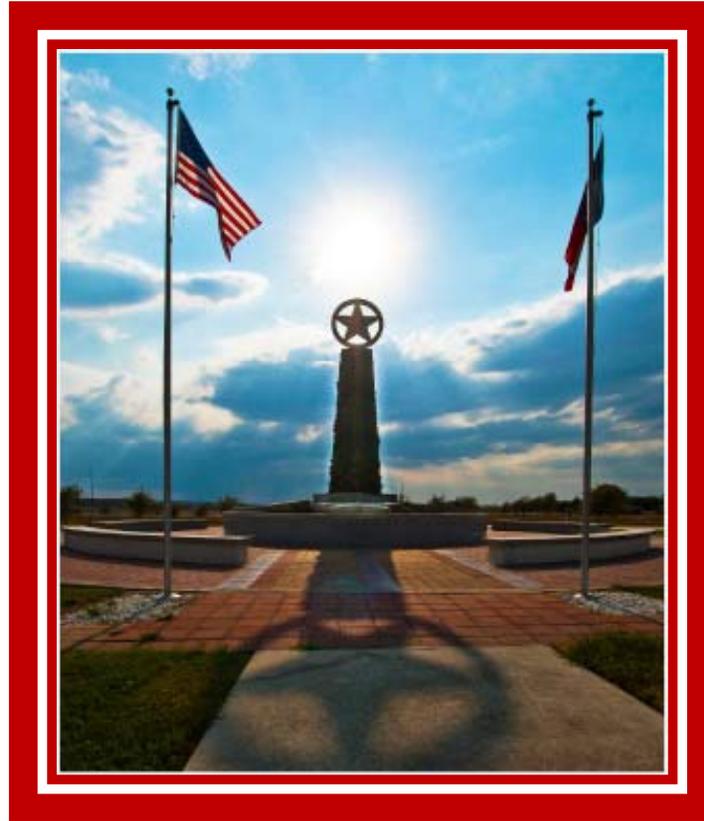


Texas Department of Criminal Justice

Fiscal Year 2019 Operating Budget



Fiscal Years 2020-2021
Legislative Appropriations Request

August 24, 2018

Texas Department of Criminal Justice

The attached summary document contains the Texas Department of Criminal Justice (TDCJ) Fiscal Year 2019 Operating Budget, as well as the FY 2020-21 biennial Legislative Appropriations Request (LAR), prepared as directed by the policy letter from the Legislative Budget Board and Governor's Office of Budget and Policy (see page 10 of this document). Considering our responsibilities as fiscal stewards of the state's resources, we have structured our fiscal year 2019 Operating Budget and requested funding levels for the 2020-21 biennium to include only those operational and policy items of critical importance.

Fiscal Year 2019 Operating Budget

TDCJ's FY 2019 Operating Budget was based on amounts appropriated during the 85th Legislative Session. Funding was provided for the projected populations on probation and parole supervision in an effort to sustain current caseload ratios and to maintain the treatment and diversion initiatives (substance abuse treatment programs, halfway house beds, and intermediate sanction facility beds) at current operational levels. Other key FY 2018-19 initiatives include: funding for the agency's major repair and renovation efforts to maintain our physical plant; additional funding for pretrial diversion programs; the transfer of the Community Supervision and Corrections Departments (CSCDs) health insurance from TDCJ to Employees Retirement System (ERS); and, based on the projected stability in the incarcerated population over the next five years, the closures of the Ware Unit (state owned, state operated), Bartlett State Jail (state owned, privately operated), West Texas Intermediate Sanction Facility (privately owned, privately operated), and the Bridgeport Pre-Parole Transfer Facility (privately owned, privately operated). Biennial funding for Correctional Managed Health Care (CMHC) totals \$1.1 billion, which represents a decrease from the FY 2016-17 biennial funding level. Reimbursement rates at Hospital Galveston transitioned from a Medicaid Tax Equity and Fiscal Responsibility Act (TEFRA) rate to a Medicare standard dollar amount (SDA) payment methodology and indirect administrative costs were capped at 2.75 percent. Additional funding has been provided for the expansion of targeted infirmary operations and hours of coverage, renovations at the Jester III and Telford units to increase sheltered housing beds, targeted salary adjustments to health care delivery staff, and extending prescriptions to 30 days for releasing offenders.

Fiscal and operational challenges in FY 2019 include correctional staffing levels resulting in increased overtime; uncertain future costs of major operational items such as utilities, fuel and food; and potential reductions in federal State Criminal Alien Assistance Program (SCAAP) funding. Additionally, rising medical costs, coupled with an aging offender population, will necessitate a supplemental appropriation for CMHC for the FY 2018-19 biennium. Realizing these ongoing fiscal challenges, we will continue monitoring our expenditures and reducing costs where possible.

Texas Department of Criminal Justice FY 2020-21 Legislative Appropriations Request (LAR)

The budget request for the 2020-21 biennium was developed in a manner consistent with instructions from State leadership, which directs agencies' baseline request for the 2020-21 biennium not to exceed the 2018-19 general revenue-related funding levels. Additionally, the LBB recently updated offender population projections used by the agency in preparing the 2020-21 LAR. Over the next five years, these projections indicate a stable incarcerated offender population, a stable number of supervised parolees and felony probationers, and a slight decrease in supervised misdemeanants.

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 local CSCDs' mental health and substance abuse treatment services. A continued investment in these diversion and treatment initiatives remains the best strategy to maintain a stable and balanced criminal justice system. Each exceptional item is fundamentally important to the operations of the agency and included in the list below.

- Continued funding for the agency's major repair and renovation is necessary to maintain our existing physical plant, numbering over 100 correctional facilities statewide, with many of these facilities over 75 years old. The size, scope and complexity of our physical plant requires substantial ongoing repair and renovation. Identified through condition assessments as well as major work requests prepared by operational staff, the 2020-21 request represents only a portion of the agency's infrastructure repair and renovation needs. We are continuously prioritizing these projects based on security and safety requirements. Totalling \$146.1 million, 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 and Correctional Officer career ladder enhancement 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. In an effort to address significant staffing shortages, recent changes to the correctional officer career ladder reduced the number of steps at the beginning of the career ladder and increased the starting salary of a newly hired correctional officer by 12%, to \$36,238. This item proposes to reduce the number of career ladder steps and increases the maximum salary from \$43,049 to \$47,354. The agency's primary focus is to continue to develop the correctional officer career ladder to impact both recruitment and retention. The Parole Officers would receive comparable increases, with the starting salary increasing from \$39,718 to \$43,690 with a maximum salary after 10 years increasing from \$44,661 to \$49,127. Ranking Correctional Officers and Parole Officers, as well as Correctional Laundry and Food Service Managers, would also receive similar salary increases.

FY 2020-21 Legislative Appropriations Request (LAR) – *continued*

- Additional appropriations totaling \$32.5 million are being requested for services needed for incarcerated offenders with special needs. A portion of this funding request would serve approximately 1,600 offenders in restrictive housing (administrative segregation) that are on an outpatient mental health caseload with an increased level of mental health care as a therapeutic diversion from the restrictive housing environment. In an effort to further contain health care costs, this funding request also provides approximately 350 sheltered housing beds on existing correctional facilities (Murray and Stiles units) for offenders who may not require an infirmary bed with constant care, but have medical needs that cannot be met in a general population environment.
- We are requesting \$32.2 million in additional funding for CSCDs diversion programs for mental health caseloads, substance abuse treatment, domestic violent behavior caseloads, and cognitive behavioral programs, serving over 20,100 probationers annually. This funding will allow for enhancing and expanding the mental health caseloads in areas of the state with the highest need and to provide for additional mental health residential services in more rural jurisdictions. The substance abuse specialized caseloads will be used to maximize treatment and increase positive outcomes by enhancing the comprehensive treatment plan for probationers. Additionally, this request provides funding for domestic violence and other violent behavior caseloads and increases the availability of services throughout the state for cognitive behavioral therapy programs to assist offenders in improving their problem solving, critical and moral reasoning, and impulse management. These programs and services will allow CSCDs to enhance their progressive sanction models that support the needs of offenders who are at risk of revocation and provide judges with more alternatives to incarceration, both as a sentencing option and as an alternative to revocation.
- In the last several years, pretrial diversion supervision has risen to provide offenders with the opportunity to correct their criminal behavior and have it not reflected on their permanent record. This item includes funding to expand pretrial diversion programs offered by CSCDs, which provides alternatives to prosecution, with a focus on preventing future criminal activity among offenders by diverting them from traditional processing into community supervision and services, which saves prosecution and judicial resources for concentration on major cases. The program expansion would serve nearly 8,900 additional offenders annually.
- According to university providers, additional funding of \$281.3 million is critical to ensure effective overall quality of care within the system and deliver the level of services required by minimum standards. Of this amount, an estimated \$247.2 million is required to bring the FY 2020-21 funding to the projected levels of expense incurred for the delivery of services currently provided. Funding less than this level, which takes into account the rising costs of health care, could require elimination of services. Mission critical hardware and software systems are well beyond their life cycle and are obsolete. Without these significant upgrades, university providers face serious threats of system failures and security breaches, compromising patient care and safety. Therefore, \$12.9 million will provide programming and hardware for critical IT systems (electronic health record, pharmacy system, and telemedicine systems). Included in this request is \$4.9 million to increase pharmacy staff levels to keep up with service demands and maintain pharmacist and technologist workloads. University providers continue to encounter significant difficulties in recruiting and retaining the professional staff necessary at TDCJ correctional facilities and are requesting \$12.3 million to provide targeted market level adjustments to address these positions. Additionally, the university providers are seeking to replace some aging capital throughout the system, such as x-ray machines, dental chairs, and other equipment, with estimated cost totaling \$4.0 million.

FY 2020-21 Legislative Appropriations Request (LAR) – *continued*

- ❑ In 2009, the Legislature appropriated incremental funding to begin the process of installing comprehensive security surveillance systems on 22 maximum-security correctional facilities. Currently installed in 14 of these facilities, these systems have significantly enhanced safety and security and provides an invaluable resource for monitoring offender activities and movement. The deployment of these systems has deterred staff and offender assaults, contraband smuggling, and other serious violations of state law or agency policy. These comprehensive security surveillance systems have also been used to identify criminal or administrative violations that may otherwise have escaped detection; substantiate or prove unfounded allegations of offender or staff misbehavior; review security practices in order to identify opportunities for improvement; distinguish assailant from victim in altercations between offenders; identify instigators, participants and bystanders during a disturbance; and verify the location of individuals at exact times. Continuation of this funding would provide for an additional four maximum security correctional facilities to be equipped with comprehensive security surveillance systems.
- ❑ Requested funding of \$13.0 million for the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) would expand jail diversion services in rural areas, providing offenders with special needs services designed to divert them from incarceration in prisons and state jails. This program expansion would serve an additional 1,250 offenders annually with serious mental illnesses. This additional funding would also expand caseloads that serve offenders with a high criminogenic risk and clinical care need, serving an additional 4,100 clients annually. The expansion of these services will enhance TCOOMMI’s capability to provide intensive mental health case management, psychiatric assessments and diagnostics, and psychosocial rehabilitation.
- ❑ The funding request for the Corrections Information Technology System Project reflects our strategy for the modernization of the current corrections system (legacy systems utilized for offender management, starting from initial conviction to reintegration with the public). The current mainframe systems were initially built 40 years ago and are comprised of more than 12 million lines of COBOL programming code and require maintenance of more than 68 individual systems. With these aging systems, challenges include security risks, diminishing COBOL experience, system incompatibility with modern technologies, extensive maintenance requirements and difficulty in modifying or adding functionality. The funding for the Corrections Information Technology System Project would allow the agency to provide sustainability, security and extensibility for the state corrections system. Information technology systems that cannot be properly protected or secured would be given priority for upgrade or replacement. This funding would continue the agency’s initiative of upgrading its critical information technology infrastructure.
- ❑ Post-secondary programs give offenders an opportunity for rehabilitation by developing their mental skills and providing marketable job training skills upon reentry into society as successful, productive citizens. These programs are provided through contracts with local colleges and universities serving the geographic areas where units are located. Offenders wishing to participate in these post-secondary programs must meet the criteria for admission of each college or university and any requirements by the agency. This additional funding is to expand the post-secondary programs presently offered and seek other colleges and universities that are willing to provide these services in areas currently not offered. This would expand vocational programs such as welding, automotive technology, HVAC, truck driving, construction carpentry, culinary arts, and other employable programs in high demand and will serve an additional 2,500 offenders for the biennium.

FY 2020-21 Legislative Appropriations Request (LAR) – *continued*

- HB 3130, 85th Legislature, allows a judge to place those convicted of a state jail felony who receives a sentence of confinement, under community supervision for a total of 270 days with the condition the individual submits to 90 days of confinement within a state jail facility and participates in a 180 day educational and vocational training program. This enacted legislation, which becomes effective September 1, 2019, requires the agency to establish a non-residential, education/vocational training pilot program in four regional locations throughout the state. Assuming an awarded contract rate at four locations with 45 participants at \$40 per day, the annual fiscal impact will be \$2.6 million.

We acknowledge that all state expenditure requests may strain available revenues; however, in addition to our request for targeted salary increases for correctional officers and parole officers, we would strongly encourage state leaders to consider providing a pay raise to all state employees, including probation employees at our local CSCDs, for the perseverance and integrity they demonstrate every day for our great state.

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.

Bryan Collier
Executive Director

TEXAS DEPARTMENT OF CRIMINAL JUSTICE
FY 2019 - 2021 Agency Budget

	Estimated FY18	Budgeted FY19	100% Base Request FY20	100% Base Request FY21	Total Budget Request FY20	Total Budget Request FY21
A. Goal: PROVIDE PRISON DIVERSIONS	\$ 248,317,931	\$ 246,301,993	\$ 247,309,961	\$ 247,309,963	\$ 267,389,214	\$ 267,389,216
B. Goal: SPECIAL NEEDS OFFENDERS	25,311,730	25,420,443	24,963,562	24,963,562	31,528,562	31,428,562
C. Goal: INCARCERATE FELONS	2,735,715,707	2,712,414,940	2,741,086,418	2,742,164,829	2,983,977,329	2,986,707,668
D. Goal: ENSURE ADEQUATE FACILITIES	25,743,235	19,361,551	-	-	74,420,000	71,680,000
F. Goal: OPERATE PAROLE SYSTEM	182,885,746	181,687,957	181,671,893	182,656,254	189,019,124	190,003,485
G. Goal: INDIRECT ADMINISTRATION	71,871,275	73,089,169	71,556,062	71,556,063	87,649,062	79,627,063
GRAND TOTAL	\$ 3,289,845,624	\$ 3,258,276,053	\$ 3,266,587,896	\$ 3,268,650,671	\$ 3,633,983,291	\$ 3,626,835,994

NOTE: The FY 2019 Operating Budget and FY 2020-21 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						
<i>Strategies</i>	Estimated FY18	Budgeted FY19	<i>100% Base Request FY20</i>	<i>100% Base Request FY21</i>	Total Budget Request FY20	Total Budget Request FY21
Program Descriptions						
A. PROVIDE PRISON DIVERSIONS						
A.1.1. Basic Supervision	70,279,650	69,862,398	70,071,024	70,071,024	70,071,024	70,071,024
A.1.2. Diversion Programs	124,253,174	122,315,842	123,284,508	123,284,508	143,363,761	143,363,761
A.1.3. Community Corrections	42,872,448	43,488,461	43,180,454	43,180,455	43,180,454	43,180,455
A.1.4. Treatment Alternatives to Incarceration	10,912,659	10,635,292	10,773,975	10,773,976	10,773,975	10,773,976
B. SPECIAL NEEDS OFFENDERS						
B.1.1. Special Needs Programs & Services	25,311,730	25,420,443	24,963,562	24,963,562	31,528,562	31,428,562
C. INCARCERATE FELONS						
C.1.1. Correctional Security Operations	1,205,787,515	1,167,360,667	1,205,874,091	1,205,874,091	1,285,570,374	1,285,570,374
Correctional Security	1,189,479,402	1,150,829,326	1,189,454,364	1,189,454,364	1,269,150,647	1,269,150,647
Workers Compensation & Unemployment	16,308,113	16,531,341	16,419,727	16,419,727	16,419,727	16,419,727
C.1.2. Correctional Support Operations	84,302,198	84,452,641	84,169,838	84,169,838	97,169,838	84,169,838
Correctional Unit Support	60,700,510	60,829,854	60,557,601	60,557,600	73,557,601	60,557,600
Classification & Records	23,601,688	23,622,787	23,612,237	23,612,238	23,612,237	23,612,238
C.1.3. Correctional Training	6,068,715	5,554,961	5,811,838	5,811,838	5,811,838	5,811,838
C.1.4. Offender Services	14,452,843	14,302,946	14,377,895	14,377,894	14,377,895	14,377,894
Counsel Substitute/Access to Courts	4,916,357	4,916,282	4,916,320	4,916,319	4,916,320	4,916,319
Release Payments for Adult Offenders	5,200,098	5,224,766	5,212,432	5,212,432	5,212,432	5,212,432
State Counsel for Offenders	3,735,585	3,496,929	3,616,257	3,616,257	3,616,257	3,616,257
Interstate Compact	600,803	664,969	632,886	632,886	632,886	632,886
C.1.5. Institutional Goods	167,341,592	168,490,175	167,915,884	167,915,883	167,915,884	167,915,883
Food Services for Offenders	116,772,352	117,789,997	117,281,174	117,281,175	117,281,174	117,281,175
Unit Necessities & Laundry	50,569,240	50,700,178	50,634,710	50,634,708	50,634,710	50,634,708
C.1.6. Institutional Services	207,737,445	212,360,670	210,049,057	210,049,058	210,049,057	210,049,058
Agriculture Operations	57,240,249	50,089,362	51,164,806	51,164,805	51,164,806	51,164,805
Commissary Operations	112,382,280	123,772,373	121,577,326	121,577,327	121,577,326	121,577,327
Freight Transportation & Warehouse Operations	38,114,916	38,498,935	37,306,925	37,306,926	37,306,925	37,306,926
C.1.7. Institutional Operations & Maintenance	200,723,335	198,374,183	199,131,929	199,131,930	199,131,929	199,131,930
Institutional Operations & Maintenance	81,344,743	79,428,276	79,969,679	79,969,681	79,969,679	79,969,681
Utilities	119,378,592	118,945,907	119,162,250	119,162,249	119,162,250	119,162,249

Texas Department of Criminal Justice

GOALS						
Strategies	Estimated FY18	Budgeted FY19	100% Base Request FY20	100% Base Request FY21	Total Budget Request FY20	Total Budget Request FY21
Program Descriptions						
C. INCARCERATE FELONS <i>continued</i>						
C.1.8. Unit & Psychiatric Care	302,184,774	312,921,688	306,553,231	306,553,231	342,170,535	344,966,028
C.1.9. Hospital & Clinical Care	189,537,341	190,550,364	190,043,853	190,043,852	279,517,240	286,540,590
C.1.10. Managed Health Care - Pharmacy	60,733,962	61,103,542	60,918,752	60,918,752	82,394,689	87,227,773
C.1.11. Health Services	5,415,007	5,045,101	5,230,054	5,230,054	5,230,054	5,230,054
C.1.12. Contract Prisons/Private State Jails	103,656,892	104,572,088	103,355,332	104,873,648	103,355,332	104,873,648
C.2.1. Texas Correctional Industries	74,789,302	74,926,473	74,857,887	74,857,888	74,857,887	74,857,888
C.2.2. Academic/Vocational Training	1,919,044	1,919,044	1,919,044	1,919,044	2,919,044	2,919,044
Academic Programs	801,457	801,457	801,457	801,457	801,457	801,457
Vocational Programs	1,117,587	1,117,587	1,117,587	1,117,587	2,117,587	2,117,587
C.2.3. Treatment Services	28,635,663	28,050,319	28,447,657	28,007,747	31,075,657	30,635,747
Chaplaincy	5,704,891	5,746,360	5,725,625	5,725,626	5,725,625	5,725,626
Classification Case Managers	8,898,348	8,776,657	8,837,502	8,837,503	8,837,502	8,837,503
Sex Offender Treatment Program	3,550,935	3,445,408	3,498,174	3,498,169	3,498,174	3,498,169
Parole Special Needs	1,913,060	1,674,998	1,794,029	1,794,029	1,794,029	1,794,029
Reentry Transitional Coordinators	8,568,429	8,406,896	8,592,327	8,152,420	11,220,327	10,780,420
C.2.4. Substance Abuse Felony Punishment	49,720,535	49,720,535	49,720,534	49,720,536	49,720,534	49,720,536
C.2.5. In-Prison Substance Abuse Treatment & Coordination	32,709,544	32,709,543	32,709,542	32,709,545	32,709,542	32,709,545
D. ENSURE ADEQUATE FACILITIES						
D.1.1. Major Repair of Facilities	25,743,235	19,361,551	-	-	74,420,000	71,680,000
F. OPERATE PAROLE SYSTEM						
F.1.1. Parole Release Processing	6,756,937	6,471,912	6,614,425	6,614,424	6,614,425	6,614,424
F.2.1. Parole Supervision	118,382,397	118,384,826	118,260,833	118,260,834	125,608,064	125,608,065
F.2.2. Halfway House Facilities	36,152,334	36,347,024	35,970,025	36,529,333	35,970,025	36,529,333
F.2.3. Intermediate Sanction Facilities	21,594,078	20,484,195	20,826,610	21,251,663	20,826,610	21,251,663

Texas Department of Criminal Justice

GOALS		Estimated FY18	Budgeted FY19	100% Base Request FY20	100% Base Request FY21	Total Budget Request FY20	Total Budget Request FY21
Strategies	Program Descriptions						
G. INDIRECT ADMINISTRATION							
G.1.1.	Central Administration	29,104,775	28,797,964	28,951,370	28,951,369	28,951,370	28,951,369
	Administration & Support	24,544,814	24,243,615	24,394,215	24,394,214	24,394,215	24,394,214
	Correctional Institutions Administration	292,229	290,875	291,552	291,552	291,552	291,552
	Parole Administration	228,297	218,808	223,552	223,553	223,552	223,553
	Reentry & Integration Programs Administration	225,798	219,626	222,712	222,712	222,712	222,712
	Rehabilitation Programs Administration	295,929	282,209	289,069	289,069	289,069	289,069
	Community Justice Assistance Division	3,517,708	3,542,831	3,530,270	3,530,269	3,530,270	3,530,269
G.1.2.	Inspector General	13,082,567	12,843,750	12,861,582	12,861,583	12,861,582	12,861,583
G.1.3.	Victim Services	2,117,795	2,508,662	1,490,645	1,490,645	1,490,645	1,490,645
G.1.4.	Information Resources	27,566,138	28,938,793	28,252,465	28,252,466	44,345,465	36,323,466
GRAND TOTAL		\$ 3,289,845,624	\$ 3,258,276,053	\$ 3,266,587,896	\$ 3,268,650,671	\$ 3,633,983,291	\$ 3,626,835,994

TEXAS DEPARTMENT OF CRIMINAL JUSTICE

Method of Finance

	Estimated FY18	Budgeted FY19	100% Base Request FY20	100% Base Request FY21	Total Budget Request FY20	Total Budget Request FY21
GENERAL REVENUE:						
General Revenue Fund	\$ 3,044,566,870	\$ 3,030,236,443	\$ 3,047,950,318	\$ 3,065,452,995	\$ 3,415,345,713	\$ 3,423,638,318
Education and Recreation Program Receipts	119,382,280	123,772,373	121,577,326	121,577,327	121,577,326	121,577,327
Texas Correctional Industries Receipts	5,248,913	5,248,913	5,248,913	5,248,913	5,248,913	5,248,913
GENERAL REVENUE DEDICATED:						
Private Sector Prison Industry Expansion Acct. 5060	50,003	187,174	118,588	118,589	118,588	118,589
Texas Capital Trust Fund Account 543	5,104,786	-	-	-	-	-
FEDERAL FUNDS:						
Federal Funds	1,826,798	1,179,932	439,906	-	439,906	-
Federal Funds for Incarcerated Aliens	8,644,147	8,644,147	8,644,147	8,644,147	8,644,147	8,644,147
OTHER FUNDS:						
Interagency Contracts - Criminal Justice Grants	506,421	837,896	-	-	-	-
Economic Stabilization Fund	21,638,449	20,361,551	-	-	-	-
Appropriated Receipts	28,772,733	13,820,582	28,796,657	13,796,658	28,796,657	13,796,658
Interagency Contracts	767,748	650,565	475,565	475,565	475,565	475,565
Interagency Contracts - Texas Correctional Industries	53,336,476	53,336,477	53,336,476	53,336,477	53,336,476	53,336,477
GRAND TOTAL	\$ 3,289,845,624	\$ 3,258,276,053	\$ 3,266,587,896	\$ 3,268,650,671	\$ 3,633,983,291	\$ 3,626,835,994

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS REQUEST SUMMARY

(Detail on pages 7-9)

ESTIMATED COST		
FY20	FY21	<i>FTEs</i>
Requested Funding <small><i>in millions</i></small>		

Policy and/or operational items requiring additional state resources:

1) Repair/Renovation of Buildings & Facilities	74.4	71.7	
2) Correctional Officer and Parole Officer - Career Ladder Restructure / Pay Raise	84.1	84.1	
3) Specialized Correctional Housing	18.5	14.0	74
4) Probation Specialized Programs - Treatment/Supervision	16.1	16.1	
5) Pretrial Diversion Funding	4.0	4.0	
6) Offender Health Care	131.1	150.2	
7) Comprehensive Video Surveillance Systems	13.0	-	
8) Additional TCOOMMI Funding	6.5	6.5	
9) Corrections Information Technology System Project	16.1	8.1	
10) Additional Vocational Training	1.0	1.0	
11) Educational and Vocational Training Programs (HB 3130, 85th Legislature)	2.6	2.6	

GRAND TOTAL, ALL EXCEPTIONAL ITEMS

\$ 367.4 \$ 358.3 74

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST		
FY20	FY21	FTEs
Requested Funding <small>in millions</small>		

Policy and/or operational items requiring additional state resources:

1) Repair/Renovation of Buildings & Facilities

\$ 74.4 | \$ 71.7 |

Item Description / Impact if not Funded:

Continued funding for the agency’s major repair and renovation is necessary to maintain our existing physical plant, numbering over 100 correctional facilities statewide, with many of these facilities over 75 years old. The size, scope and complexity of our physical plant requires substantial ongoing repair and renovation. Identified through condition assessments as well as major work requests prepared by operational staff, the 2020-21 request represents only a portion of the agency’s infrastructure repair and renovation needs. We are continuously prioritizing these projects based on security and safety requirements. Totalling \$146.1 million, these projects include: roof repairs, security fencing and lighting, electrical renovations, water/wastewater improvements, and other major infrastructure repairs.

2) Correctional Officer and Parole Officer - Career Ladder Restructure / Pay Raise

\$ 84.1 | \$ 84.1 |

Item Description / Impact if not Funded:

A substantial and comprehensive Correctional Officer and Parole Officer salary increase and Correctional Officer career ladder enhancement 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. In an effort to address significant staffing shortages, recent changes to the correctional officer career ladder reduced the number of steps at the beginning of the career ladder and increased the starting salary of a newly hired correctional officer by 12%, to \$36,238. This item proposes to reduce the number of career ladder steps and increases the maximum salary from \$43,049 to \$47,354. The agency’s primary focus is to continue to develop the correctional officer career ladder to impact both recruitment and retention. The Parole Officers would receive comparable increases, with the starting salary increasing from \$39,718 to \$43,690 with a maximum salary after 10 years increasing from \$44,661 to \$49,127. Ranking Correctional Officers and Parole Officers, as well as Correctional Laundry and Food Service Managers, would also receive similar salary increases.

3) Specialized Correctional Housing

\$ 18.5 | \$ 14.0 | 74

Item Description / Impact if not Funded:

Additional appropriations totaling \$32.5 million are being requested for services needed for incarcerated offenders with special needs. A portion of this funding request would serve approximately 1,600 offenders in restrictive housing (administrative segregation) that are on an outpatient mental health caseload with an increased level of mental health care as a therapeutic diversion from the restrictive housing environment. In an effort to further contain health care costs, this funding request also provides approximately 350 sheltered housing beds on existing correctional facilities (Murray and Stiles units) for offenders who may not require an infirmary bed with constant care, but have medical needs that cannot be met in a general population environment.

4) Probation Specialized Programs - Treatment/Supervision

\$ 16.1 | \$ 16.1 |

Item Description / Impact if not Funded:

We are requesting \$32.2 million in additional funding for CSCDs diversion programs for mental health caseloads, substance abuse treatment, domestic violent behavior caseloads, and cognitive behavioral programs, serving over 20,100 probationers annually. This funding will allow for enhancing and expanding the mental health caseloads in areas of the state with the highest need and to provide for additional mental health residential services in more rural jurisdictions. The substance abuse specialized caseloads will be used to maximize treatment and increase positive outcomes by enhancing the comprehensive treatment plan for probationers. Additionally, this request provides funding for domestic violence and other violent behavior caseloads and increases the availability of services throughout the state for cognitive behavioral therapy programs to assist offenders in improving their problem solving, critical and moral reasoning, and impulse management. These programs and services will allow CSCDs to enhance their progressive sanction models that support the needs of offenders who are at risk of revocation and provide judges with more alternatives to incarceration, both as a sentencing option and as an alternative to revocation.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST		
FY20	FY21	
Requested Funding		<i>FTEs</i>
<small>in millions</small>		

Policy and/or operational items requiring additional state resources:

5) Pretrial Diversion Funding

\$ 4.0 | \$ 4.0 |

Item Description / Impact if not Funded:

In the last several years, pretrial diversion supervision has risen to provide offenders with the opportunity to correct their criminal behavior and have it not reflected on their permanent record. This item includes funding to expand pretrial diversion programs offered by CSCDs, which provides alternatives to prosecution, with a focus on preventing future criminal activity among offenders by diverting them from traditional processing into community supervision and services, which saves prosecution and judicial resources for concentration on major cases. The program expansion would serve nearly 8,900 additional offenders annually.

6) Offender Health Care

\$ 131.1 | \$ 150.2 |

Item Description / Impact if not Funded:

According to university providers, additional funding of \$281.3 million is critical to ensure effective overall quality of care within the system and deliver the level of services required by minimum standards. Of this amount, an estimated \$247.2 million is required to bring the FY 2020-21 funding to the projected levels of expense incurred for the delivery of services currently provided. Funding less than this level, which takes into account the rising costs of health care, could require elimination of services. Mission critical hardware and software systems are well beyond their life cycle and are obsolete. Without these significant upgrades, university providers face serious threats of system failures and security breaches, compromising patient care and safety. Therefore, \$12.9 million will provide programming and hardware for critical IT systems (electronic health record, pharmacy system, and telemedicine systems). Included in this request is \$4.9 million to increase pharmacy staff levels to keep up with service demands and maintain pharmacist and technologist workloads. University providers continue to encounter significant difficulties in recruiting and retaining the professional staff necessary at TDCJ correctional facilities and are requesting \$12.3 million to provide targeted market level adjustments to address these positions. Additionally, the university providers are seeking to replace some aging capital throughout the system, such as x-ray machines, dental chairs, and other equipment, with estimated cost totaling \$4.0 million.

7) Comprehensive Video Surveillance Systems

\$ 13.0 | \$ - |

Item Description / Impact if not Funded:

In 2009, the Legislature appropriated incremental funding to begin the process of installing comprehensive security surveillance systems on 22 maximum-security correctional facilities. Currently installed in 14 of these facilities, these systems have significantly enhanced safety and security and provides an invaluable resource for monitoring offender activities and movement. The deployment of these systems has deterred staff and offender assaults, contraband smuggling, and other serious violations of state law or agency policy. These comprehensive security surveillance systems have also been used to identify criminal or administrative violations that may otherwise have escaped detection; substantiate or prove unfounded allegations of offender or staff misbehavior; review security practices in order to identify opportunities for improvement; distinguish assailant from victim in altercations between offenders; identify instigators, participants and bystanders during a disturbance; and verify the location of individuals at exact times. Continuation of this funding would provide for an additional four maximum security correctional facilities to be equipped with comprehensive security surveillance systems.

8) Additional TCOOMMI Funding

\$ 6.5 | \$ 6.5 |

Item Description / Impact if not Funded:

Requested funding of \$13.0 million for the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) would expand jail diversion services in rural areas, providing offenders with special needs services designed to divert them from incarceration in prisons and state jails. This program expansion would serve an additional 1,250 offenders annually with serious mental illnesses. This additional funding would also expand caseloads that serve offenders with a high criminogenic risk and clinical care need, serving an additional 4,100 clients annually. The expansion of these services will enhance TCOOMMI's capability to provide intensive mental health case management, psychiatric assessments and diagnostics, and psychosocial rehabilitation.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST		
FY20	FY21	
Requested Funding		<i>FTEs</i>
<small><i>in millions</i></small>		

Policy and/or operational items requiring additional state resources:

9) Corrections Information Technology System Project	\$	16.1	\$	8.1
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Item Description / Impact if not Funded:

The funding request for the Corrections Information Technology System Project reflects our strategy for the modernization of the current corrections system (legacy systems utilized for offender management, starting from initial conviction to reintegration with the public). The current mainframe systems were initially built 40 years ago and are comprised of more than 12 million lines of COBOL programming code and require maintenance of more than 68 individual systems. With these aging systems, challenges include security risks, diminishing COBOL experience, system incompatibility with modern technologies, extensive maintenance requirements and difficulty in modifying or adding functionality. The funding for the Corrections Information Technology System Project would allow the agency to provide sustainability, security and extensibility for the state corrections system. Information technology systems that cannot be properly protected or secured would be given priority for upgrade or replacement. This funding would continue the agency's initiative of upgrading its critical information technology infrastructure.

10) Additional Vocational Training	\$	1.0	\$	1.0
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Item Description / Impact if not Funded:

Post-secondary programs give offenders an opportunity for rehabilitation by developing their mental skills and providing marketable job training skills upon reentry into society as successful, productive citizens. These programs are provided through contracts with local colleges and universities serving the geographic areas where units are located. Offenders wishing to participate in these post-secondary programs must meet the criteria for admission of each college or university and any requirements by the agency. This additional funding is to expand the post-secondary programs presently offered and seek other colleges and universities that are willing to provide these services in areas currently not offered. This would expand vocational programs such as welding, automotive technology, HVAC, truck driving, construction carpentry, culinary arts, and other employable programs in high demand and will serve an additional 2,500 offenders for the biennium.

11) Educational and Vocational Training Programs (HB 3130, 85th Legislature)	\$	2.6	\$	2.6
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Item Description / Impact if not Funded:

HB 3130, 85th Legislature, allows a judge to place those convicted of a state jail felony who receives a sentence of confinement, under community supervision for a total of 270 days with the condition the individual submits to 90 days of confinement within a state jail facility and participates in a 180 day educational and vocational training program. This enacted legislation, which becomes effective September 1, 2019, requires the agency to establish a non-residential, education/vocational training pilot program in four regional locations throughout the state. Assuming an awarded contract rate at four locations with 45 participants at \$40 per day, the annual fiscal impact will be \$2.6 million.

GRAND TOTAL, ALL EXCEPTIONAL ITEMS	\$	367.4	\$	358.3	74
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**Policy Letter from the Legislative Budget Board and Governor's Office of Budget and Policy regarding the
2020-21 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 and Policy**
1100 San Jacinto, 4th Floor
Austin, TX 78701
(512) 463-1778

MEMORANDUM

June 22, 2018

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

An initial step in developing the 2020-21 biennial budget for the State of Texas is submission of agency and institution Legislative Appropriations Requests. Detailed instructions for the submission are posted on the websites of the Legislative Budget Board and the Office of the Governor, including a staggered schedule of submission dates.

It is imperative that every state agency engage in a thorough review of each program and budget strategy and determine the value of each dollar spent. 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 2018 and budgeted in fiscal year 2019. While the state's economic landscape is positive and a balance is projected to accrue in the treasury, agencies are directed to be vigilant in their spending and continue to be responsible stewards of state resources. Agencies must also submit a supplemental schedule detailing how they would reduce the baseline request by an additional 10 percent (in 2.5 percent increments) in General Revenue and General Revenue Dedicated Funds.

Exceptions to the baseline request limitation include amounts necessary to:

- maintain funding for Foundation School Program under current law;
- maintain public safety resources in the border region to help secure Texas;
- satisfy debt service requirements for bond authorizations;
- maintain funding at fiscal year 2019 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

June 22, 2018

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for retirement and group health insurance), though group benefit modifications may be considered;

- maintain funding for Child Protective Services;
- maintain funding for behavioral health services programs; and
- maintain current benefits and eligibility in Medicaid programs, the Children's Health Insurance Program, the foster care programs, the adoption subsidies programs and the permanency care assistance program. Baseline requests for these programs should include amounts sufficient for projected caseload growth.

Specific questions with respect to the treatment of the above items should be directed via email to both your Governor's Office and LBB analyst.

Essential funding requests that exceed the baseline spending level may not be included in the baseline request, but these additional funding requests may be submitted as Exceptional Items. Agencies that request Exceptional Items should be prepared to identify lower-priority programs or other cost savings to help offset the increased costs associated with their requests.

Each LAR is required to include information providing the budget request by program, as outlined in the instructions, and agencies shall continue to provide information for the State Budget by Program application. Additionally, at the direction of either the Legislative Budget Board or the Governor's Office, you are required to submit additional agency detail as that office deems necessary to conduct its analysis, including any requested zero-based budget information.

Thank you for your service to the state of Texas, and we look forward to working with you in preparation for the 86th Legislative Session.

Sincerely,

Ursula Parks
Director
Legislative Budget Board

Sarah Hicks
Budget Director
Governor's Office, Budget and Policy Division

Texas Department of Criminal Justice
FY 2020-21 Ten Percent Biennial Base Reduction Options

Core Agency Operations	First 2.5% Reduction			FTE Red.	Second 2.5% Reduction			FTE Red.
	GR	GR-Ded.	All Funds	FY20-21	GR	GR-Ded.	All Funds	FY20-21
1. Administrative Support Operations	\$ 3.7		\$ 3.7	34.5	\$ 3.7		\$ 3.7	34.5
2. Parole Supervision	\$ 6.2		\$ 6.2	78.6	\$ 6.2		\$ 6.2	78.6
3. Community Supervision (Probation)	\$ 8.0		\$ 8.0	-	\$ 8.0		\$ 8.0	-
4. Privately Operated Facilities	\$ 7.3		\$ 7.3	-	\$ 7.3		\$ 7.3	-
5. Correctional Managed Health Care	\$ 25.2		\$ 25.2	-	\$ 25.2		\$ 25.2	-
6. Institutional Goods & Services	\$ 35.1	\$ 0.5	\$ 35.6	326.0	\$ 35.6		\$ 35.6	326.0
7. Correctional Security Operations	\$ 59.6		\$ 59.6	723.8	\$ 59.6		\$ 59.6	723.8
TOTAL	\$ 145.1	\$ 0.5	\$ 145.6	1,162.9	\$ 145.6	\$ -	\$ 145.6	1,162.9

Core Agency Operations	Third 2.5% Reduction			FTE Red.	Fourth 2.5% Reduction			FTE Red.
	GR	GR-Ded.	All Funds	FY20-21	GR	GR-Ded.	All Funds	FY20-21
1. Administrative Support Operations	\$ 3.7		\$ 3.7	34.5	\$ 3.7		\$ 3.7	34.5
2. Parole Supervision	\$ 6.2		\$ 6.2	78.6	\$ 6.2		\$ 6.2	78.6
3. Community Supervision (Probation)	\$ 8.0		\$ 8.0	-	\$ 8.0		\$ 8.0	-
4. Privately Operated Facilities	\$ 7.3		\$ 7.3	-	\$ 7.3		\$ 7.3	-
5. Correctional Managed Health Care	\$ 25.2		\$ 25.2	-	\$ 25.2		\$ 25.2	-
6. Institutional Goods & Services	\$ 35.6		\$ 35.6	326.0	\$ 35.6		\$ 35.6	326.0
7. Correctional Security Operations	\$ 59.6		\$ 59.6	723.8	\$ 59.6		\$ 59.6	723.8
TOTAL	\$ 145.6	\$ -	\$ 145.6	1,162.9	\$ 145.6	\$ -	\$ 145.6	1,162.9

GRAND TOTAL 10%	GR	GR-Ded.	All Funds	FTE Red.
	\$ 581.8	\$ 0.5	\$ 582.3	4,651.6

Texas Department of Criminal Justice

Report on CSCD Strategic Plans, Pursuant to Government Code 509.004 (c)

Texas Government Code, Section 509.007, requires a Community Supervision and Corrections Department (CSCD) to submit its Strategic Plan to the Texas Department of Criminal Justice (TDCJ) by March 1st of each even-numbered year. Each plan must include a statement of goals and priorities, a commitment by the department and the judges to achieve a targeted level of alternative sanctions, a description of methods for measuring the success of programs, and a summary of the programs and services the department provides or intends to provide. Additionally, the plan must include an outline of the CSCD's projected programmatic and budgetary needs.

Texas Government Code, Section 492.017 and Section 509.004, also requires TDCJ to prepare a report that contains a summary of the programs and services provided by departments, as described in each strategic plan. 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 2018-2019, CSCDs will expend approximately \$494.6 in state funding (60.9%), which includes \$140.1 million in Basic Supervision, \$246.6 million in Diversion Programs, \$86.4 million in Community Corrections Programs, and \$21.5 million in Treatment Alternatives to Incarceration Program (TAIP). Additionally, program participant fees, probation supervision fees and other revenues (federal, other state grants, etc.) will total approximately \$317.1 million (39.1%) for FY 2018-2019. These funds, totaling \$811.8 million for the FY 2018-2019 biennium, allow for the operations of 957 probation programs and services throughout the state's 122 CSCDs.

For FY 2020-2021, based on Strategic Plan submissions, CSCDs requested a total of \$589.6 million in state funding, which includes increases in diversion programs. TDCJ's FY 2020-2021 LAR submission includes exceptional items which are based on the CSCD's funding requests.

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

Funding Source	FY18-19 Appropriated	Submitted by CSCDs for FY20-21
State Appropriations		
A.1.1. Basic Supervision	\$ 140,142,048	\$ 145,523,503
A.1.2. Diversion Programs	\$ 246,569,016	\$ 328,772,062
A.1.3. Community Corrections	\$ 86,360,909	\$ 89,677,168
A.1.4. Treatment Alternatives to Incarceration (TAIP)	\$ 21,547,951	\$ 25,603,858
State Appropriations Total	\$ 494,619,924	\$ 589,576,591
Other Funding Sources		
Program Participant Fees	\$ 37,517,162	\$ 40,177,113
Probation Supervision Fees	\$ 254,364,711	\$ 243,314,081
Other Revenue Sources (federal, other state grants, etc.)	\$ 25,267,963	\$ 17,131,219
Other Funding Sources Total	\$ 317,149,836	\$ 300,622,413
GRAND TOTAL	\$ 811,769,760	\$ 890,199,004