMORANDUM

June 23, 2014

TO: State Agency Board/Commission Chairs
State Agency Heads/Executive Directors
Appellate Court Justices and Judges
Chancellors, Presidents, and Directors of Institutions and Agencies of Higher Education

The first step in developing the 2016-17 biennial budget for the State of Texas is submission of agency and institution Legislative Appropriations Requests in accordance with the instructions developed by Legislative Budget Board and the Governor's Office. Detailed instructions for the submission have been posted on the external websites of the Legislative Budget Board and the Governor's Office, together with a staggered schedule.

As a starting point for budget deliberations, an agency's baseline request for General Revenue Funds and General Revenue-Dedicated Funds may not exceed the sum of amounts expended in fiscal year 2014 and budgeted in fiscal year 2015. While the state's revenue landscape is certainly positive and a projected balance is accruing in the treasury, as prudent fiscal managers this does not preclude the possibility that state agencies may be asked to reduce their fiscal year 2015 budgets should either state fiscal conditions or individual agency circumstance warrant such direction. Agencies must also submit a supplemental schedule detailing how they would reduce the baseline request by an additional 10 percent (in 5 percent increments) in General Revenue and General Revenue Dedicated Funds.

Exceptions to the baseline request limitation include amounts necessary to:

- maintain entitlement funding for the Foundation School Program under current law;
- satisfy debt service requirements for bond authorizations;
- maintain current benefits and eligibility in Medicaid entitlement programs, the Children's Health Insurance Program, the foster care program, the adoption subsidies program, and the permanency care assistance program; and
- maintain funding at fiscal year 2015 budgeted levels plus amounts necessary to cover the impact of payroll growth for state pension systems and employee group benefits (not including payroll contributions made by state agencies and institutions of higher education for retirement and group health insurance), though group benefit modifications may be considered.

Specific questions with respect to the treatment of the above items should be directed to your Legislative Budget Board and Governor's Office analyst.

June 23, 2014
Page 2

Funding requests for other purposes that exceed the baseline spending level may not be included in the baseline request but may be submitted as Exceptional Items. Additionally, at the direction of either the Legislative Budget Board or the Governor's Office, you may be required to submit additional agency or program detail as that office deems necessary to conduct its analysis.

We appreciate the opportunity to work with you and your staff during this budget cycle.

Sincerely,

Handwritten signature of Ursula Parks in black ink.

Ursula Parks
Director
Legislative Budget Board

Handwritten signature of Kate McGrath in black ink.

Kate McGrath
Director
Governor's Office of Budget,
Planning and Policy

Texas Department of Criminal Justice
FY 2016-17 Ten Percent Biennial Base Reduction Options

10% Schedule	1st 5% Reduction			FTE Red.	2nd 5% Reduction			FTE Red.	Total
	GR	GR-Ded.	All Funds	FY16 - 17	GR	GR-Ded.	All Funds	FY16 - 17	FY16 - 17
1. Academic/Vocational Training	\$ 136,388	\$ -	\$ 136,388	-	\$ 136,388	\$ -	\$ 136,388	-	-
2. Offender Services	\$ 1,369,233	\$ -	\$ 1,369,233	19	\$ 1,369,233	\$ -	\$ 1,369,233	19	38
3. Texas Correctional Industries	\$ 2,049,049	\$ 29,295	\$ 2,078,344	28	\$ 2,049,048	\$ 29,295	\$ 2,078,343	28	56
4. Special Needs Programs	\$ 2,192,875	\$ -	\$ 2,192,875	-	\$ 2,192,874	\$ -	\$ 2,192,874	-	-
5. Halfway House Facilities	\$ 2,354,537	\$ -	\$ 2,354,537	-	\$ 2,354,538	\$ -	\$ 2,354,538	-	-
6. Treatment Services	\$ 2,381,840	\$ -	\$ 2,381,840	33	\$ 2,381,840	\$ -	\$ 2,381,840	33	66
7. Information Resources	\$ 3,169,893	\$ -	\$ 3,169,893	12	\$ 3,169,893	\$ -	\$ 3,169,893	12	24
8. Intermediate Sanction Facilities	\$ 3,400,919	\$ -	\$ 3,400,919	-	\$ 3,400,918	\$ -	\$ 3,400,918	-	-
9. Administrative Support Operations	\$ 4,827,002	\$ -	\$ 4,827,002	53	\$ 4,827,001	\$ -	\$ 4,827,001	53	106
10. Substance Abuse Treatment	\$ 8,068,497	\$ -	\$ 8,068,497	-	\$ 8,068,498	\$ -	\$ 8,068,498	-	-
11. Correctional Unit Support	\$ 8,544,223	\$ -	\$ 8,544,223	165	\$ 8,544,224	\$ -	\$ 8,544,224	165	330
12. Privately Operated Correctional Facilities	\$ 9,909,523	\$ -	\$ 9,909,523	-	\$ 9,909,523	\$ -	\$ 9,909,523	-	-
13. Parole Supervision	\$ 11,507,220	\$ -	\$ 11,507,220	154	\$ 11,507,220	\$ -	\$ 11,507,220	154	308
14. Probation	\$ 23,948,527	\$ -	\$ 23,948,527	-	\$ 23,948,528	\$ -	\$ 23,948,528	-	-
15. Offender Health Care	\$ 48,405,379	\$ -	\$ 48,405,379	-	\$ 48,405,379	\$ -	\$ 48,405,379	-	-
16. Institutional Goods and Services	\$ 54,823,637	\$ -	\$ 54,823,637	442	\$ 54,823,638	\$ -	\$ 54,823,638	442	884
17. Correctional Security Operations	\$ 110,569,910	\$ -	\$ 110,569,910	1,487	\$ 110,569,909	\$ -	\$ 110,569,909	1,487	2,974
GRAND TOTAL	\$ 297,658,652	\$ 29,295	\$ 297,687,947	2,393.0	\$ 297,658,652	\$ 29,295	\$ 297,687,947	2,393.0	4,786.0
GRAND TOTAL 10%	\$ 595,317,304	\$ 58,590	\$ 595,375,894	4,786.0					

Texas Department of Criminal Justice

Report on CSCD Community Justice Plans, Pursuant to Senate Bill 1055, 82nd Legislature

Senate Bill 1055, 82nd Legislature, requires the Community Justice Council for a Community Supervision and Corrections Department (CSCD) to submit its Community Justice Plan (CJP) to the Texas Department of Criminal Justice (TDCJ) by March 1st of each even-numbered year. Each plan must include a description of the programs and services the CSCD provides or intends to provide to enhance public safety, reduce recidivism, strengthen the investigation and prosecution of criminal offenses, improve programs and services available to victims of crime, and increase the amount of restitution collected from persons supervised by the CSCD, and an outline of the CSCD's projected programmatic and budgetary needs, based on the programs and services the CSCD both provides and intends to provide.

The bill requires TDCJ to prepare a report regarding the programs and services contained in the CJPs. The report must include financial information relating to the programs and services, including information concerning the amount of state aid, and funding that is not state aid, used to support the programs or services. A copy of the report must be submitted to the Texas Board of Criminal Justice along with TDCJ's Legislative Appropriations Request (LAR).

For FY 2014-2015, CSCDs will expend approximately \$598.8 million in state funding (63.2% of the total amount), which includes \$148.6 million in Basic Supervision, \$231.9 million in Diversion Programs, \$83 million in Community Corrections, \$21.7 million in Treatment Alternatives to Incarceration (TAIP), and \$113.6 million in CSCD Employee Health Insurance. Additionally, program participant fees, probation supervision fees and other revenues (federal, other state grants, etc.) will total approximately \$348.5 million (36.8% of the total) for FY 2014-15. These funds, totaling \$947.3 million for the FY 2014-15 biennium, allow for the operations of 1,055 probation programs and services throughout the state's 122 CSCDs.

For FY 2016-2017, based on CJP submissions, CSCDs requested a total of \$651.7 million in state funding, which primarily includes increases in Employee Health Insurance as well as an increase in diversion programs. As a result, TDCJ's FY 2016-17 LAR submission includes exceptional items which correspond to the CSCD's funding requests.

Texas Department of Criminal Justice
Report on CSCD Community Justice Plans, Pursuant to Government Code 509.004 (c)

Funding Source ¹	FY14-15 Biennium	Submitted by CSCDs FY16-17 Biennium ²
State Appropriations		
A.1.1. Basic Supervision	\$ 223,294,844	\$ 220,594,844
A.1.2. Diversion Programs	\$ 258,216,635	\$ 306,609,742
A.1.3. Community Corrections	\$ 93,765,016	\$ 93,765,016
A.1.4. Treatment Alternatives to Incarceration (TAIP)	\$ 23,522,826	\$ 30,706,653
State Appropriations Total	\$ 598,799,321	\$ 651,676,255
Other Funding Sources		
Program Participant Fees	\$ 43,387,224	\$ 48,044,881
Probation Supervision Fees	\$ 272,543,775	\$ 268,462,466
Other Revenue Sources (federal, other state grants, etc.)	\$ 32,556,518	\$ 29,498,813
Other Funding Sources Total	\$ 348,487,517	\$ 346,006,160
GRAND TOTAL	\$ 947,286,838	\$ 997,682,415

¹State Appropriations include Employee Health Insurance amounts.

²A.1.1. Basic Supervision funding for FY 2016-17 is based on the June 2014 LBB Population Projections. Other FY 2016-17 amounts are based on the Community Justice Plan submissions.