

2010 – 2011 Budget Hearing Presentation

Texas Department of Criminal Justice



Brad Livingston, Executive Director

<i>Biennial Request (in mil)</i>	
<i>GR/GR-D</i>	<i>All Funds</i>

Items required to maintain current operations:	\$ 73.5	\$ 173.5
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1) Electricity

\$ 37.9 \$ 37.9

Utility expenditures continue to be a significant fiscal challenge for the agency. This exceptional item would provide funding for electricity at a level consistent with the FY 2008-09 expenditures. The agency has taken advantage of the deregulated electricity market which has resulted in lower utility rates and expenditures than otherwise would be expected. Additionally, consumption levels have continuously decreased over the past five years. However, electricity expenditures will exceed the 2010-11 funding in the bill as introduced by approximately \$18 million annually.

2) Repair and Rehabilitation of Facilities

\$ 0.0 \$ 100.0

Continued repair and rehabilitation funding is necessary to maintain our existing physical plant totaling over 100 correctional facilities statewide. Many of these facilities are 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 2010-11 request represents a prioritization of the agency's infrastructure repair and rehabilitation needs. We are continuously prioritizing these projects based on security and safety requirements. Funded with general obligation bonds, these projects include: roof repairs, security fencing and lighting, electrical renovations, water/wastewater improvements, and major infrastructure repairs.

3) Biennialization of SAFFP/ISF Diversion Initiatives

\$ 28.6 \$ 28.6

The 80th Legislature provided TDCJ with funding for a number of treatment and diversion initiatives, including a phase in of 1,500 Substance Abuse Felony Punishment (SAFFP) beds and 1,400 parole and probation Intermediate Sanction Facility (ISF) beds. Additional funding is required in FY 2010-11 to fully biennialize the operations of these programs.

4) Biennialization of Data Center Consolidation

\$ 7.0 \$ 7.0

With the passage of HB 1516, 79th Legislature, the data centers of 27 state agencies were consolidated through a managed services agreement with the Department of Information Resources (DIR). Based on current usage and invoices received to date, additional funding is necessary above the 2010-11 appropriation levels in the bill as introduced for TDCJ mainframe services, including offender, HR and financial information systems.

Biennial Request (in mil)	
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TDCJ policy and/or operational items requiring additional state resources *(continued):*

<p>9) Correctional Employee Housing – Officers’ Quarters (BOQ) Dorms</p> <p>Most employee housing was constructed prior to the prison expansion in the early-mid 1990’s. Of the 16 units with less than 80% of correctional officer positions filled, six (6) units, or 38%, have officers’ quarters. In order to address targeted staffing shortages, our request would provide funding for three (3) 80-bed officers’ quarters to be constructed adjacent to three (3) of our critically staffed facilities.</p>	<p>\$ 0.0 \$ 5.7</p>
<p>10) Marlin VA Hospital Renovations</p> <p>The Marlin VA Hospital was evaluated by the federal government prior to the transfer to the State of Texas. Based on our initial review of their management plan detailing areas of environmental concern, we estimate that \$22.2 million in renovations will be required to remediate the facility and make it fully operational as a correctional hospital/mental health facility. TDCJ has \$3.5 million in existing general obligation bond authority for this project; however, additional funding will be required to complete the necessary renovations.</p>	<p>\$ 0.0 \$ 18.7</p>
<p>11) Basic Supervision/Community Corrections Facilities Funding</p> <p>This item will provide \$23.5 million annually for the 122 Community Supervision and Corrections Departments (CSCDs) and the 43 Community Corrections Facilities (CCFs) to give salary increases for the recruitment and retention of quality adult probation officers and direct care staff. High levels of voluntary turnover by adult probation officers in Texas CSCDs have contributed to unstable caseload sizes, inexperienced staff, training issues, decreased quality supervision and lower morale. Four (4) out of 10 of our current probation officers have less than three (3) years of job experience and one (1) out of four (4) have been in their job one (1) year or less. One (1) out of two (2) residential staff have less than three (3) years experience in their job. Public safety and probationer success depends on an experienced and well trained officer with highly developed skills to hold the probationer accountable by both rewarding and sanctioning their behavior. The remaining \$1.5 million annually would be used to support the rising cost of fuel, utilities and other operating expenses.</p>	<p>\$ 50.0 \$ 50.0</p>
<p>12) Probation Outpatient Substance Abuse Treatment</p> <p>This item would provide funding to the CSCDs for additional outpatient substance abuse treatment which would serve approximately 3,000 additional probationers each fiscal year. These additional treatment options would provide judges with more alternatives to incarceration, both as a sentencing option and as an alternative to revocation. These alternatives are designed to divert offenders from incarceration in prisons and state jails.</p>	<p>\$ 10.0 \$ 10.0</p>
<p>13) TCOOMMI – Expand Mental Health/Criminal Justice Initiatives</p> <p>Approval of this item will expand Mental Health/Criminal Justice services and add four (4) new mental health courts. Based upon the number of probationers with serious mental illness that are identified in monthly data reports and matched against the statewide mental health database, currently less than 20% of them are served by intensive case management services provided through Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) contracts. This new funding will allow approximately 1,000 additional offenders to be served. Also, the documented success of drug courts has resulted in an increased demand for specialized courts for the mentally ill. TCOOMMI currently funds mental health courts and support services in four (4) of the largest urban areas. This request will enable TCOOMMI to expand mental health courts to four (4) additional urban sites.</p>	<p>\$ 12.0 \$ 12.0</p>

Biennial Request (in mil)	
GR / GR-D	All Funds

TDCJ policy and/or operational items requiring additional state resources *(continued):*

14) Office of the Inspector General (OIG) **\$ 11.0 \$ 11.0**

The Office of the Inspector General (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 conduct investigative activities and organized crime investigations of prison gangs throughout the state. This funding will also provide OIG the ability to establish a centralized call center to effectively monitor the new offender telephone system for possible criminal activities.

15) Fleet Vehicle Replacement **\$ 20.0 \$ 20.0**

The agency's fleet currently consists of approximately 2,100 vehicles, utilized primarily for offender transportation, freight transportation, agricultural operations, and construction activities. During the 1990's, the agency experienced tremendous growth statewide. A large number of the vehicles purchased during that growth period currently meet or exceed the agency replacement criteria. Without functional vehicles, agency operations, to include offender transportation, freight transportation, and OIG investigative activities would be significantly impaired.

This funding request would allow TDCJ to replace 60 diesel buses with over 400,000 miles, 118 diesel truck tractors with over 500,000 miles, and 531 passenger vans/vehicles that have exceeded 200,000 miles.

CMHC policy and/or operational items requiring additional state resources: \$ 181.1 | \$ 181.1

16) Correctional Managed Health Care (CMHC) \$ 181.1 | \$ 181.1

The Correctional Managed Health Care funding item totals \$181.1* million for the 2010-11 biennium. This amount, designed to address the resource needs of the correctional health care program, is detailed as follows:

Priority	Description	FY 2010	FY 2011
1	Adjustment to Base to Reflect Current Costs	\$28.4	\$28.4
2	Market Adjustments to Retain & Hire Health Care Staff, Pharmacy and Medical Supplies	\$15.4	\$30.8
3	Increased Hospital/Specialty Care Costs	\$9.5	\$19.9
4	Critical Capital Equipment Replacement	\$4.3	\$1.4
5	Hepatitis Biopsy	\$2.2	\$2.2
6	Phased-in Implementation of Staffing Study	\$17.3	\$17.9
7	New Initiatives	\$1.6	\$1.6
Totals*		\$78.9	\$102.3

*Totals differ due to rounding

According to CMHC, the most significant component of this request is \$56.8 million to bring the base level of funding to the level of expense actually incurred. This amount is required to maintain existing operations and deliver services meeting minimum health care standards. Significant shortages of available health care professionals directly impacts adequate staffing at TDCJ facilities; therefore, \$46.3 million is requested over the biennium to bring salaries and shift differentials to market levels. This request also includes additional funding for hospital and specialty care costs, which are estimated to increase about \$29.4 million over the 2010-11 biennium. Additionally, the correctional health care program is facing critical capital equipment needs for x-ray, dialysis, dental chairs, medical transportation, and other equipment; the cost of which is estimated to total \$5.7 million.

Pharmaceutical costs continue to increase as expected with the aging offender population and new drug therapies for Hepatitis C and HIV patients. Consistent with current policy guidelines, the Correctional Managed Health Care Committee has adopted a treatment program, at a cost of \$4.4 million, where Hepatitis C patients receive biopsies, the results of which generally improve long-term prevention of End Stage Liver Disease. Their request also includes funding for additional positions needed to perform the health services mission, as determined by a TDCJ staffing analysis of each correctional facility, as directed by Agency Rider 87. This would be the first step in a phase-in of the study results and is estimated to cost \$35.2 million. Finally, new initiatives at a cost of \$3.2 million will provide for additional staff, work space, and equipment to enhance the dietary, performance improvement, TB and Hepatitis immunization, and training programs.

GRAND TOTAL (in millions) \$ 897.7 | \$1,022.1

Texas Department of Criminal Justice
Supplemental Appropriation, FY 2009

Expenditure Requirements:

in millions

Overtime <i>(net of lapse)</i>	\$ (78.0)
CO Salary Adjustment / Recruitment Bonus <i>(Approved by state leadership-Spring 2008)</i>	\$ (20.0)
Parole Officer Career Ladder <i>(Pursuant to SB909, 80th Legislature)</i>	\$ (3.0)
Hazardous Duty Pay <i>(Pursuant to HB 2498, 80th Legislature)</i>	\$ (10.0)
Utilities <i>(of which \$27.0 million is due to FY 2009 reduction in HB 15, 80th Legislature)</i>	\$ (42.0)
Food	\$ (20.0)
Fuel	\$ (4.0)
Data Center Consolidation <i>(Pursuant to Art IX, sec 18.02 (e), 79th Legislature)</i>	\$ (7.0)
Contracted Temporary Capacity	\$ (28.0)
2008 Operational Shortfall <i>(Approved transfer from FY 2009)</i>	\$ (22.5)
Total Expenditure Requirement	<u>\$ (234.5)</u>

Funding Sources (2.5% General Revenue Reduction) :

in millions

Unspent funding for Diversion Initiatives <i>(based on phased in implementation)</i>	\$ 49.8
Marlin Correctional Mental Health Facility	\$ 10.3
Commissary Funds	\$ 4.0
Texas Correctional Industries	\$ 2.0
Unspent funding for Energy Performance Contract / MLPP	\$ 3.9

Total Funding Sources

\$ 70.0

TOTAL NET FUNDING REQUIREMENTS

\$ (164.5)

The amounts above do not include the pending request of \$66.0 million for correctional security equipment.

During Fiscal Year 2009, TDCJ will continue monitoring our expenditures and reducing costs to substantially offset budget shortages in an effort to minimize the amount of any required additional funding. Also, Correctional Managed Health Care has identified a need for a supplemental appropriation of \$39.0 million, which is not included in the amount above.