

Texas Department of Criminal Justice



Fiscal Year 2007 Operating Budget

and

Fiscal Years 2008-2009

Legislative Appropriations Request

as prepared for the

Texas Board of Criminal Justice

8/18/2006

Texas Department of Criminal Justice

The attached summary document contains the Texas Department of Criminal Justice's Fiscal Year 2007 Operating Budget as well as the 2008-09 biennial Legislative Appropriations Request (LAR). Considering our responsibilities as fiscal stewards and the continued emphasis on fiscal restraint, we have structured our Fiscal Year 2007 Operating Budget and requested funding levels for the 2008-09 biennium to include only those items of critical importance.

Fiscal Year 2007 Operating Budget

TDCJ's Fiscal Year 2007 Operating Budget reflects the amounts appropriated during the 79th Regular Legislative Session. This includes the necessary funding for projected population increases for incarcerated and paroled offenders and funding directed by the legislature to probation programs with a goal of reducing correctional population pressures. The Fiscal Year 2007 Operating Budget also includes additional legislative appropriations, totaling \$36 million, provided to the agency for the 2007 state employee pay raise – a 3% increase, with a \$600 minimum.

The primary on-going fiscal challenges this biennium are:

- ❑ Continued growth in electricity, natural gas, and fuel expenditures have a significant fiscal impact on agency operations, with 106 correctional facilities statewide and the need to safely transport offenders and freight within the correctional system;
- ❑ The fiscal impact of increases for hazardous duty and longevity pay for agency employees established by the legislature last session totaled over \$10 million annually; and,
- ❑ Increases associated with off-site hospital costs and specialty care have increased the fiscal challenges for Correctional Managed Health Care.

As we enter Fiscal Year 2007, these fiscal realities present a significant challenge and may require a supplemental appropriation during the 80th Legislative Session. We will continue monitoring our expenditures and reducing costs where we can to substantially offset budget shortages in an effort to limit the amount of any required additional funding.

Texas Department of Criminal Justice

2008-09 Legislative Appropriations Request (LAR)

The budget request for the 2008-09 biennium was developed in a manner consistent with directions from state leadership (see Policy Letter on page 21). As such, our baseline request for the 2008-09 biennium was limited to 90% of the 2006-07 biennial general revenue-related funding levels (to include the 2007 portion of the state employee pay raise). The state leadership identified the line-items required to maintain adult prison populations. Those line-items are exempt from the 90% baseline limitation.

90/10% Baseline

Consistent with these directions, the baseline request includes items requested at 100% for exempted items and items requested at 90% for those items subject to the 90% baseline limitation. Continued funding for each item identified in the Exceptional Item list as a 10% item is critical to the effectiveness of the criminal justice system.

- A 10% reduction to the probation function would reduce the resources that are available to judges and probation officials in managing offenders within the community. Residential programs, treatment programs, and probation caseload ratios would be impacted. With fewer options aimed at diverting offenders from prison, the already growing offender population could grow larger.
- A 10% reduction in the Texas Correctional Office on Offenders with Medical and Mental Impairments (TCOOMMI) would result in a decrease of services for offenders with mental illness served through the community-based mental health criminal justice initiative and the jail diversion programs.
- A 10% reduction to the treatment portion of the incarceration function would reduce the agency's ability to provide institutional substance abuse treatment and continuing aftercare (both residential and outpatient counseling), and treatment for incarcerated sex offenders.
- A 10% reduction to the parole function would be comparable to the probation reduction. Parole supervision caseloads would grow, fewer pre-parole and halfway house beds would be available as a condition of release by the Board of Pardons & Paroles, and fewer intermediate sanction facility beds would limit alternatives to revocation. A reduction of these resources at a time when offender populations are growing could have a negative impact on the overall offender population.
- A 10% reduction to agency administration functions would impact the agency's ability to provide management oversight, administrative support, victim services, information technology, and contract and procurement oversight at necessary levels. Most of these administrative functions were reduced 15% to 20% in response to the budget reductions made during the 2004-05 biennium, with some program areas reduced by as much as 30%.

Texas Department of Criminal Justice

2008-09 Legislative Appropriations Request (LAR) – *continued*

Policy and/or Operational Items Requiring Additional State Resources

In addition to our baseline budget request and 10% restoration items, we are seeking funding for 16 exceptional items of policy and/or operational significance. A considerable portion of this request for additional appropriations is based on a multifaceted approach in managing the projected population requirements and minimizing the need for contracted temporary capacity. This request includes substance abuse treatment for probationers, in-prison substance abuse treatment, increased funding for the local Community Supervision and Corrections Departments (CSCDs), mental health funding, additional halfway house beds, and some capacity construction. Other exceptional items, each fundamentally important to the operation of the agency, are included in the list below.

- As nationwide rates for electricity, fuel and natural gas continue to climb, these expenditures continue to be a significant fiscal challenge for the agency. Although a proactive contracting approach has resulted in lower utility rates and expenditures than otherwise would be expected, utility expenditures for TDCJ will exceed the 2008-09 base level request by approximately \$40 million annually. This item also includes long-term financing for energy-saving improvements at several correctional facilities through an energy performance contract.
- In order to limit the growth of state expenditures, long-term contracts have historically been established with private vendors for the operations of several correctional and parole facilities. These competitively awarded contracts were evaluated and awarded with a rate escalator clause, resulting in an increase of approximately 2% annually to the contract price. Based on the current funding level and the current filled rate on these facilities, we will need an additional \$16.8 million for the 2008-09 biennium to maintain the current population levels on these correctional and parole facilities. Without this funding, we may be unable to utilize over 800 beds at these facilities, directly impacting the need for additional contracted capacity beds.
- The Substance Abuse Felony Punishment (SAFP) program is an intensive six-month therapeutic community program (nine months for offenders with special needs) for offenders who are sentenced by a judge as a condition of probation or as a modification of parole/probation. By contracting for both the operations and substance abuse treatment on a 250-bed private facility, the agency would be able to reduce the number of offenders awaiting treatment and move these offenders into an aftercare environment.

Texas Department of Criminal Justice

2008-09 Legislative Appropriations Request (LAR) – *continued*

Policy and/or Operational Items Requiring Additional State Resources- continued

- The In-Prison Therapeutic Community (IPTC) program is utilized for eligible offenders who are within six months of parole release and have been identified by the Board of Pardons and Paroles as needing substance abuse treatment. By funding an additional 200 IPTC treatment beds, the agency will utilize existing bed capacity to reduce the number of offenders awaiting treatment, thus moving offenders out of capacity bed space more quickly and into an aftercare environment.
- In an effort to partially offset the anticipated offender growth, we are requesting funds to contract with a vendor for the design, construction and operation of a 1,000-bed medium security facility and provide funding for a DWI treatment component for 500 beds at this proposed state-owned, vendor-operated facility.
- Additional funding would allow TCOOMMI to provide mental health services, medications, and continuity of care to defendants in local jails. This funding would also be used to provide post-release treatment and supervision to persons found Not Guilty by Reason of Insanity.
- Halfway house placements are made for offenders scheduled to be released on mandatory supervision who have no viable residential plan at the time of release. Funding for an additional 150 halfway house beds would allow for 600 additional placements annually; thereby, relieving some of the offender population pressures.
- We are requesting funding for the CSCDs to fund 250 additional residential treatment/mentally ill beds. These additional options would provide judges with more alternatives to incarceration, both as a sentencing option and an alternative to revocation.
- Additional funding for the CSCDs to provide outpatient substance abuse treatment would serve approximately 5,500 offenders. These alternatives are designed to divert offenders from incarceration in prisons and state jails and could reduce the number of contracted temporary beds required.
- 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 would address rising costs such as fuel and utilities, increased insurance costs, and other operational costs impacted by inflation.

Texas Department of Criminal Justice

2008-09 Legislative Appropriations Request (LAR) – *continued*

Policy and/or Operational Items Requiring Additional State Resources- continued

- Based on the recent offender projections from the Legislative Budget Board, the offender population will exceed the operational capacity by 11,156 at the end of Fiscal Year 2011. To partially offset the anticipated offender growth, we are requesting funding for the construction of one 2,750-bed prison unit and one 1,330-bed prison unit. These additional 4,080 beds would decrease the projected need to contract for temporary capacity beyond the 2010-11 biennium.
- The agency's fleet currently consists of approximately 2,100 vehicles, utilized primarily for offender transportation, freight transportation, agricultural operations, and maintenance/construction activities. A request of \$24.0 million for the biennium would replace a substantial number of those vehicles already exceeding the agency's conservative replacement schedule.
- During the 2008-09 biennium, approximately 6,400 personal computers (PCs) will exceed the agency's 6-year replacement schedule. The \$8.0 million in requested funding would allow TDCJ to replace a significant number of those older PCs, including laptops utilized by parole officers to manage their caseloads. The age of these PCs impacts their compatibility and functionality as hardware and software support become increasingly difficult to obtain.
- Previous phases of our Offender Information Management System (OIMS) project 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. This next phase will leverage the infrastructure established in the previous phase and lay the groundwork for creating a comprehensive electronic offender record by the imaging of offender records at intake. After implementation, the electronic record will replace the hard copy record and allow for simultaneous access by multiple users. The offender record will be imaged during the intake process and maintained and utilized throughout incarceration and parole supervision.
- The Office of the Inspector General 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 would provide additional investigators to conduct investigative activities and organized crime investigations of prison gangs throughout the state.

Texas Department of Criminal Justice
2008-09 Legislative Appropriations Request (LAR) – *continued*

Policy and/or Operational Items Requiring Additional State Resources- continued

- Correctional Managed Health Care is requesting \$122.1 million in additional funding to provide medical services required to meet minimum standards, as well as replace aging equipment and make much needed repairs to the Hospital Galveston facility.

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. We acknowledge that state expenditure requests may stress available revenues; however, we would encourage you to consider providing a pay raise to all state employees for the hard work and dedication they demonstrate everyday throughout this State.

Brad Livingston
Executive Director

TEXAS DEPARTMENT OF CRIMINAL JUSTICE
FY 2008 - 2009 Agency Budget

	Estimated FY 2006	Budgeted FY 2007	Base Budget Request		Total Budget Request	
			FY 2008	FY 2009	FY 2008	FY 2009
A. Goal: PROVIDE PRISON DIVERSIONS	\$ 248,608,629	\$ 236,054,813	\$ 216,145,062	\$ 216,394,493	\$ 263,575,785	\$ 263,825,216
B. Goal: SPECIAL NEEDS OFFENDERS	15,392,858	15,410,726	13,873,809	13,873,809	20,410,726	20,410,726
C. Goal: INCARCERATE FELONS	2,051,653,896	2,096,030,023	2,110,506,014	2,145,417,440	2,241,806,550	2,288,688,297
D. Goal: ENSURE ADEQUATE FACILITIES	47,009,399	70,672,493	91,431,300	11,399,313	532,031,300	11,399,313
E. Goal: OPERATE PAROLE SYSTEM	170,426,301	172,118,859	161,233,122	161,233,120	176,906,744	177,619,234
F. Goal: INDIRECT ADMINISTRATION	67,028,836	67,976,135	63,967,672	60,931,166	89,410,855	71,689,236
GRAND TOTAL	\$ 2,600,119,919	\$ 2,658,263,049	\$ 2,657,156,979	\$ 2,609,249,341	\$ 3,324,141,960	\$ 2,833,632,022
<i>(Less) Construction Subtotal</i>	28,173,974	59,221,318	80,000,000	U.B.	520,600,000	U.B.
TOTAL OPERATING BUDGET	\$ 2,571,945,945	\$ 2,599,041,731	\$ 2,577,156,979	\$ 2,609,249,341	\$ 2,803,541,960	\$ 2,833,632,022

"Total Budget Request" columns for FY 2008-09 include the 90% base request, any 10% restoration items and other exceptional items contained in this request.

Texas Department of Criminal Justice

GOALS		Estimated FY 2006	Budgeted FY 2007	Base Budget Request		Total Budget Request		
Strategies	Program Descriptions			FY 2008	FY 2009	FY 2008	FY 2009	
A. PROVIDE PRISON DIVERSIONS								
A.1.1.	<i>Basic Supervision</i>	99,660,072	97,600,616	88,201,283	88,450,716	107,577,111	107,826,544	*
A.1.2.	<i>Diversion Programs</i>	94,310,170	89,048,185	81,201,279	81,201,278	104,723,674	104,723,673	*
A.1.3.	<i>Community Corrections</i>	42,544,637	38,656,012	35,918,079	35,918,079	39,670,088	39,670,088	
A.1.4.	<i>Treatment Alternatives to Incarceration</i>	12,093,750	10,750,000	10,824,421	10,824,420	11,604,912	11,604,911	
B. SPECIAL NEEDS OFFENDERS								
B.1.1.	<i>Special Needs Projects</i>	15,392,858	15,410,726	13,873,809	13,873,809	20,410,726	20,410,726	*
C. INCARCERATE FELONS								
C.1.1.	<i>Correctional Security Operations</i>	863,864,344	899,355,880	894,282,135	894,282,134	894,282,135	894,282,134	
	Correctional Security	845,362,844	879,697,243	875,202,066	875,202,066	875,202,066	875,202,066	
	Workers Compensation & Unemployment	18,501,500	19,658,637	19,080,069	19,080,068	19,080,069	19,080,068	
C.1.2.	<i>Correctional Support Operations</i>	74,177,401	74,595,628	74,968,725	74,968,724	74,968,725	74,968,724	
	Correctional Unit Support	51,811,486	51,394,662	51,888,444	51,888,444	51,888,444	51,888,444	
	Classification & Records	22,365,915	23,200,966	23,080,281	23,080,280	23,080,281	23,080,280	
C.1.3.	<i>Offender Services</i>	12,180,901	12,089,207	12,222,596	12,222,595	12,222,596	12,222,595	
	Counsel Substitute/Access to Courts	4,602,443	4,681,398	4,694,208	4,694,208	4,694,208	4,694,208	
	Release Payments for Adult Offenders	4,417,738	4,203,904	4,310,821	4,310,821	4,310,821	4,310,821	
	State Counsel for Offenders	2,515,946	2,575,854	2,575,282	2,575,281	2,575,282	2,575,281	
	Interstate Compact	644,774	628,051	642,285	642,285	642,285	642,285	
C.1.4.	<i>Institutional Goods</i>	139,956,599	141,158,108	141,344,044	141,344,043	141,344,044	141,344,043	
	Food Services for Offenders	100,544,232	101,391,794	101,360,124	101,360,124	101,360,124	101,360,124	
	Unit Necessities & Laundry	39,412,367	39,766,314	39,983,920	39,983,919	39,983,920	39,983,919	
C.1.5.	<i>Institutional Services</i>	146,780,045	150,089,986	145,029,326	145,029,324	159,529,326	159,529,324	*
	Agriculture Operations	42,293,930	42,459,455	42,495,609	42,495,608	42,495,609	42,495,608	
	Commissary Operations	75,079,684	83,775,738	74,955,477	74,955,477	74,955,477	74,955,477	
	Freight Transportation-Warehouse Operations	29,406,431	23,854,793	27,578,240	27,578,239	42,078,240	42,078,239	*

These strategies were identified by state leadership to be exempt from the 90% baseline limitation (see Policy Letter on page 21).

* These amounts include exceptional items above the 100% funding level.

GOALS		Estimated FY 2006	Budgeted FY 2007	Base Budget Request		Total Budget Request		
Strategies	Program Descriptions			FY 2008	FY 2009	FY 2008	FY 2009	
C.1.6.	<i>Institutional Operations & Maintenance</i>	195,129,245	169,155,470	176,312,013	176,312,011	214,811,853	216,151,415	*
	Institutional Operations & Maintenance	76,478,597	77,212,371	77,346,676	77,346,675	77,346,676	77,346,675	
	Utilities	118,650,648	91,943,099	98,965,337	98,965,336	137,465,177	138,804,740	*
C.1.7.	<i>Correctional Managed Psychiatric Care</i>	43,094,589	43,094,589	43,094,589	43,094,589	43,094,589	43,094,589	
C.1.8.	<i>Correctional Managed Health Care</i>	332,656,231	332,656,232	332,656,232	332,656,231	391,989,903	395,389,326	*
C.1.9.	<i>Health Services</i>	3,609,875	3,659,368	3,670,627	3,670,628	3,670,627	3,670,628	
C.1.10.	<i>Contracted/Temporary Capacity</i>	18,984,857	43,814,542	69,465,840	104,377,280	69,465,840	104,377,280	
C.2.1.	<i>Texas Correctional Industries</i>	65,842,135	66,627,327	65,241,975	65,241,974	66,474,948	66,474,947	
C.2.2.	<i>Academic/Vocational Training</i>	2,332,714	2,332,715	2,135,160	2,135,159	2,332,715	2,332,714	
	Academic Programs	1,365,127	1,365,128	1,264,332	1,264,331	1,365,128	1,365,127	
	Vocational Programs	967,587	967,587	870,828	870,828	967,587	967,587	
C.2.3.	<i>Project RIO</i>	3,396,349	3,490,496	3,490,496	3,490,496	3,490,496	3,490,496	
C.2.4.	<i>Treatment Services</i>	14,304,241	15,160,991	12,997,084	12,997,083	14,349,161	14,349,160	
	Classification Case Managers	7,296,123	8,041,078	6,530,842	6,530,842	7,205,642	7,205,642	
	Sex Offender Treatment Program	2,110,187	2,189,636	1,976,418	1,976,417	2,180,150	2,180,149	
	Parole Special Needs	1,180,212	1,181,479	1,063,620	1,063,620	1,181,479	1,181,479	
	Chaplaincy	3,717,719	3,748,798	3,426,204	3,426,204	3,781,890	3,781,890	
C.2.5.	<i>Substance Abuse Treatment</i>	34,610,748	36,606,393	32,156,815	32,156,813	44,771,408	50,783,607	*
C.3.1.	<i>Contract Prisons/Private State Jails</i>	100,733,622	102,143,091	101,438,357	101,438,356	105,008,184	106,227,315	*
D. ENSURE ADEQUATE FACILITIES								
D.1.1.	<i>Facilities Construction</i>	28,173,974	59,221,318	80,000,000	U.B.	520,600,000	U.B.	*
D.1.2.	<i>Lease-Purchase of Facilities</i>	18,835,425	11,451,175	11,431,300	11,399,313	11,431,300	11,399,313	
E. OPERATE PAROLE SYSTEM								
E.1.1.	<i>Board of Pardons & Paroles</i>	9,095,354	9,541,695	9,400,185	9,400,185	9,400,185	9,400,185	
E.1.2.	<i>Parole Release Processing</i>	14,821,215	14,559,679	14,880,716	14,880,717	14,880,716	14,880,717	
E.2.1.	<i>Parole Supervision</i>	86,056,088	88,579,958	79,810,426	79,810,425	87,021,569	86,979,226	

These strategies were identified by state leadership to be exempt from the 90% baseline limitation (see Policy Letter on page 21).

* These amounts include exceptional items above the 100% funding level.

GOALS		Estimated FY 2006	Budgeted FY 2007	Base Budget Request		Total Budget Request		
Strategies	Program Descriptions			FY 2008	FY 2009	FY 2008	FY 2009	
E.2.2.	Residential Pre-Parole Facilities	31,732,566	31,362,748	31,571,424	31,571,424	33,522,390	33,990,721	*
	Pre-Parole Transfer Facilities	24,549,876	24,081,212	24,315,544	24,315,544	26,266,510	26,734,841	*
	Parole Work Facility Programs	4,985,264	5,220,164	5,102,714	5,102,714	5,102,714	5,102,714	
	Residential Parole Support	2,197,426	2,061,372	2,153,166	2,153,166	2,153,166	2,153,166	
E.2.3.	Halfway House Facilities	13,556,555	13,451,991	12,154,323	12,154,322	15,280,288	15,275,435	*
E.2.4.	Intermediate Sanction Facilities	15,164,523	14,622,788	13,416,048	13,416,047	16,801,596	17,092,950	*
F. INDIRECT ADMINISTRATION								
F.1.1.	Central Administration	23,511,064	24,049,007	21,772,726	21,772,725	24,048,889	24,048,889	
	Administration & Support	17,692,103	17,883,853	16,281,742	16,281,742	17,985,429	17,985,430	
	Correctional Institutions Administration	242,949	282,703	241,088	241,089	266,176	266,177	
	Parole Administration & Training	1,263,720	1,278,835	1,161,539	1,161,538	1,283,504	1,283,503	
	Rehabilitation & Reentry Programs Administration	1,222,730	1,347,826	1,177,746	1,177,744	1,300,671	1,300,669	
	Community Justice Assistance Division	3,089,562	3,255,790	2,910,611	2,910,612	3,213,109	3,213,110	
F.1.2.	Correctional Training	3,978,418	3,995,967	4,035,942	4,035,942	4,035,942	4,035,942	
F.1.3.	Inspector General	6,643,704	6,439,613	6,469,919	6,469,918	7,767,690	7,767,689	*
F.1.4.	Victim Services	1,933,401	1,934,744	1,807,778	1,807,778	1,951,709	1,951,709	
F.1.5.	Information Resources	25,595,545	26,130,638	24,935,088	21,898,585	46,147,470	28,425,853	*
F.1.6.	Other Support Services	5,366,704	5,426,166	4,946,219	4,946,218	5,459,155	5,459,154	
	Contracts and Procurement	3,784,299	3,877,733	3,512,918	3,512,917	3,878,121	3,878,120	
	Aircraft Operations	356,042	321,849	306,838	306,838	340,263	340,263	
	Archive / Conference Center	36,113	28,671	29,800	29,800	32,869	32,869	
	Media Services	353,836	356,609	325,087	325,087	359,139	359,139	
	Public Information	263,328	276,325	247,176	247,175	272,969	272,968	
	Mediation / Witness Fees	130,566	127,574	116,338	116,338	129,070	129,070	
	Research, Evaluation and Development	442,520	437,405	408,062	408,063	446,724	446,725	
GRAND TOTAL		\$2,600,119,919	\$2,658,263,049	\$2,657,156,979	\$2,609,249,341	\$3,324,141,960	\$2,833,632,022	
(Less) Construction Subtotal		28,173,974	59,221,318	80,000,000	U.B.	520,600,000	U.B.	
TOTAL OPERATING BUDGET:		\$2,571,945,945	\$2,599,041,731	\$2,577,156,979	\$2,609,249,341	\$2,803,541,960	\$2,833,632,022	

These strategies were identified by state leadership to be exempt from the 90% baseline limitation (see Policy Letter on page 21).

* These amounts include exceptional items above the 100% funding level.

TEXAS DEPARTMENT OF CRIMINAL JUSTICE
Method of Finance

	Estimated FY 2006	Budgeted FY 2007	Base Budget Request		Total Budget Request	
			FY 2008	FY 2009	FY 2008	FY 2009
GENERAL REVENUE:						
General Revenue Fund	\$ 2,348,508,952	\$ 2,418,713,598	\$ 2,387,877,856	\$ 2,438,070,226	\$ 2,612,885,933	\$ 2,661,076,003
Education and Recreation Program Receipts	87,265,120	82,955,477	74,955,477	74,955,477	74,955,477	74,955,477
Texas Correctional Industries Receipts	11,771,460	8,888,000	9,296,757	9,296,757	10,329,730	10,329,730
GENERAL REVENUE DEDICATED:						
Compensation to Victims of Crime Acct. 469	1,485,693	1,520,968	1,377,036	1,377,036	1,520,967	1,520,967
Fugitive Apprehension Acct. 5028	10,158,674	10,158,674	10,158,674	10,158,674	10,158,674	10,158,674
Private Sector Prison Industry Expansion Acct. 5060	2,000,000	2,000,000	1,800,000	1,800,000	2,000,000	2,000,000
OTHER FUNDS:						
Texas Correctional Industries - Interagency Contracts	35,814,381	38,012,038	36,913,210	36,913,209	36,913,210	36,913,209
Federal Funds	12,508,722	854,584	-	-	-	-
Federal Funds for Incarcerated Aliens	18,582,484	17,126,820	17,854,652	17,854,652	17,854,652	17,854,652
Appropriated Receipts	35,996,693	10,991,738	29,086,517	10,986,510	29,086,517	10,986,510
Bond Proceeds-General Obligation Bonds	28,173,974	59,221,318	80,000,000	-	520,600,000	-
Interagency Contracts	7,853,766	7,819,834	7,836,800	7,836,800	7,836,800	7,836,800
GRAND TOTAL	\$ 2,600,119,919	\$ 2,658,263,049	\$ 2,657,156,979	\$ 2,609,249,341	\$ 3,324,141,960	\$ 2,833,632,022
<i>(Less) Construction Subtotal</i>	28,173,974	59,221,318	80,000,000	U.B.	520,600,000	U.B.
TOTAL OPERATING BUDGET	\$ 2,571,945,945	\$ 2,599,041,731	\$ 2,577,156,979	\$ 2,609,249,341	\$ 2,803,541,960	\$ 2,833,632,022

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS REQUEST SUMMARY

(Detail on pages 8-20)

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

Current operational and programmatic items critical to the criminal justice system. These items are included in current agency operations but excluded from the 90% base.

1) 10% Base Item(s)	\$	45.9	381	\$	45.9	380
Various items in bill pattern order (Probation, TCOOMMI, Incarceration, Parole, and Administration)						

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

1) Electricity, Fuel and Natural Gas	\$	41.0	-	\$	42.3	-
2) Contractual Per Diem Adjustments - Privately Operated Facilities	\$	7.4	-	\$	9.4	-
3) 250 Substance Abuse Felony Punishment Treatment Beds	\$	6.7	-	\$	6.7	-
4) In-Prison Therapeutic Community Program Expansion (200 Treatment Slots)	\$	2.4	-	\$	2.4	-
5) 1000-Bed Medium Security Facility/500 DWI Treatment Beds	\$	62.9	-	\$	6.0	-
6) Mental Health - Pre-Trial and Jail Diversions	\$	5.0	-	\$	5.0	-
7) 150 Halfway House Beds	\$	1.8	-	\$	1.8	-
8) 250 Probation Residential and Treatment Beds	\$	5.6	-	\$	5.6	-
9) Probation Outpatient Substance Abuse Treatment	\$	9.2	-	\$	9.2	-
10) Basic Supervision	\$	10.0	-	\$	10.0	-
11) Capacity Construction	\$	377.7	-	U.B.		-
12) Fleet Vehicle Replacement	\$	12.0	-	\$	12.0	-
13) P.C. Replacement	\$	4.0	-	\$	4.0	-
14) Offender Information Management System (OIMS)	\$	14.7	-	U.B.		-
15) Office of the Inspector General (OIG)	\$	1.3	30	\$	1.3	30

GRAND TOTAL, TDCJ Exceptional Items	\$	607.6	411	\$	161.6	410
TDCJ Exceptional Items - Construction	\$	440.6		U.B.		
TDCJ Exceptional Items - Operating	\$	167.0	411	\$	161.6	410

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS REQUEST SUMMARY

(Detail on pages 8-20)

ESTIMATED COST <i>(in millions)</i>			
Requested FY08		Requested FY09	
<i>Amount</i>	<i>FTEs</i>	<i>Amount</i>	<i>FTEs</i>

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

<i>1) Correctional Managed Health Care (CMHC)</i>	\$	59.3	-	\$	62.7	-
GRAND TOTAL, CMHC Exceptional Items	\$	59.3	-	\$	62.7	-

GRAND TOTAL, ALL EXCEPTIONAL ITEMS	\$	666.9	411	\$	224.3	410
ALL EXCEPTIONAL ITEMS - Construction	\$	440.6			U.B.	
ALL EXCEPTIONAL ITEMS - Operating	\$	226.3	411	\$	224.3	410

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

Current operational and programmatic items critical to the criminal justice system. These items are included in current agency operations but excluded from the 90% base.

1) 10% Base Item(s)	\$ 45.9	381	\$ 45.9	380
(1.) GOAL A - PROBATION	\$ 22.7	-	\$ 22.7	-
A.1.1. Basic Supervision	\$ 9.4	-	\$ 9.4	-
<u>Impact if not funded :</u>				
This strategy provides formula funding to Community Supervision and Corrections Departments (CSCDs) for the purpose of supervising offenders under direct supervision. Based on the recent LBB projected number of offenders under direct supervision for the 2008-09 biennium, the amount listed above, in addition to the baseline request, would provide the required funding to maintain the current caseload service levels. At the 90% base funding level, the 2008-09 amounts would not be sufficient to maintain the existing regular caseload average.				
A.1.2. Diversion Programs	\$ 8.7	-	\$ 8.7	-
<u>Impact if not funded :</u>				
This strategy provides ongoing grant funding to CSCDs for residential facilities, substance abuse caseloads, mentally ill offenders and other ongoing grant programs intended to divert offenders from prison. Reductions to these programs would result in approximately 550 fewer offenders served in residential beds, and over 1,700 fewer offenders placed on 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 already growing offender population.				
A.1.3. Community Corrections	\$ 3.8	-	\$ 3.8	-
<u>Impact if not funded :</u>				
Through community corrections funding, local CSCDs develop programs to serve primarily as diversions from prison. Funds are allocated based upon a statutory formula. If not funded, the amounts listed above would result in approximately 100 fewer offenders served in residential beds and over 750 fewer offenders placed on specialized caseloads for sex offenders, substance abuse, mentally ill offenders and other specialized caseloads. By reducing the number of viable alternatives to incarceration, funding reductions could directly impact the agency's already growing offender population.				

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

A.1.4. Treatment Alternatives to Incarceration

	\$	0.8	-	\$	0.8	-
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Impact if not funded :

This program makes substance abuse treatment services available in the community for offenders on probation. If not funded, a reduction in the amounts above would result in approximately 2,700 fewer offenders screened for treatment needs and almost 1,500 fewer offenders receiving outpatient treatment counseling. By reducing the number of viable alternatives to incarceration, funding reductions could directly impact the agency's already growing offender population.

(2.) GOAL B - TCOOMMI (Texas Correctional Office on Offenders with Medical or Mental Impairments)	\$	1.5	-	\$	1.5	-
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B.1.1. Special Needs Projects

	\$	1.5	-	\$	1.5	-
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Impact if not funded :

This strategy provides funding 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, directly impacting the agency's already growing offender population.

(3.) GOAL C - INCARCERATION	\$	6.3	56	\$	6.3	56
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C.2.1. Texas Correctional Industries

	\$	1.2	-	\$	1.2	-
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Impact if not funded :

Texas Correctional Industries produces items used to operate the units such as: offender clothing, bath towels, soaps, detergents, officer uniforms, as well as other operational necessity items. Additionally, offender labor is utilized in the manufacturing of items such as license plates, road signs, and office furniture for other entities (state agencies, school districts and local units of government). Restoration of this item will more accurately reflect the estimated revenues generated within Prison Industry Enhancement (PIE) factories and sales to local governmental entities.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST <i>(in millions)</i>			
Requested FY08		Requested FY09	
<i>Amount</i>	<i>FTEs</i>	<i>Amount</i>	<i>FTEs</i>

C.2.2. Academic/Vocational Training

	\$	0.2	-	\$	0.2	-
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Impact if not funded :

The TDCJ provides opportunities to eligible offenders to acquire academic certification and/or vocational skills (mechanics, welding, etc.) that increase the likelihood of success upon release. Reductions to these academic and vocational programs would result in over 500 fewer offenders in these programs and may hinder rehabilitation success within the correctional setting.

C.2.4. Treatment Services

	\$	1.4	41	\$	1.4	41
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Impact if not funded :

This strategy includes funding for unit classification case managers, unit chaplains, parole treatment services, and the Sex Offender Treatment Program. A 10% reduction to this strategy would eliminate 41 FTE's, impacting the unit's ability to properly classify offenders relative to security, housing and job assignments, provide chaplaincy services, and reducing access to sex offender treatment services and other treatment services.

C.2.5. Substance Abuse Treatment

	\$	3.5	15	\$	3.5	15
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Impact if not funded :

This strategy includes Substance Abuse Felony Punishment and In-Prison Therapeutic Community treatment programs; Pre-Release Substance Abuse Treatment Programs; and Transitional Treatment Centers. Funding reductions in these programs would adversely impact the institutional treatment and continuing aftercare (residential and outpatient counseling for offenders). The recidivism rate for offenders needing substance abuse treatment could increase, further adding to the demand for prison beds.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

10% Base Item(s) - continued

(4.) GOAL E - PAROLE	\$ 10.0	230	\$ 10.0	229
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E.2.1. Parole Supervision

	\$ 7.2	230	\$ 7.2	229
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Impact if not funded :

This strategy provides funding for the supervision of all offenders released on parole and mandatory supervision. A 10% cut would result in the elimination of approximately 170 Parole Officer positions as well as key support staff. This would cause an increase in the regular caseload size as the supervision of additional cases would be assumed by the remaining officers. In order to maintain current caseload ratios based on the most recent offender supervision projections, this funding is required.

E.2.3. Halfway House Facilities

	\$ 1.3	-	\$ 1.3	-
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Impact if not funded :

Halfway houses are necessary to provide supervision for offenders who have no other residential options. Placements are made to halfway houses only for offenders scheduled to be released on mandatory supervision. A 10% funding reduction would result in fewer annual halfway house placements, directly impacting the agency's prison population due to delays in placements. Additionally, offenders may be released without residential support, potentially increasing their risk of recidivism.

E.2.4. Intermediate Sanction Facilities

	\$ 1.5	-	\$ 1.5	-
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Impact if not funded :

Intermediate Sanction Facility (ISF) beds are utilized to house offenders who have committed technical violations of release. Offenders who have committed technical violations can be placed in an ISF by the Board of Pardons and Paroles. The offender does not enter into a revoked status, remains on parole supervision, and consequently, the offender does not re-enter the Correctional Institutions Division. A 10% funding reduction would decrease the number of ISF beds available as an option for the Board of Pardons and Paroles. This could result in additional revocations, thus adversely affecting the agency's prison population.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

(5.) GOAL F - ADMINISTRATION	\$	5.4	95	\$	5.4	95
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F.1.1. Central Administration	\$	2.3	64	\$	2.3	64
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Impact if not funded :

This strategy provides administration, support, management oversight, and internal controls within the agency. These functions include: executive and division administration, financial and business operations, payroll, human resources, internal audit, and legal services. The reductions made during the 2004-05 biennium eliminated 126 positions (20%) from these functions. Additional reductions to these areas would result in the elimination of another 64 positions and reduce management's effectiveness in providing oversight and administrative support.

F.1.4. Victim Services	\$	0.1	4	\$	0.1	4
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Impact if not funded :

Victim Services Division staff focus on the needs of crime victims and their families. A reduction to staff would impact their ability to: provide assistance to victims in determining their rights during the parole review process; operate the victim notification system; and train state criminal justice professionals on crime victim issues.

F.1.5. Information Resources	\$	2.5	13	\$	2.5	13
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Impact if not funded :

Information Technology provides automated information services and support to all divisions within the agency, including application programming, network support, system operations, and support services. In response to the budget reductions made last session, 29 positions (16%) were eliminated from this function. Further funding reductions would eliminate programming and system support staff, as well as hardware and software maintenance resources.

F.1.6. Other Support Services	\$	0.5	14	\$	0.5	14
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Impact if not funded :

These programs provide contract and purchasing administration and oversight as well as other support functions. The reductions made during the 2004-05 biennium eliminated 45 positions from these functions. The Contracts & Procurement Department lost nearly 30% of its workforce as part of that reduction. Additional reductions to these programs would result in operational delays in the procurement process and significantly hinder the agency's ability to monitor contract compliance.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST <i>(in millions)</i>			
Requested FY08		Requested FY09	
<i>Amount</i>	<i>FTEs</i>	<i>Amount</i>	<i>FTEs</i>

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

1) <i>Electricity, Fuel and Natural Gas</i>	\$ 41.0	-	\$ 42.3	-
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Justification for Request:

Due to nationwide rate increases, TDCJ expenditures for electricity, fuel and natural gas will exceed the base request by approximately \$40 million annually. Our proactive contracting approach has resulted in lower utility rates and expenditures than otherwise would be expected. Additionally, TDCJ entered into an energy performance contract in 2006 which includes all aspects of a major energy and water conservation program. If we move into the next phase of this contract, this exceptional item request also includes the long-term financing for energy-saving improvements at several correctional facilities. Improvements will be determined by the contractor but may include: replacement of existing energy consuming equipment with more efficient equipment, changes to maintenance and operations, or establishment of control strategies to reduce energy costs. With this additional funding, the agency should be able to substantially meet our projected requirements for utility expenditures to include the master lease payments (\$1.3 mil - FY 2008 / \$2.6 mil - FY 2009) for the energy performance contract.

2) <i>Contractual Per Diem Adjustments - Privately Operated Facilities</i>	\$ 7.4	-	\$ 9.4	-
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Justification for Request:

In order to limit the growth of state expenditures, long-term contracts have historically been established with private vendors for the operations of seven private prisons (4,078 beds), five privately operated state jails (7,297 beds), two pre-parole transfer facilities (2,300 beds), and four privately operated intermediate sanction facilities (1,400 beds). These competitively awarded contracts were evaluated and awarded with a rate escalator clause, resulting in an increase of approximately 2% annually to the contract price. Based on the current funding level and the current filled rate on these facilities, we will need an additional \$16.8 million for the 2008-09 biennium to maintain the current population levels on these correctional and parole facilities. Without this funding, we may be unable to utilize over 800 beds at these facilities, directly impacting the need for additional contracted capacity beds.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST <i>(in millions)</i>			
Requested FY08		Requested FY09	
<i>Amount</i>	<i>FTEs</i>	<i>Amount</i>	<i>FTEs</i>

3) 250 Substance Abuse Felony Punishment Treatment Beds	\$	6.7	-	\$	6.7	-
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Justification for Request:

The Substance Abuse Felony Punishment (SAFP) program is an intensive six-month therapeutic community program (nine months for offenders with special needs) for offenders who are sentenced by a judge as a condition of probation or as a modification of parole/probation. The agency currently has 3,250 SAFB beds located at seven facilities across the state. Upon completion of the SAFB program, offenders are placed in a community residential facility for three months, followed by outpatient treatment counseling for up to 12 months.

As of May 2006, there are 586 regular needs offenders (both male and female) on the waiting list to begin treatment, which equates to approximately 12-14 weeks. Additionally, there are 256 special needs offenders awaiting treatment, approximately 15-week waiting period for males and 23 weeks for females; and 233 paroled offenders who have been required to go to a SAFB facility as a modification to their parole supervision (approximately 24-week waiting period). In previous statewide reports (most recently in January 2003), it was demonstrated that the recidivism rate for offenders completing the SAFB program was 5%.

An expansion to the agency's SAFB program would require an increase to the current capacity. The agency would seek to contract for both the treatment and operations of a private facility. By funding these additional 250 SAFB treatment beds, the agency would be able to reduce the number of offenders awaiting treatment and move these offenders into an aftercare environment.

4) In-Prison Therapeutic Community Program Expansion (200 Treatment Slots)	\$	2.4	-	\$	2.4	-
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Justification for Request:

The In-Prison Therapeutic Community (IPTC) program is utilized for eligible offenders who are within six months of parole release and have been identified by the Board of Pardons and Paroles as needing substance abuse treatment. The agency currently has 537 IPTC beds located at the Kyle and Halbert facilities. Upon completion of the incarceration phase – a six-month treatment program (nine months for those offenders with special needs) – offenders are released on parole and must complete an aftercare phase of treatment. The aftercare treatment consists of residential care for three months followed by nine to 12 months of outpatient counseling.

As of May 2006, there are 210 eligible offenders on the waiting list to begin treatment, which equates to approximately 2-3 months. In previous statewide reports (most recently in January 2003), it was demonstrated that the recidivism rate for offenders completing the IPTC program was 5%. By funding these additional 200 IPTC treatment beds, the agency will utilize existing bed capacity to reduce the number of offenders awaiting treatment, thus moving these offenders out of capacity bed space quicker and into an aftercare environment.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

5) 1000-Bed Medium Security Facility/500 DWI Treatment Beds	\$ 62.9	-	\$ 6.0	-
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Justification for Request:

The recent Legislative Budget Board offender projections indicate the offender population will exceed operational capacity by 7,328 beds by the end of the FY 2009. In an effort to partially offset this anticipated growth, this exceptional item would provide FY 2008 funding, with specific legislative authority for TDCJ to contract with a vendor for the design, construction and operation of a 1,000-bed medium security facility. Additionally, this request includes FY 2009 funding for targeted DWI treatment services for 500 beds to be located on this proposed state-owned, vendor-operated facility. FY 2009 requested funding for operations of the facility is included in the Strategy C.1.10., Contracted Temporary Capacity, line item as this would partially offset the need for contracted bed space.

As of May 2006, there are 5,494 prison offenders whose offense of record is Driving While Intoxicated (DWI). Similarly to the SAFFP and IPTC programs, in-prison substance abuse treatment will be provided to identified offenders prior to release, with an aftercare treatment component upon release. By funding this facility, TDCJ would be able to provide needed treatment to DWI offenders as well as partially meet the projected need for correctional beds in 2008-09.

6) Mental Health - Pre-Trial and Jail Diversions	\$ 5.0	-	\$ 5.0	-
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Justification for Request:

Approval of this item would allow the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) to provide mental health services, medications, and continuity of care to defendants in local jails. This funding would also be used to provide post-release treatment and supervision to persons found Not Guilty by Reason of Insanity. These items would increase the mental health services available at initial entry into the criminal justice system, which could impact the jail population by providing additional alternatives to incarceration and increasing compliance with the conditions of release and supervision.

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Justification for Request:

Halfway house placements are made for offenders scheduled to be released on mandatory supervision who have no viable residential plan at the time of release. Currently, the agency contracts for 1,199 halfway house beds located throughout the state. However, as of May 2006, there are 462 incarcerated offenders who have been approved for parole, but without a residential plan, these offenders would require a halfway house placement. Since these beds turn over approximately four times in a year, an additional 150 halfway house beds would allow for 600 additional placements annually; thereby, relieving some of the offender population pressures.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

8) 250 Probation Residential and Treatment Beds	\$	5.6	-	\$	5.6	-
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Justification for Request:

This item would provide funding to the CSCDs for 250 additional residential treatment/mentally ill beds. These additional residential treatment/mentally ill beds would serve approximately 625 offenders per year at a cost of approximately \$5.6 million. These beds would be divided into 125 residential treatment beds for substance abuse offenders and 125 residential beds for mentally ill offenders. The additional treatment and residential options would provide judges with more alternatives to incarceration, both as a sentencing option and an alternative to revocation.

9) Probation Outpatient Substance Abuse Treatment	\$	9.2	-	\$	9.2	-
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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 5,500 offenders at an annual cost of \$9.2 million. These additional treatment and residential 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 and could reduce the number of contracted temporary beds required.

10) Basic Supervision	\$	10.0	-	\$	10.0	-
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Justification for Request:

This item would provide \$10 million annually 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 would address rising costs such as fuel and utilities, increased insurance costs, and other operational costs impacted by inflation.

11) Capacity Construction	\$	377.7	-	U.B.	-
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Justification for Request:

Based on the recent offender projections from the Legislative Budget Board, the offender population will exceed operational capacity by 11,156 at the end of FY 2011. To meet the offender population growth that is projected to occur during the 2010-11 biennium, we are requesting funding for the construction of one 2,750-bed prison unit and one 1,330-bed prison unit, with construction to be completed during the 2011-12 timeframe. As required by statute, TDCJ must accept all offenders housed in county jails by the 45th day after all county processing has been completed. Without adequate capacity to house offenders, the state is authorized to contract with counties for housing state prisoners. These additional 4,080 beds would considerably decrease future requirements for offender capacity.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

12) Fleet Vehicle Replacement

\$ 12.0	-	\$ 12.0	-
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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 \$58.8 million for the 2008-09 biennium if replaced according to the replacement criteria. Without functional vehicles, agency operations, to include offender transportation and freight transportation, would be significantly impaired. The cost of vehicle maintenance has increased over the past 5 years by 62%, to approximately \$7.8 million in FY 2006. The aging of our vehicle fleet and these increased maintenance costs impact the cost associated with transporting offenders and basic necessity items such as clothing and food.

13) P.C. Replacement

\$ 4.0	-	\$ 4.0	-
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Justification for Request:

There are approximately 10,400 personal computers (PCs) within the agency. TDCJ's conservative PC replacement schedule is based on a six-year life cycle; whereas, the Department of Information Resources (DIR) plan calls for a standard of 2-3 years. The age of these PCs impacts their compatibility and functionality as hardware and software support become increasingly difficult to obtain. In FY 2004-05, the TDCJ was appropriated funds to procure PCs through the Master Lease-Purchase program at \$1.7 million each year. Using this payment method, the agency was able to replace over 3,200 PCs in FY 2004-05. No capital funding was appropriated to purchase additional PCs in FY 2006-07. Because of this, approximately 6,400 PCs will be in need of replacement during the FY 2008-09 biennium.

14) Offender Information Management System (OIMS)

\$ 14.7	-	U.B.	-
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Justification for Request:

Previous phases of our Offender Information Management System (OIMS) project 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. This next phase will leverage the infrastructure established in the previous phase and lay the groundwork for creating a comprehensive electronic offender record by the imaging of offender records at intake. After implementation, the electronic record will replace the hard copy record and allow for simultaneous access by multiple users. The offender record will be imaged during the intake process and maintained and utilized throughout incarceration and parole supervision.

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

15) Office of the Inspector General (OIG)	\$	1.3	30	\$	1.3	30
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Justification for Request:

The Office of the Inspector General 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. The reductions made during the 2004-05 biennium eliminated 69 positions (nearly 30%) from these functions. This funding would provide additional investigators to conduct investigative activities and organized crime investigations of prison gangs throughout the state.

GRAND TOTAL, TDCJ Exceptional Items	\$	607.6	411	\$	161.6	410
<i>TDCJ Exceptional Items - Construction</i>	<i>\$</i>	<i>440.6</i>		<i>U.B.</i>		
<i>TDCJ Exceptional Items - Operating</i>	<i>\$</i>	<i>167.0</i>	<i>411</i>	<i>\$</i>	<i>161.6</i>	<i>410</i>

Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
Amount	FTEs	Amount	FTEs

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

1) Correctional Managed Health Care (CMHC)	\$ 59.3	-	\$ 62.7	-
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Justification for Request:

This Correctional Managed Health Care funding item totals \$122.1* million for the 2008-09 biennium. This amount, designed to address the pressing resource needs of the correctional health care program, is detailed as follows:

Priority	Description	FY 2008	FY 2009
1	Adjustment to Base to Reflect Current Costs	\$23.5	\$23.5
2	Market Adjustments to Retain Health Care Staff	\$8.0	\$13.8
3	Increased Hospital/Specialty Care Costs	\$8.2	\$15.5
4	Increased Pharmacy Services Costs	\$2.3	\$4.8
5	Critical Capital Equipment Replacement	\$4.6	\$1.8
6	Other Increased Operating Costs-Supplies & Services	\$2.3	\$3.5
7	Hospital Galveston Repair/Renovation	\$10.4	U.B.
Totals*		\$59.3	\$62.7

**Totals differ due to rounding*

According to CMHC, the largest component of the correctional health care exception request is \$47.0 million to bring the base level of funding to the level of expense actually incurred for the delivery of services. This funding is critical to maintaining operations and delivering the level of services required by minimum standards. Significant health care professional shortages are impacting the ability to provide adequate staffing for TDCJ facilities. \$21.7 million is requested over the biennium in order to bring salaries and shift differentials to market levels. Hospital and specialty care costs are estimated to increase about \$23.7 million and pharmacy costs \$7.1 million over the biennium. Additionally, the correctional health care program is facing critical capital equipment needs for x-ray, dialysis, dental chairs and other equipment estimated to total \$6.4 million.

Increased operating supplies and service costs are estimated to require \$5.8 million over the biennium. Costs are driven by an aging prison population requiring more extensive care, rising costs of health care related services, health care professional shortages, and evolving standards of care. Finally, the Hospital Galveston facility requires significant repairs to address safety and deterioration issues, as well as improvements to the gates and service areas estimated to total \$10.4 million.

GRAND TOTAL, CMHC Exceptional Items	\$ 59.3	-	\$ 62.7	-
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Texas Department of Criminal Justice
EXCEPTIONAL ITEMS

ESTIMATED COST (in millions)			
Requested FY08		Requested FY09	
<i>Amount</i>	<i>FTEs</i>	<i>Amount</i>	<i>FTEs</i>

GRAND TOTAL, ALL EXCEPTIONAL ITEMS	\$ 666.9	411	\$ 224.3	410
ALL EXCEPTIONAL ITEMS - Construction	\$ 440.6		<i>U.B.</i>	
ALL EXCEPTIONAL ITEMS - Operating	\$ 226.3	411	\$ 224.3	410



Legislative Budget Board
Robert E. Johnson Bldg.
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Austin, TX 78701
(512) 463-1200

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

MEMORANDUM

June 2, 2006

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 2008–09 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 funds will be limited to 90 percent of the sum of amounts expended in fiscal year 2006 and budgeted in fiscal year 2007 plus an amount equal to the GR-related allocation for the 3 percent / \$50 employee pay raise in 2007. Exceptions to the 90 percent limitation include amounts necessary to maintain public education funding based on legislative action, satisfy debt service requirements for existing bond authorizations, maintain caseloads for federal entitlement services, 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. The Administrator's Statement accompanying the budget request should identify which exceptional items are tied to reaching 100 percent of the 2006-07 spending level.

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

Sincerely,


John D'Brien, Deputy Director
Legislative Budget Board


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
2008-09 General Revenue
Baseline**