

Texas Department of Criminal Justice



Fiscal Year 2009 Operating Budget

and

Fiscal Years 2010-2011

Legislative Appropriations Request

as prepared for the

Texas Board of Criminal Justice

8/14/2008

Texas Department of Criminal Justice

The attached summary document contains the Texas Department of Criminal Justice's Fiscal Year 2009 Operating Budget as well as the 2010-11 biennial Legislative Appropriations Request (LAR). Considering our responsibilities as fiscal stewards and the continued emphasis on fiscal restraint, we have structured our Fiscal Year 2009 Operating Budget and requested funding levels for the 2010-11 biennium to include only those items of critical importance.

Fiscal Year 2009 Operating Budget

TDCJ's Fiscal Year 2009 Operating Budget reflects the amounts appropriated during the 80th Regular Legislative Session. A key focus of the 80th Legislative Session was the funding for the state's criminal justice system, as outlined below, to manage the projected offender population by providing additional appropriations totaling over \$237 million for the 2008-09 biennium as alternatives to constructing additional prison capacity.

These 2008-09 initiatives include funding for additional substance abuse treatment for offenders, additional funding for probation supervision and mental health services for offenders, additional probation and parole intermediate sanction facility (ISF) beds, and funding for the transfer and operations of two Texas Youth Commission (TYC) facilities and the Marlin Veterans Administration (VA) Hospital. These targeted appropriations will fund approximately 5,900 beds (1,500 probation residential treatment and ISF beds, 1,500 substance abuse felony punishment [SAFP] beds for probationers, 1,000 parole ISF and halfway house beds, 1,200 beds from the transferred TYC facilities, a 500-bed DWI facility, and 200 beds at the former VA Hospital in Marlin); and an additional 2,200 substance abuse treatment slots to the existing institutional capacity.

The Fiscal Year 2009 Operating Budget includes additional legislative appropriations, totaling \$26.8 million, provided to the agency for the 2009 state employee pay raise – a 2% increase, with a \$50 monthly minimum. Additionally, due to several significant operational challenges outlined below, the Fiscal Year 2009 Operating Budget will require a supplemental appropriation currently totaling approximately \$176.5 million that we will seek during the 81st Legislative Session. (This amount does not include any operational shortfalls that may be identified by the Correctional Managed Health Care Committee). The on-going fiscal challenges for TDCJ this biennium have included:

- ❑ Continued rising costs of electricity, natural gas, fuel, food and other commodities;
- ❑ The fiscal impact of increases for overtime, hazardous duty pay, recently approved correctional officer salary adjustments and recruitment bonuses, and enhancements to the parole officer career ladder pursuant to SB 909;
- ❑ The continued use of contracted temporary capacity in FY 2009; and
- ❑ A net operational shortfall in FY 2008, consistent with the above items, of \$22.5 million which will be transferred from FY 2009 funds upon approval from the Legislative Budget Board (LBB) and Governor's Office.

We will continue monitoring our expenditures and reducing costs where we can to offset budget shortages in an effort to reduce the amount of required additional funding.

Texas Department of Criminal Justice 2010-11 Legislative Appropriations Request (LAR)

The budget request for the 2010-11 biennium was developed in a manner consistent with directions from state leadership (see Policy Letter on page 13). Additionally, offender population projections were recently updated by the LBB and provided to the agency to assist in preparing the 2010-11 LAR. These projections currently indicate a somewhat stable incarceration population over the next five years, steady growth in the number of probationers under supervision, and increases to the current number of supervised parolees.

In addition to our baseline budget request, we are seeking funding 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 and the agency's infrastructure needs. The continued emphasis on diversionary initiatives and population management is also reflected by requests that include increased funding for the local Community Supervision and Corrections Departments (CSCDs), mental health, in-prison substance abuse treatment, and offender reintegration. Each exceptional item is fundamentally important to the operations of the agency and included in the list below.

- ❑ 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. Funded with general obligation bonds, these projects include: roof repairs, security fencing and lighting, electrical renovations, water/wastewater improvements, and major infrastructure repairs.
- ❑ A substantial and comprehensive Correctional Officer and Parole Officer salary increase will 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. An average pay increase to the correctional and parole officer career ladders of approximately 20% would raise the maximum correctional officer salary to \$42,242 and should substantially improve our ability to recruit and retain these critical staff. Additionally, TDCJ recently began utilizing recruitment bonuses for newly hired correctional officers willing to work at a critically staffed unit. We are seeking funding and legislative authority to expand this initiative to include annual retention bonuses for those employees currently assigned at critically staffed units as well as correctional officers willing to transfer to those designated units.
- ❑ The In-Prison Therapeutic Community (IPTC) program is utilized for eligible offenders who have a need for substance abuse treatment and who the Board of Pardons and Paroles has approved for release on parole, contingent upon completion of the IPTC program. Currently, the demand for this program exceeds program capacity. Expansion of the current IPTC program by an additional 400 treatment slots will address the current backlog and voting trends.

Texas Department of Criminal Justice

2010-11 Legislative Appropriations Request (LAR) – *continued*

- ❑ The request for Reentry Transitional Coordinators will provide reentry services to offenders who are nearing release into the community. These services include reentry planning which will assist offenders in mapping out their transition, gathering critical identification documents, family reunification, identifying residential and employment resources, and addressing other issues that offenders experience while transitioning from incarceration back to the community.
- ❑ To provide for a safer and more secure environment on our correctional facilities for staff, offenders and visitors, a request for \$15 million annually will fund additional equipment for a substantial expansion of the use of video surveillance equipment throughout the system, contraband screening/metal detectors at entry points within correctional facilities, and a pilot monitoring/tracking system at one of our larger correctional facilities.
- ❑ Most employee housing was constructed prior to the prison expansion in the early-mid 1990's. Of the 22 units that are currently staffed with correctional officers below 80%, eight (8) units, or 36%, 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.
- ❑ We are requesting funding for the CSCDs to employ additional Community Supervision Officers, reduce caseload sizes, and assist in retaining experienced specialized officers who work with medium and high risk offenders. In addition, this funding for Basic Supervision and community corrections facilities would assist in addressing the rising costs of fuel, utilities and other operational costs impacting CSCDs and community corrections facilities across the state.
- ❑ Funding to the CSCDs for outpatient substance abuse treatment would serve approximately 3,000 additional probationers each fiscal year at an annual cost of \$5 million. 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.
- ❑ Additional funding would allow TCOOMMI to expand Mental Health/Criminal Justice services and provide for new mental health courts. The new funding would be used to expand case management capacity for probationers, allowing approximately 1,000 additional offenders to be served. This item will also enable TCOOMMI to expand mental health courts to four (4) additional urban sites.
- ❑ The funding request for the Classification Document Management System will provide for the imaging of offender records received on paper documents and for securely storing them as electronic images. Currently, there are over 415,000 offender records stored as paper documents containing about 96 million pages of information. There are limited backups for these records. Some records are stored on microfiche, which has become obsolete, and the retrieval of paper records and microfiche is very labor intensive. This funding will allow the electronic images to be moved quickly through the intake and classification process for use throughout the agency.

Texas Department of Criminal Justice

2010-11 Legislative Appropriations Request (LAR) – *continued*

- ❑ 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.
- ❑ The agency's fleet currently consists of approximately 2,100 vehicles, utilized primarily for offender transportation, freight transportation, agricultural operations, OIG investigative activities and maintenance/construction activities. A request of \$20.0 million for the biennium would replace a substantial number of those vehicles already exceeding twice the agency's conservative replacement schedule.
- ❑ To date, the Offender Information Management System (OIMS) project has included the offender records process related to parole board votes and parole supervision functions as well as the information technology infrastructure necessary to connect all TDCJ units, parole, regional, and administrative offices. The next phase of the project is focused on the institutional (or incarceration) related business processes that enable effective and efficient offender management. An electronic offender record (EOR) will be created for each offender entering the system and will be maintained and utilized throughout incarceration and parole supervision. An EOR will eliminate redundant data entry, improve data accuracy and reduce staff time spent pulling paper files.
- ❑ The Marlin VA Hospital was recently evaluated by the federal government prior to the proposed transfer to the State of Texas. Based on our initial review of their management plan detailing areas of environmental concern, we estimate that \$22 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.
- ❑ Correctional Managed Health Care is requesting \$181.1 million in additional funding to maintain existing medical services and provide for increasing hospital/specialty care costs, as well as replace aging capital equipment. 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.

Texas Department of Criminal Justice
2010-11 Legislative Appropriations Request (LAR) – *continued*

The policy letter from the LBB and Governor's Office also requires agencies to develop a scenario reducing their 2010-11 base request by 10%. Based on the policy letter, the primary incarceration functions would be excluded from the 10% reduction scenario. However, a 10% reduction scenario for probation, parole, treatment and administrative functions (see pages 14-15) would greatly reduce residential and treatment programs within probation, incarceration and parole and, with fewer options aimed at diverting offenders from prison, the incarcerated offender population could grow larger. Additionally, probation and parole supervision caseloads would increase significantly, and reductions to the administrative functions would impact the agency's ability to provide management oversight, administrative support, victim services and information technology services at the necessary levels. Continued funding for these items is critical to the effectiveness of the criminal justice system.

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 recognize that the State's leadership will be required to make many difficult funding decisions during the upcoming legislative session; however, we strongly support a pay increase for all state employees for the hard work and dedication they demonstrate everyday serving the citizens of Texas.

Brad Livingston
Executive Director

TEXAS DEPARTMENT OF CRIMINAL JUSTICE
FY 2010-11 Agency Budget

	Estimated FY 2008	Budgeted FY 2009	Total Budget Request	
			FY 2010	FY 2011
A. Goal: PROVIDE PRISON DIVERSIONS	\$ 267,115,917	\$ 269,785,323	\$ 305,037,669	\$ 305,148,683
B. Goal: SPECIAL NEEDS OFFENDERS	19,598,703	21,273,265	26,444,499	26,444,499
C. Goal: INCARCERATE FELONS	2,315,411,298	2,285,933,721	2,739,774,958	2,769,262,584
D. Goal: ENSURE ADEQUATE FACILITIES	59,742,283	66,474,431	87,429,350	56,888,475
E. Goal: OPERATE PAROLE SYSTEM	146,052,942	162,486,994	180,918,809	182,402,255
F. Goal: INDIRECT ADMINISTRATION	77,309,047	64,633,676	90,239,203	83,785,727
GRAND TOTAL	\$ 2,885,230,190	\$ 2,870,587,410	\$ 3,429,844,488	\$ 3,423,932,223
<i>(Less) Construction Subtotal</i>	48,310,983	55,075,118	74,442,000	50,000,000
TOTAL OPERATING BUDGET	\$ 2,836,919,207	\$ 2,815,512,292	\$ 3,355,402,488	\$ 3,373,932,223

Texas Department of Criminal Justice

GOALS	Estimated FY 2008	Budgeted FY 2009	Total Budget Request		
<i>Strategies</i>			FY 2010	FY 2011	
Program Descriptions					
A. PROVIDE PRISON DIVERSIONS					
<i>A.1.1. Basic Supervision</i>	105,744,392	107,326,403	132,443,743	132,554,759	*
<i>A.1.2. Diversion Programs</i>	110,996,525	112,083,921	122,218,926	122,218,925	*
<i>A.1.3. Community Corrections</i>	38,770,088	38,770,088	38,770,088	38,770,088	
<i>A.1.4. Treatment Alternatives to Incarceration</i>	11,604,912	11,604,911	11,604,912	11,604,911	
B. SPECIAL NEEDS OFFENDERS					
<i>B.1.1. Special Needs Projects</i>	19,598,703	21,273,265	26,444,499	26,444,499	*
C. INCARCERATE FELONS					
<i>C.1.1. Correctional Security Operations</i>	959,521,407	957,703,193	1,202,485,671	1,206,016,324	*
Correctional Security Overtime	79,841,170	17,500,000	57,670,585	57,670,585	
Correctional Security Operations	863,013,576	923,623,125	1,128,191,721	1,131,722,375	*
Workers Compensation & Unemployment	16,666,661	16,580,068	16,623,365	16,623,364	
<i>C.1.2. Correctional Support Operations</i>	78,520,931	78,807,091	94,527,557	94,527,559	*
Correctional Unit Support	54,970,478	54,649,592	70,403,805	70,403,807	*
Classification & Records	23,550,453	24,157,499	24,123,752	24,123,752	
<i>C.1.3. Offender Services</i>	12,818,267	12,488,499	12,720,228	12,720,230	
Counsel Substitute/Access to Courts	4,932,692	4,847,286	4,928,393	4,928,395	
Release Payments for Adult Offenders	4,464,773	4,310,821	4,387,797	4,387,797	
State Counsel for Offenders	2,722,534	2,664,086	2,715,716	2,715,716	
Interstate Compact	698,268	666,306	688,322	688,322	
<i>C.1.4. Institutional Goods</i>	162,152,396	145,244,167	175,874,732	175,874,730	*
Food Services for Offenders	120,037,648	103,752,359	128,193,361	128,193,361	*
Unit Necessities & Laundry	42,114,748	41,491,808	47,681,371	47,681,369	*
<i>C.1.5. Institutional Services</i>	166,814,849	161,455,204	179,058,056	179,058,052	*
Agriculture Operations	43,377,027	43,406,159	43,670,301	43,670,299	
Commissary Operations	80,070,036	83,594,965	81,832,501	81,832,500	
Freight Transportation-Warehouse Operations	43,367,786	34,454,080	53,555,254	53,555,253	*

Texas Department of Criminal Justice

GOALS		Estimated FY 2008	Budgeted FY 2009	Total Budget Request	
Strategies	Program Descriptions			FY 2010	FY 2011
C.1.6.	Institutional Operations & Maintenance	215,454,726	157,219,785	219,306,989	219,298,642
	Institutional Operations & Maintenance	79,448,046	81,512,661	80,374,468	80,374,469
	Utilities	136,006,680	75,707,124	138,932,521	138,924,173
C.1.7.	Correctional Managed Psychiatric Care	43,094,589	47,938,575	56,096,492	58,568,370
C.1.8.	Correctional Managed Health Care	370,528,345	389,967,052	446,255,417	467,161,816
C.1.9.	Health Services	3,964,522	3,783,033	3,902,101	3,902,100
C.1.10.	Contracted/Temporary Capacity	27,587,270	-	-	-
C.1.11.	Contract Prisons/Private State Jails	108,004,665	113,527,315	118,462,191	120,366,003
C.1.12.	Residential Pre-Parole Facilities	31,173,557	31,445,704	33,134,412	33,817,652
	Pre-Parole Transfer Facilities	26,218,912	26,747,609	26,920,190	27,026,041
	Parole Work Facility Programs	4,954,645	4,698,095	6,214,222	6,791,611
C.2.1.	Texas Correctional Industries	69,764,343	67,210,976	68,673,017	68,673,017
C.2.2.	Academic/Vocational Training	2,332,715	2,332,714	2,332,715	2,332,714
	Academic Programs	1,365,128	1,365,127	1,365,128	1,365,127
	Vocational Programs	967,587	967,587	967,587	967,587
C.2.3.	Project RIO	3,545,238	3,643,078	3,632,557	3,632,556
C.2.4.	Treatment Services	15,866,629	16,246,309	20,986,566	20,986,564
	Classification Case Managers	8,201,518	8,169,752	7,888,489	7,888,487
	Sex Offender Treatment Program	2,183,693	2,269,698	2,249,248	2,249,248
	Parole Special Needs	1,197,161	1,185,060	1,192,014	1,192,015
	Chaplaincy	4,284,257	4,621,799	4,490,431	4,490,430
	Reentry Transitional Coordinator			5,166,384	5,166,384
C.2.5.	Substance Abuse Treatment	44,266,849	96,921,026	102,326,257	102,326,255
	Substance Abuse Treatment	5,170,818	5,466,326	5,375,107	5,375,105
	Substance Abuse Felony Punishment Facilities	28,505,033	66,069,439	66,358,069	66,358,069
	In-Prison Therapeutic Communities	8,565,780	16,458,198	21,666,018	21,666,018
	DWI Treatment	661,184	6,027,063	6,027,063	6,027,063
	State Jail Substance Abuse Treatment	1,364,034	2,900,000	2,900,000	2,900,000

Texas Department of Criminal Justice

GOALS	Estimated FY 2008	Budgeted FY 2009	Total Budget Request		
<i>Strategies</i>			FY 2010	FY 2011	
Program Descriptions					
D. ENSURE ADEQUATE FACILITIES					
D.1.1. Facilities Construction	48,310,983	55,075,118	74,442,000	50,000,000	*
D.1.2. Lease-Purchase of Facilities	11,431,300	11,399,313	12,987,350	6,888,475	
E. OPERATE PAROLE SYSTEM					
E.1.1. Parole Release Processing	16,690,021	16,014,376	18,205,699	18,205,099	*
E.2.1. Parole Supervision	94,403,272	91,649,417	106,121,923	107,202,644	*
E.2.2. Halfway House Facilities	16,480,734	17,451,216	19,205,670	19,608,995	
E.2.3. Intermediate Sanction Facilities	18,478,915	37,371,985	37,385,517	37,385,517	
F. INDIRECT ADMINISTRATION					
F.1.1. Central Administration	25,059,447	24,929,903	25,216,625	25,216,618	
Administration & Support	18,987,502	18,630,388	18,971,388	18,971,386	
Correctional Institutions Administration	263,241	275,552	271,764	271,763	
Parole Administration & Training	1,311,667	1,332,298	1,334,273	1,334,272	
Rehabilitation & Reentry Programs Administration	1,260,577	1,345,342	1,314,218	1,314,217	
Community Justice Assistance Division	3,236,460	3,346,323	3,324,982	3,324,980	
F.1.2. Correctional Training	4,668,487	4,206,107	4,480,176	4,480,176	
F.1.3. Inspector General	8,300,600	8,111,182	13,639,156	13,639,155	*
F.1.4. Victim Services	2,026,683	2,055,739	2,055,739	2,055,739	
F.1.5. Information Resources	32,612,640	22,637,956	41,131,946	34,678,478	*
F.1.6. Other Support Services	4,641,190	2,692,789	3,715,561	3,715,561	
GRAND TOTAL	\$2,885,230,190	\$2,870,587,410	\$3,429,844,488	\$3,423,932,223	
(Less) Construction Subtotal	48,310,983	55,075,118	74,442,000	50,000,000	
TOTAL OPERATING BUDGET	\$2,836,919,207	\$2,815,512,292	\$3,355,402,488	\$3,373,932,223	
* These amounts include additional requested items above the anticipated base funding level for the 2010-11 biennium.					

TEXAS DEPARTMENT OF CRIMINAL JUSTICE
Method of Finance

	Estimated FY 2008	Budgeted FY 2009	Total Budget Request FY 2010 FY 2011	
GENERAL REVENUE:				
General Revenue Fund	\$ 2,636,346,512	\$ 2,633,736,175	\$ 3,162,893,742	\$ 3,200,023,490
Education and Recreation Program Receipts	84,070,036	83,594,965	83,832,501	83,832,500
Texas Correctional Industries Receipts	9,984,437	8,849,000	9,416,719	9,416,718
GENERAL REVENUE DEDICATED:				
Compensation to Victims of Crime Acct. 469	1,549,571	1,578,627	1,578,627	1,578,627
Private Sector Prison Industry Expansion Acct. 5060	1,001,260	2,000,000	1,500,630	1,500,630
OTHER FUNDS:				
Texas Correctional Industries - Interagency Contracts	41,172,482	38,393,939	39,783,211	39,783,210
Federal Funds	2,689,577	421,138	-	-
Federal Funds for Incarcerated Aliens	19,348,827	17,854,652	18,601,740	18,601,739
Appropriated Receipts	32,723,537	10,950,424	29,912,148	11,312,139
Bond Proceeds-General Obligation Bonds	48,460,781	65,325,320	74,442,000	50,000,000
Interagency Contracts	7,883,170	7,883,170	7,883,170	7,883,170
GRAND TOTAL	\$ 2,885,230,190	\$ 2,870,587,410	\$ 3,429,844,488	\$ 3,423,932,223
<i>(Less) Construction Subtotal</i>	<i>48,310,983</i>	<i>55,075,118</i>	<i>74,442,000</i>	<i>50,000,000</i>
TOTAL OPERATING BUDGET	\$ 2,836,919,207	\$ 2,815,512,292	\$ 3,355,402,488	\$ 3,373,932,223

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS REQUEST SUMMARY

ESTIMATED COST (in millions)			
Requested FY10		Requested FY11	
Amount	FTEs	Amount	FTEs

Items necessary to maintain current operations based on the anticipated base funding level for 2010-11:

1) <i>Repair and Rehabilitation of Facilities</i>	\$	50.0		\$	50.0
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TDCJ policy and/or operational items requiring additional state resources:

1) <i>Correctional Officer / Parole Officer Pay Raises & Retention Bonuses</i>	\$	224.9		\$	228.5
2) <i>In-Prison Therapeutic Community Program Expansion (400 Additional Treatment Slots)</i>	\$	5.2		\$	5.2
3) <i>Reentry Transitional Coordinators</i>	\$	5.2	128	\$	5.2
4) <i>Correctional Security Equipment</i>	\$	15.0		\$	15.0
5) <i>Correctional Employee Housing - Officers' Quarters (BOQ) Dorms</i>	\$	5.7		\$	-
6) <i>Basic Supervision / Community Corrections Facilities Funding</i>	\$	25.0		\$	25.0
7) <i>Probation Outpatient Substance Abuse Treatment</i>	\$	5.0		\$	5.0
8) <i>TCOOMMI - Expansion of Mental Health/Criminal Justice Initiatives</i>	\$	6.0		\$	6.0
9) <i>Classification Document Management System</i>	\$	6.8		\$	3.2
10) <i>Office of the Inspector General (OIG)</i>	\$	5.5	111	\$	5.5
11) <i>Fleet Vehicle Replacement</i>	\$	10.0		\$	10.0
12) <i>Offender Information Management System (OIMS)</i>	\$	3.2		\$	0.3
13) <i>Marlin VA Hospital Renovations</i>	\$	18.7		\$	-
GRAND TOTAL, TDCJ Exceptional Items	\$	386.2	239	\$	358.9

CMHC policy and/or operational items requiring additional state resources:

1) <i>Correctional Managed Health Care (CMHC)</i>	\$	78.9	-	\$	102.3
GRAND TOTAL, CMHC Exceptional Items	\$	78.9	-	\$	102.3

GRAND TOTAL, ALL EXCEPTIONAL ITEMS	\$	465.1	239	\$	461.2
ALL EXCEPTIONAL ITEMS - Construction	\$	74.4		\$	50.0
ALL EXCEPTIONAL ITEMS - Operating	\$	390.7	239	\$	411.2

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY10		Requested FY11	
Amount	FTEs	Amount	FTEs

Items necessary to maintain current operations based on the anticipated base funding level for 2010-11:

1) Repair and Rehabilitation of Facilities	\$ 50.0		\$ 50.0
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Justification for Request:

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 only a portion 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.

TDCJ policy and/or operational items requiring additional state resources:

1) Correctional Officer / Parole Officer Pay Raises & Retention Bonuses	\$ 224.9	-	\$ 228.5	-
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Justification for Request:

A substantial and comprehensive Correctional Officer and Parole Officer salary increase will 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 20% average pay increase for these positions will raise the starting salary of a Correctional Officer from \$26,016 to \$30,179, with the maximum salary after 7 ½ years increasing from \$34,624 to \$42,242. The Parole Officers would receive comparable increases, with the starting salary increasing from \$32,277 to \$37,441, with a maximum salary after 10 years increasing from \$36,363 to \$43,636. Ranking Correctional Officers and Parole Officers, as well as Correctional Laundry and Food Service Managers, would also receive similar salary increases. (See tables on next page for more details).

Additionally, TDCJ recently began utilizing recruitment bonuses for newly hired correctional officers willing to work at a critically staffed unit. We are seeking funding and legislative authority to expand this initiative to include annual retention bonuses for those employees currently assigned at critically staffed units as well as correctional officers willing to transfer to those designated units.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY10		Requested FY11	
Amount	FTEs	Amount	FTEs

1) Correctional Officer / Parole Officer Pay Raises & Retention Bonuses (continued)

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Correctional Officers & Ranking Staff

TITLE	Pay Group	Current FY09 Salary	Proposed Salary	Total Service
Correctional Officer I	A07	\$ 26,016	\$ 30,179	0 - 2 m 2 months
Correctional Officer II	A09	\$ 27,540	\$ 31,946	3 - 8 m 8 months
Correctional Officer III	A11	\$ 29,146	\$ 33,809	9 - 14 m 6 months
Correctional Officer III	A12	\$ 30,806	\$ 35,735	15 - 30 m 1 year
Correctional Officer IV	A12	\$ 31,698	\$ 38,038	31 - 42 m 1 year
Correctional Officer IV	A12	\$ 32,611	\$ 39,133	43 - 54 m 1 year
Correctional Officer IV	A12	\$ 33,595	\$ 40,314	55 - 90 m 3 years
Correctional Officer V	A14	\$ 34,624	\$ 42,242	91+
Sergeant	B07	\$ 35,815	\$ 45,114	
Lieutenant	B08	\$ 37,045	\$ 48,182	
Captain	B09	\$ 38,315	\$ 51,458	
Major	B10	\$ 41,084	\$ 54,957	
Assistant Warden	B13	\$ 50,488	\$ 64,850	
Warden I	Avg B16	\$ 60,813	\$ 76,523	
Warden II	B18	\$ 71,125	\$ 83,410	

Correctional Laundry & Food Service Managers

TITLE	Pay Group	Current FY09 Salary	Proposed Salary	Total Service
Food Service Manager III	A14	\$ 30,806	\$ 35,735	0 - 30 m 2.5 years
Food Service Manager III	A14	\$ 31,698	\$ 38,038	31 - 42 m 1 year
Food Service Manager III	A14	\$ 32,611	\$ 39,133	43 - 54 m 1 year
Food Service Manager III	A14	\$ 33,595	\$ 40,314	55 - 90 m 3 years
Food Service Manager III	A14	\$ 34,624	\$ 42,242	91+
Food Service Manager IV	A16	\$ 37,955	\$ 50,973	
Laundry Manager III	A14	\$ 30,806	\$ 35,735	0 - 30 m 2.5 years
Laundry Manager III	A14	\$ 31,698	\$ 38,038	31 - 42 m 1 year
Laundry Manager III	A14	\$ 32,611	\$ 39,133	43 - 54 m 1 year
Laundry Manager III	A14	\$ 33,595	\$ 40,314	55 - 90 m 3 years
Laundry Manager III	A14	\$ 34,624	\$ 42,242	91+
Laundry Manager IV	A16	\$ 35,694	\$ 44,975	

Parole Officers

TITLE	Pay Group	Current FY09 Salary	Proposed Salary	Total Service
Parole Officer I	Range B06	\$32,277 \$32,470	\$37,441 \$37,802	0 - 24 m 2 years
Parole Officer II	Range B07	\$34,210 \$36,363	\$41,052 \$43,636	24 +
Parole Officer III	Range B08	\$36,363 \$41,084	\$43,636 \$49,301	
Parole Officer IV	Range B10	\$41,084 \$46,473	\$49,301 \$55,768	
Parole Officer V	Range B12	\$46,473 \$51,863	\$55,768 \$62,236	

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY10		Requested FY11	
Amount	FTEs	Amount	FTEs

2) In-Prison Therapeutic Community Program Expansion (Additional 400 Treatment Slots)	\$ 5.2	-	\$ 5.2	-
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Justification for Request:

The In-Prison Therapeutic Community (IPTC) program is utilized for eligible offenders who have a need for substance abuse treatment and who the Board of Pardons and Paroles has approved for release on parole, contingent upon completion of the IPTC program. Currently, the demand for this program exceeds program capacity. Expansion of the current IPTC program by an additional 400 treatment slots will address the current backlog and voting trends.

3) Reentry Transitional Coordinators	\$ 5.2	128	\$ 5.2	128
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Justification for Request:

This request for Reentry Transitional Coordinators will provide reentry services to offenders who are nearing release into the community. These services include reentry planning which will assist offenders in mapping out their transition, gathering critical identification documents, family reunification, identifying residential and employment resources, and addressing other issues that offenders experience while transitioning from incarceration back to the community. The coordinator positions will monitor and track offender rehabilitation and reentry plans, review Individual Treatment Plans, and disseminate information to outside sources. They will also collaborate with multiple state, local, and non-profit agencies to develop a reentry planning checklist for each individual.

4) Correctional Security Equipment	\$ 15.0	-	\$ 15.0	-
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Justification for Request:

To provide for a safer and more secure environment on our correctional facilities for staff, offenders and visitors, a request for \$15 million annually will fund additional equipment for a substantial expansion of the use of video surveillance equipment throughout the system, contraband screening/metal detectors at entry points within correctional facilities, and a pilot monitoring/tracking system at one of our larger correctional facilities.

5) Correctional Employee Housing - Officers' Quarters (BOQ) Dorms	\$ 5.7	-	\$ -	-
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Justification for Request:

Most employee housing was constructed prior to the prison expansion in the early-mid 1990's. Of the 22 units that are currently staffed with correctional officers below 80%, eight (8) units, or 36%, 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.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY10		Requested FY11	
Amount	FTEs	Amount	FTEs

6) Basic Supervision / Community Corrections Facilities Funding	\$ 25.0	-	\$ 25.0	-
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Justification for Request:

This item would provide \$25 million annually for CSCDs to employ additional Community Supervision Officers, reduce caseload ratio sizes, and assist in retaining experienced specialized officers who work with medium and high risk offenders. In addition, this funding would assist in addressing the rising costs of fuel, utilities, and other operational costs. Of the \$50 million requested, \$10 million would enable the continuation of existing community corrections facility programs. Without this additional funding, some existing residential and restitution beds may close due to the increasing operational costs. These programs provide judges with more alternatives to incarceration, both as a sentencing option and as an alternative to revocation. These alternatives are designed to divert probationers from incarceration in prisons and state jails.

7) Probation Outpatient Substance Abuse Treatment	\$ 5.0	-	\$ 5.0	-
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Justification for Request:

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.

8) TCOOMMI - Expansion of Mental Health/Criminal Justice Initiatives	\$ 6.0	-	\$ 6.0	-
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Justification for Request:

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 that are matched against the statewide mental health database, currently less than 20% of them are served by intensive case management services provided through 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.

9) Classification Document Management System	\$ 6.8	-	\$ 3.2	-
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Justification for Request:

The funding request for the Classification Document Management System will provide for the imaging of offender records received on paper documents and for securely storing them as electronic images. Currently, there are over 415,000 offender records stored as paper documents containing about 96 million pages of information. There are limited backups for these records. Some records are stored on microfiche, which has become obsolete, and the retrieval of paper records and microfiche is very labor intensive. This funding will allow the electronic images to be moved quickly through the intake and classification process for use throughout the agency.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY10		Requested FY11	
Amount	FTEs	Amount	FTEs

10) Office of the Inspector General (OIG)	\$ 5.5	111	\$ 5.5	111
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Justification for Request:

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.

11) Fleet Vehicle Replacement	\$ 10.0	-	\$ 10.0	-
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Justification for Request:

The agency's fleet currently consists of approximately 2,100 vehicles, utilized primarily for offender transportation, freight transportation, agricultural operations, and construction activities. The agency's conservative replacement criteria for vehicles include: diesel truck tractors - 10 yr / 500,000 miles; diesel buses - 10 yr / 300,000 miles; and passenger vans/vehicles - 5 yr / 100,000 miles. 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 and would cost \$66.8 million for the 2010-11 biennium if replaced according to the replacement criteria. Without functional vehicles, agency operations, to include offender transportation, freight transportation, and OIG investigative activities would be significantly impaired. This request would replace a substantial number of those vehicles already exceeding twice the agency's conservative replacement schedule.

12) Offender Information Management System (OIMS)	\$ 3.2	-	\$ 0.3	-
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Justification for Request:

To date, the Offender Information Management System (OIMS) project has included the offender records process related to parole board votes and parole supervision functions as well as the information technology infrastructure necessary to connect all TDCJ units, parole, regional, and administrative offices. The next phase of the project is focused on the institutional (or incarceration) related business processes that enable effective and efficient offender management. An electronic offender record (EOR) will be created for each offender entering the system and will be maintained and utilized throughout incarceration and parole supervision. The transition to a single EOR establishes a single source of information that is: created once and updated continually, accessible, accurate, and consistent. An EOR will eliminate redundant data entry, improve data accuracy and reduce staff time spent pulling paper files.

13) Marlin VA Hospital Renovations	\$ 18.7	-	\$ -	-
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Justification for Request:

The Marlin VA Hospital was recently evaluated by the federal government prior to the proposed 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.

GRAND TOTAL, TDCJ Exceptional Items	\$ 386.2	239	\$ 358.9	239
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Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY10		Requested FY11	
Amount	FTEs	Amount	FTEs

CMHC policy and/or operational items requiring additional state resources:

1) Correctional Managed Health Care (CMHC)	\$ 78.9	-	\$ 102.3	-
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Justification for Request:

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, CMHC Exceptional Items	\$ 78.9	-	\$ 102.3	-
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GRAND TOTAL, ALL EXCEPTIONAL ITEMS	\$ 465.1	239	\$ 461.2	239
ALL EXCEPTIONAL ITEMS - Construction	\$ 74.4		\$ 50.0	
ALL EXCEPTIONAL ITEMS - Operating	\$ 390.7	239	\$ 411.2	239



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

May 5, 2008

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

Detailed instructions for the submission of legislative appropriations requests for the 2010–11 biennium have been posted on the Legislative Budget Board and Governor's Office websites. A schedule of due dates is included as an appendix to the instructions.

As a starting point for budget deliberations, an agency's baseline request for general revenue-related (GR and GR-Dedicated) funds may not exceed the sum of amounts expended in fiscal year 2008 and budgeted in fiscal year 2009 plus an amount equal to the GR-related allocation for the two percent / \$50 employee pay raise in 2009. Agencies must also submit a supplemental schedule detailing how they would reduce the baseline request by 10 percent, or down to 90 percent, in general revenue-related funding.

Exceptions to the baseline request limitation include amounts necessary to maintain funding for the Foundation School Program, satisfy debt service requirements for existing bond authorizations, maintain caseloads for federal entitlement services, satisfy employer contribution requirements for state pension systems, and maintain adult prison populations. Funding requests for other purposes which exceed the baseline spending level may not be included in the baseline request but may be submitted as exceptional items.

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

Sincerely,

Handwritten signature of John O'Brien in black ink.

John O'Brien, Director
Legislative Budget Board

Handwritten signature of Mike Morrissey in black ink.

Mike Morrissey, Director
Governor's Office of Budget, Planning
and Policy

JOB/MM: fis

Mailing Address: P.O. Box 12666 • Austin, TX 78711-2666

**Policy Letter from the
Legislative Budget Board and
Governor's Office of Budget,
Planning and Policy
regarding the
2010-11 General Revenue
Baseline**

Texas Department of Criminal Justice

10 Percent Reduction Scenario

Based on LBB/Governor's Office Policy Letter dated May 5, 2008

Strategies	2010-11 Biennial 10% Reduction			FTE Reductions	
	GR	GR-Dedicated	All Funds	FY 10	FY 11
<i>A.1.1. Basic Supervision</i>	\$ 21.8		\$ 21.8		
<i>A.1.2. Diversion Programs</i>	\$ 21.8		\$ 21.8		
<i>A.1.3. Community Corrections</i>	\$ 7.3		\$ 7.3		
<i>A.1.4. Treatment Alternatives to Incarceration</i>	\$ 1.6		\$ 1.6		
<i>B.1.1. Special Needs Projects</i>	\$ 4.1		\$ 4.1		
<i>C.2.1. Texas Correctional Industries</i>	\$ 1.9	\$ 0.3	\$ 2.2		
<i>C.2.2. Academic/Vocational Training</i>	\$ 0.4		\$ 0.4		
<i>C.2.3. Project RIO</i>	\$ 0.1		\$ 0.1		
<i>C.2.4. Treatment Services</i>	\$ 3.2		\$ 3.2	41.7	41.7
<i>C.2.5. Substance Abuse Treatment</i>	\$ 19.4		\$ 19.4		
<i>E.2.1. Parole Supervision</i>	\$ 19.2		\$ 19.2	275.9	278.8
<i>E.2.2. Halfway House Facilities</i>	\$ 3.5		\$ 3.5		
<i>E.2.4. Intermediate Sanction Facilities</i>	\$ 7.5		\$ 7.5		
<i>F.1.1. Central Administration</i>	\$ 5.0		\$ 5.0	65.1	65.1
<i>F.1.4. Victim Services</i>	\$ -	\$ 0.3	\$ 0.3	3.0	3.0
<i>F.1.5. Information Technology</i>	\$ 6.2		\$ 6.2		
<i>F.1.6. Other Support Services</i>	\$ 0.7		\$ 0.7	12.4	12.4
AGENCY BIENNIAL TOTAL	\$ 123.7	\$ 0.6	\$ 124.3	398.1	401.0

Texas Department of Criminal Justice

10 Percent Reduction Scenario

Based on LBB/Governor's Office Policy Letter dated May 5, 2008

Goal	A. Provide Prison Diversions	Total: \$	52.5
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Funding provides diversions to traditional prison incarceration by the use of community supervision and other community-based programs. Reductions to these programs would result in fewer offenders served in residential beds, specialized caseloads for sex offenders, substance abuse and other specialized caseloads. By reducing the number of viable alternatives to incarceration, funding reductions could directly impact the agency's offender population.

Goal	B. Special Needs Offenders	Total: \$	4.1
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Funding provides for treatment of mentally ill offenders being supervised in the community, to include intensive case management and support services such as psychiatric assessments, medications and counseling; continuity of care services involving pre-release screening, referral and medical and psychiatric treatment to offenders nearing release from incarceration; and processing of offenders eligible for release to Medically Recommended Intensive Supervision. A 10% funding reduction would result in a decrease of services for offenders with mental illness served through community-based mental health criminal justice initiatives and the jail diversion programs, and could directly impact the agency's offender population.

Goal	C. Incarcerate Felons	Total: \$	25.3
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The items that are subject to the 10% scenario provide services in support of the rehabilitation of adult felons. Reductions to this goal would impact the agency's ability to properly classify offenders relative to security, housing and job assignments, provide chaplaincy services, and would reduce access to sex offender treatment services and substance abuse treatment services. Reduced funding would also result in fewer offenders in academic and vocational programs, which may hinder rehabilitation success within the correctional setting.

Goal	E. Operate Parole System	Total: \$	30.2
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The items that are subject to the 10% scenario supervise and assist parolees in adjusting to community life and, when necessary, apply appropriate sanctions to those who fail to comply with the conditions of their release. Funding reductions in these programs would impact institutional treatment, continuing aftercare, and availability of intermediate sanction facility beds and halfway house beds, which could result in additional revocations, thus adversely affecting the agency's prison population. Additionally, offenders may be released without residential support, potentially increasing their risk for recidivism.

Goal	F. Indirect Administration	Total: \$	12.2
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Indirect Administration includes executive and division administration, financial and business operations, payroll, human resources, internal audit, and legal services. Additional reductions to these areas would result in the elimination of positions and reduce management's effectiveness in providing oversight and administrative support. A reduction in staff would also impact the agency's ability to provide assistance to victims and significantly reduce programming and information technology services.