

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Jerry Madden, Chair, House Committee on Corrections

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2807 by Madden (Relating to the Texas Youth Commission and the prosecution of certain offenses and delinquent conduct in the Texas Youth Commission and certain other criminal justice agencies; providing penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2807, Committee Report 1st House, Substituted: a negative impact of (\$14,984,566) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$13,741,126)
2009	(\$1,243,440)
2010	\$3,663,699
2011	\$4,996,491
2012	\$4,907,350

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2007
2008	(\$13,741,126)	262.0
2009	(\$1,243,440)	(58.5)
2010	\$3,663,699	(58.5)
2011	\$4,996,491	(58.5)
2012	\$4,907,350	(58.5)

Fiscal Analysis

The bill would amend Chapter 61 of the Human Resources Code to establish an office of inspector general in TYC to investigate fraud committed by TYC employees, including contract parole officers, crimes committed in TYC and in contract programs. Not later than September 1, 2007, the agency would be required to adopt a plan to seek accreditation by the American Correctional Association. TYC would be required to regularly conduct internal audits on correctional and contract facilities and TYC medical services.

The bill would amend Sections 54.04 and 54.05 of the Family Code to restrict juvenile courts from committing youth to the Youth Commission for a misdemeanor crime, or for violation of misdemeanor probation, and require youth committed to TYC for a misdemeanor prior to the enactment of the bill to be released not later than his 19th birthday. The bill would require 300 hours of training in specified topics for juvenile correctional officers (JCOs) in TYC prior to commencing duties at the assigned facility and would require TYC to maintain a staffing ratio of one JCO to twelve youth.

Chapter 61, Human Resources Code would be further amended to prohibit TYC from housing a male youth

younger than age 15 in the same dormitory as a person who is 17 years of age or older unless TYC determines that the placement is necessary to ensure the safety of the youth in TYC custody. TYC would be required to assign a minimum length of stay to all youth without a determinate sentence. In establishing the minimum length of stay, TYC would consider the nature and seriousness of the youth's conduct, and the danger the youth poses to the community. The bill would establish a panel, whose function would be to review and determine whether a youth who has completed his minimum length of stay should be discharged, released on parole, or remain in TYC custody for a specified period of time. The panel could only extend a youth's length of stay on the basis of clear and convincing evidence that the youth is in need of additional rehabilitation and that TYC is the most suitable environment for the youth.

The bill would amend Article 104.003, Code of Criminal Procedure to require the state to reimburse expenses incurred by counties when prosecuting offenses or delinquent conduct committed on property owned or operated by TYC or TDCJ, or committed by or against a person in the custody of TYC or TDCJ while the person is away from TYC or TDCJ property. The reimbursable expenses include salaries and expenses of interpreters, travel expenses for witnesses, food, lodging, and compensation for jurors, transcripts for appeal, inquest costs if a death occurs, travel expenses for prosecutor's staff, court reporter's fees, and the cost of special security officers. The bill would establish the special prosecution unit for the purpose of prosecuting offenses under Article 104.003, Code of Criminal Procedure. The special prosecution unit would be governed by a board of directors, which would consist of each prosecuting attorney in counties where TYC or TDCJ facilities are owned, operated, or under contract. Members of the board of directors would not be compensated for their service, but would be entitled to reimbursement of expenses incurred during the performance of their duties as board members. TYC would be required to employ or designate a chaplain for each institutional facility.

The bill would amend Chapter 61 of the Human Resources Code to establish the Office of Ombudsman at TYC for the purpose of evaluating the delivery of services to TYC youth, receiving and reviewing complaints, and conducting investigations of complaints if the office determines a youth committed to TYC or the youth's family may be in need of assistance, or a systematic issue in TYC's provision of services is raised in a complaint.

The Human Resources Code would be further amended to require the executive director to review the national criminal history information of each person who applies for employment with TYC, and of persons employed by TYC on an annual basis. TYC would require any person who applies for employment to electronically provide the agency with a full set of fingerprints in a form acceptable to the Federal Bureau of Investigation. TYC may charge a fee for the cost of the national criminal history records review as long as the amount of the fee does not exceed the administrative costs incurred.

The bill would amend Chapter 325, Government Code, to add the requirement that the Sunset Commission appoint an advisory committee not later than December 1, 2007 to develop a plan of a regionalized structure of smaller facilities and more diversified treatment. The committee would be directed to consider how the smaller, regionalized structure would affect recidivism, juvenile and family access to services, and costs to the state and counties. The Sunset Commission would be required to consider the recommendations of the advisory committee in its report to the Legislature.

The bill would require TYC to examine the youth's medical and treatment history as soon as possible after commitment, and complete a psychological assessment for each youth to determine if a psychiatric evaluation is necessary. A psychiatric examination would be required for any youth whose length of stay was established at one year or longer. TYC would be required to reexamine the youth at least every six months to determine if the youth's rehabilitation plan should be modified. The bill would require TYC to assign a caseworker to youth who would explore family issues and needs with parents or guardians of TYC youth, provide the parent or guardian with information concerning programs and services provided by TYC, and perform other duties required by TYC.

Chapter 61, Human Resources Code would be amended to lower the age a youth must be either released or transferred for confinement in the Department of Criminal Justice (TDCJ) to 19 years of age. TYC would be required to evaluate youth serving determinate sentences to determine if the youth is in need of additional services that could be completed within a six-month period after the youth's 18th birthday to prepare the youth for release or transfer to TDCJ.

Section 39.04 of the Penal Code would be amended to make an offense where a person engages in sexual conduct with TYC youth a second degree felony. Determinate sentence youth would receive credit for time served in detention prior to commitment to TYC and credit for time served in TYC prior to transfer to TDCJ. TYC employees who provide sex offender treatment would be required to be licensed.

The bill would take effect immediately if passed by a two-thirds vote of all members elected to each house, or on September 1, 2007 if it does not receive the necessary vote.

Methodology

The bill would require an additional 23.0 FTEs in each year of the biennium. TYC would require 900 additional staff to meet the provisions of the bill, offset by a reduction of 638 staff caused by the release by attrition of youth age 19 and misdemeanor offenders, for a total of 262 additional FTEs in fiscal year 2008. A decrease of -58.5 FTEs would be realized in fiscal year 2009 and in future years caused by the elimination of misdemeanor commitments and all youth age 19 being released or transferred to TDCJ. The estimated cost to implement the provisions of the bill would be \$13,741,126 in fiscal year 2008 and \$1,243,440 in fiscal year 2009, with a savings in future years. TYC based its estimates on the assumption that the bill requires at least one staff present for every twelve youth at all times. The agency would incur costs from the establishment of the Office of Inspector General, the Office of Ombudsman, the minimum length of stay review panel, the increased preservice training requirement of JCOs, additional internal audit staff, and chaplains. There are other costs associated with this bill that cannot be determined at this time. TYC reports it cannot determine the cost of ACA accreditation, the enhanced treatment requirement, costs associated with advocacy and support groups, and the revised healthcare delivery system. The establishment of the special prosecution unit cost would depend on the number of prosecutors, the number of office locations, and the travel expenses for its inclusive board.

TYC estimates that the release of youth who are age 19 or older and are currently committed for misdemeanor offenses, and youth who commit misdemeanor offenses no longer being eligible for commitment to TYC would reduce the average daily population by 259 in fiscal year 2008 and 602 in fiscal year 2009. The release or transfer to TDCJ of felony offenders who are 19 or older and are currently committed to TYC, and the future implications of releasing or transferring all felony commitments at age 19 is estimated to reduce TYC population by 433 each year. Parole populations would be reduced by 26 misdemeanants in fiscal year 2008 and 159 in fiscal year 2009, and 932 felons each year. The impact of the population reduction would result in the closure of facilities, and a reduction in contracted capacity after the first two years.

There would be costs associated with the addition of 3 audit staff and 4 inspectors general to meet the provisions of the bill. The combined TYC savings from the implementation of the bill is estimated at \$31,742,904 in General Revenue Funds in fiscal year 2008 and \$47,769,212 in General Revenue Funds in fiscal year 2009. A FTE reduction of 638.0 in fiscal year 2008 and 958.5 in fiscal year 2009 is anticipated.

In order to counter the savings to TYC from the provision of the bill that would release youth from TYC custody, the cost to TDCJ to accommodate the sentenced offenders and certain violent offenders that would be transferred to TDCJ was also included. TYC estimates that 404 youth would be transferred to TDCJ in fiscal year 2008 and 278 youth would be transferred to TDCJ in each following fiscal year as a result of the bill. TYC also estimates 1,117 youth would be transferred to the adult parole system in fiscal year 2008 and 732 youth would be transferred to the adult parole system in each following fiscal year as a result of the bill.

In order to estimate the future impact of the proposal, the transfer of offenders from TYC to TDCJ was applied in a simulation model. Costs of incarceration by TDCJ are estimated on the basis of \$40 per inmate per day, reflecting approximate costs of either operating facilities or contracting with other entities. No costs are included for facility construction. Costs of parole supervision are estimated on the basis of \$3.51 per day. The total state fiscal impact to TDCJ would be a cost of \$6,088,445 in fiscal year 2008 and \$7,490,977 in fiscal year 2009 for a biennial cost to TDCJ of \$13,579,422.

Local Government Impact

The bill may impact units of local government, but a cost estimate is unable to be determined at this time.

Source Agencies: 694 Youth Commission

LBB Staff: JOB, ES, GG, AI