

**Department of Criminal Justice
Summary of Recommendations - House**

Section 1

Page V-5

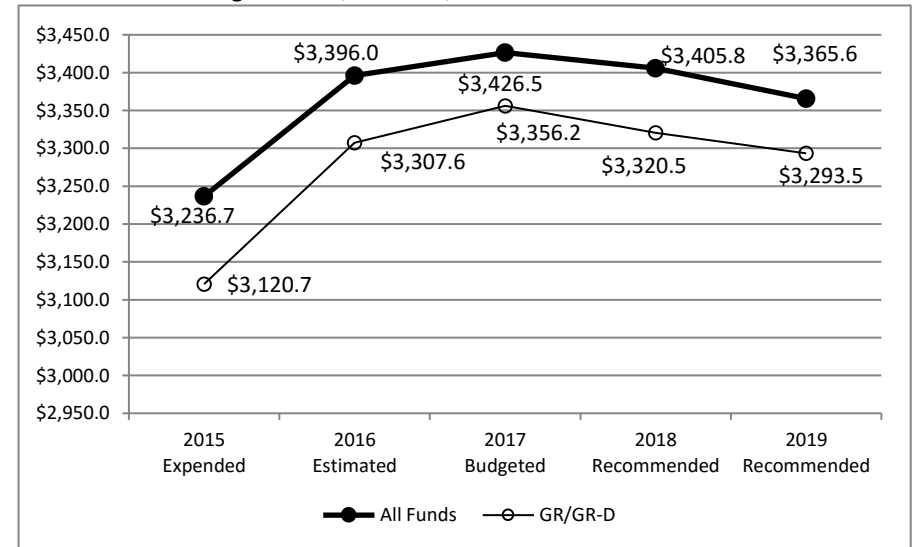
Bryan Collier, Executive Director

Kelsey Vela, LBB Analyst

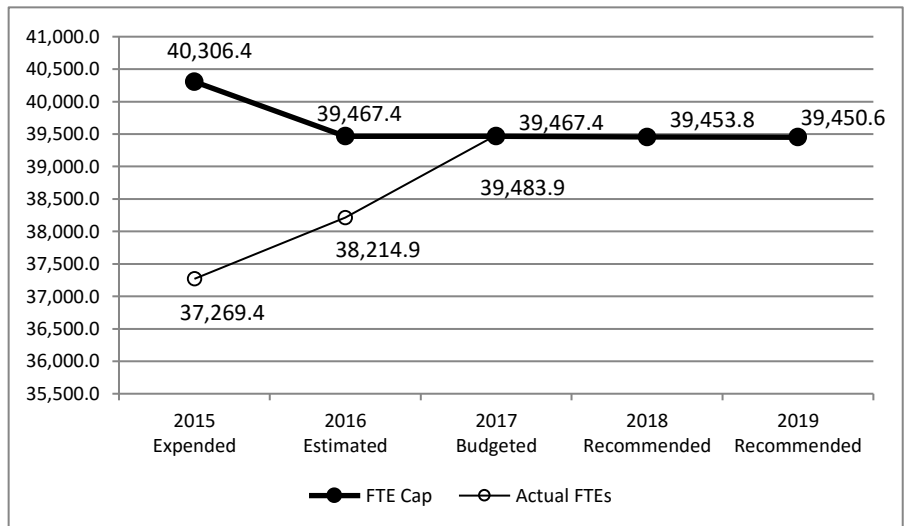
Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$6,603,388,629	\$6,573,664,691	(\$29,723,938)	(0.5%)
GR Dedicated Funds	\$60,374,348	\$40,374,348	(\$20,000,000)	(33.1%)
<i>Total GR-Related Funds</i>	<i>\$6,663,762,977</i>	<i>\$6,614,039,039</i>	<i>(\$49,723,938)</i>	<i>(0.7%)</i>
Federal Funds	\$18,813,320	\$18,156,178	(\$657,142)	(3.5%)
Other	\$139,932,735	\$139,180,261	(\$752,474)	(0.5%)
All Funds	\$6,822,509,032	\$6,771,375,478	(\$51,133,554)	(0.7%)

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	39,483.9	39,450.6	(33.3)	(0.1%)

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

Department of Criminal Justice
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
Funding Changes and Recommendations:							
A)	Base reduction - Pursuant to the 4 percent reduction requirement and primarily resulting in the closure of an Intermediate Sanction Facility and decreases in administrative and support strategies and the Board of Pardons and Paroles.	(\$24.0)	(\$2.4)	\$0.0	\$0.0	(\$26.4)	B1.1, C.1.11, D.1.1, Goals F and G
B)	Video Surveillance Cameras - Decrease of \$10.0 million for video surveillance cameras at TDCJ units.	(\$10.0)	\$0.0	\$0.0	\$0.0	(\$10.0)	C.1.2.
C)	Reentry Services Pilot Program - Decrease of \$2.0 million for a one-time reentry services pilot program involving agreements with the City of Houston and the City of Dallas in the 2016-17 biennium.	(\$2.0)	\$0.0	\$0.0	\$0.0	(\$2.0)	C.2.3.
D)	Deferred Maintenance - Decrease of \$17.6 million in GR-D Fund 5166 for deferred maintenance funding in the 2016-17 biennium.	\$0.0	(\$17.6)	\$0.0	\$0.0	(\$17.6)	D.1.1.
E)	Personal Computer Replacements - Decrease of \$0.5 million for agency requested personal computer replacements to align funding with a six year replacement cycle.	(\$0.5)	\$0.0	\$0.0	\$0.0	(\$0.5)	E.1.1, G.1.4.
F)	CSCD Health Insurance - Increase of \$0.9 million to fund CSCD health insurance at 2016-17 need.	\$0.8	\$0.0	\$0.0	\$0.0	\$0.8	A.1.5.
G)	Federal Funds - Agency anticipated decrease in Federal Funds primarily as the result of one-time grant awards in 2016-17 that are not anticipated in the 2018-19 biennium.	\$0.0	\$0.0	(\$0.7)	\$0.0	(\$0.7)	B.1.1, C.1.2, F.2.1, G.1.2
H)	Other Funds - Agency anticipated decrease in Interagency Contracts as the result of a one-time Victim Rights Compliance Grant from the Office of the Attorney General. The decrease is partially offset by an anticipated increase in Appropriated Receipts from CSCD refunds for probation supervision at 2016-17 appropriated levels.	\$0.0	\$0.0	\$0.0	(\$0.8)	(\$0.8)	C.1.2, G.1.2, G.1.3.
I)	Data Center Services - Increase of \$6.0 million in General Revenue to reflect current DIR estimates for the 2018-19 biennium.	\$6.0	\$0.0	\$0.0	\$0.0	\$6.0	G.1.4.
Funding Changes and Recommendations (in millions)		(\$29.7)	(\$20.0)	(\$0.7)	(\$0.8)	(\$51.2)	As Listed
<i>Funding Increases</i>		\$6.8	\$0.0	\$0.0	\$0.0	\$6.8	As Listed
<i>Funding Decreases</i>		(\$36.5)	(\$20.0)	(\$0.7)	(\$0.8)	(\$58.0)	As Listed

NOTE: Totals may not sum due to rounding.

**Department of Criminal Justice
Selected Fiscal and Policy Issues - House**

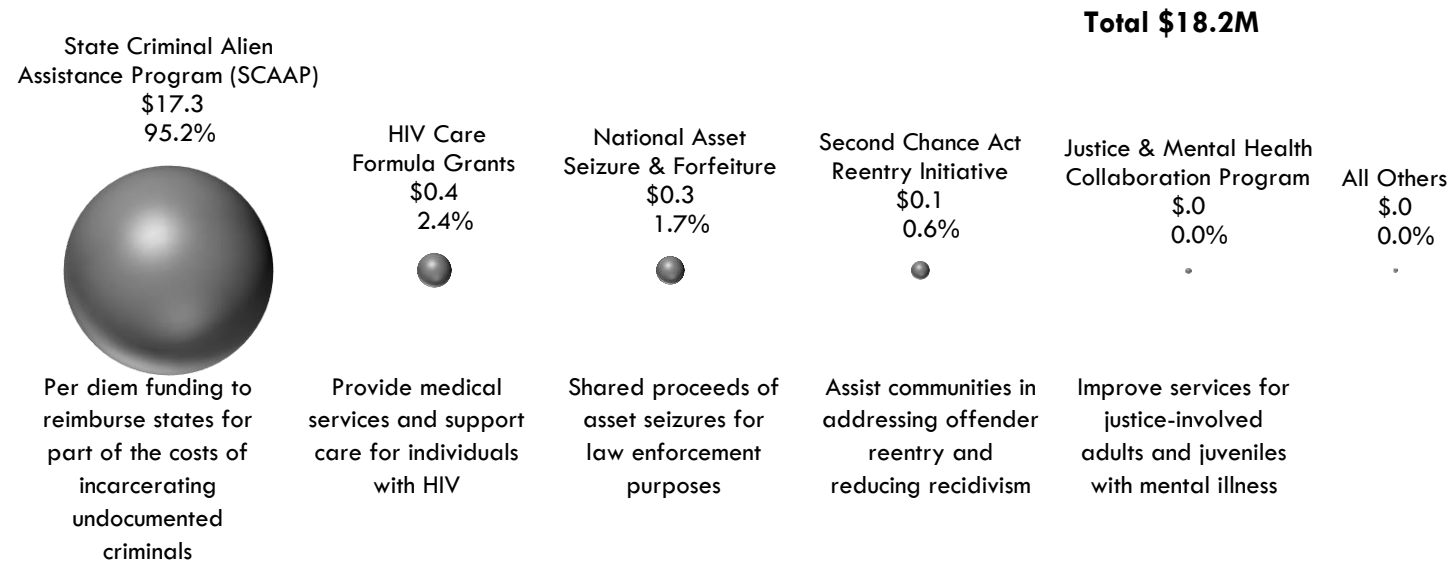
1. **Strategic Fiscal Review.** The Department of Criminal Justice (TDCJ) Correctional Managed Health Care (CMHC) is under Strategic Fiscal Review (SFR) for the Eighty-fifth Legislature. Significant observations and considerations include:
 - a) Recommended 2018–19 General Revenue Funds (\$1.1 billion) constitute 16.8 percent of the recommended 2018–19 General Revenue (\$6.5 billion) budget for TDCJ that is included within the General Appropriations Act (GAA).
 - b) TDCJ does not have any funds outside the treasury; however, contracted university health care providers have certain local accounts outside the treasury. The anticipated 2018–19 funds outside of the GAA total \$0.3 million and are primarily revenues from medical record fees, pharmaceutical revenue, and salvage equipment sales. See SFR Appendix 5 for additional details on CMHC various funding sources inside and outside of the GAA.
 - c) Regarding the three agency programs reviewed under SFR, all are within statutory requirements and/or authorizations (see SFR Appendices 1, 2, and 4 for additional details).
2. **2018-19 Funding Recommendations.** Recommendations reduce agency appropriations from 2016–17 levels by \$51.1 million in General Revenue Funds and 33.3 full time equivalent (FTE) positions. Recommendations include the following:
 - a) **Community Supervision and Operational Recommendations**
 - Fund basic and parole supervision based on LBB June projections and fiscal year 2016 costs per day;
 - Fund probation community-based diversion programs and parole programs and services based on 2016–17 expenditure levels, with the exception of funding for one Intermediate Sanction Facility;
 - Fund correctional operations, services, education, and treatment based on 2016–17 expenditure levels;
 - Fund correctional managed health care at 2016–17 appropriated levels.

The TDCJ target for reducing funding from 2016–17 General Revenue Fund expenditure levels, as required in the 4 percent reduction, was \$242.0 million or 3.6 percent after exemption of behavioral health funds (\$496.7 million), Community Supervision and Corrections Department (CSCD) Health Insurance expenditures (\$129.5 million), and Border Security (\$0.5 million). Recommendations take the 4 percent reduction identified by TDCJ in the following areas, totaling \$26.4 million:

- b) **Agency-Identified 4 Percent Reductions Taken in Recommendations**
 - Goal A, Provide Prison Diversions - \$3.9 million reduction to basic supervision as reflected LBB June projections (item a);
 - Goal B, Special Needs Offenders - \$0.1 million reduction to special needs offender programs;
 - Goal C, Incarcerate Felons, Services - \$0.3 million reduction to health care oversight;
 - Goal D, Maintain Adequate Facilities - \$2.4 million reduction repair and rehabilitation of facilities;
 - Goal E, Board of Pardons and Paroles - \$0.9 million reduction to the Board of Pardons and Parole;
 - Goal F, Operate Parole System - \$13.1 million reduction for the closure of an Intermediate Sanctions Facility; and
 - Goal G, Indirect Administration - \$5.7 million reduction for the entire goal.

- c) **Additional General Revenue-Related Funding Reductions.** Recommendations include additional reductions from 2016–17 General Revenue-Related expenditure levels as follows:
 - Decrease of \$17.6 million in General Revenue-Dedicated Fund 5166 for deferred maintenance funding to \$40.0 million in the 2018–19 biennium;
 - Decrease of \$10.0 million for video surveillance cameras at TDCJ units to \$0 in the 2018–19 biennium;
 - Decrease of \$2.0 million for a one-time reentry services pilot program involving agreements with the City of Houston and the City of Dallas in the 2016–17 biennium;
 - Decrease of \$0.5 million for personal computer replacements to align funding with a six-year replacement cycle.
- 3. **Federal Funds and Other Funds.** Recommendations include an estimated \$0.7 million Federal Funds reduction as the result of various decreases totaling \$1.8 million, including a one-time \$1.0 million Second Chance Act Prisoner Reentry Initiatives grant awarded in fiscal year 2016, offset by a \$1.1 million increase in estimated State Criminal Alien Assistance Program grants in the 2018–19 biennium. See Section 3a and Appendix B for additional detail. Other Funds reductions include a \$1.6 million decrease in Criminal Justice Grants from the Governor’s Office, an estimated \$0.8 million increase in Appropriated Receipts for various collections, including CSCD probation refunds, and an agency estimated \$0.2 million decrease in Interagency Contracts as the result of a one-time Victim Rights Compliance Grant from the Office of the Attorney General.
- 4. **CSCD Health Insurance.** Recommendations move \$128.6 million in General Revenue Funds from the four probation strategies to a new strategy for CSCD health insurance to more transparently show the costs of providing health insurance to local probation department employees. Recommendations also include \$0.9 million in General Revenue Funds to fund CSCD health insurance at the 2016–17 agency estimated need. Exceptional Item 11, which includes a request for \$22.0 million for agency estimated 2018–19 CSCD health insurance is not included in the recommendations.
- 5. **Vehicle Replacements.** Recommendations maintain 2016–17 base level funding for vehicle replacements at \$13.9 million for approximately 300 vehicles. TDCJ currently has 1,439 vehicles that exceed the state’s replacement criteria, which represents 65 percent of the agency’s fleet. Replacing all vehicles over 200,000 miles by fiscal year 2019 would cost an estimated \$42.8 million.
- 6. **Data Center Services.** Recommendations include a \$6.0 million increase in General Revenue Funds for data center services to fund the Department of Information Resources (DIR) estimate for existing obligations for the 2018–19 biennium.
- 7. **Salary Increases.** Recommendations include a \$14.0 million decrease in General Revenue Funds in 2018–19 as the result of updated Comptroller of Public Accounts estimates for the 2.5 percent salary increase provided by the Eighty-fourth Legislature in 2015. Funding in 2016–17 was reduced by the same amount to reflect the actual base salary increase amount.
- 8. **2016–17 Supplemental Appropriations Request.** TDCJ anticipates the need for a supplemental appropriations request of \$80.0 million in General Revenue Funds to fund Correctional Managed Health Costs in fiscal year 2017. The supplemental appropriation is not assumed in the 2018–19 recommendations.

Department of Criminal Justice
Summary of Federal Funds (2018 - 19) - House

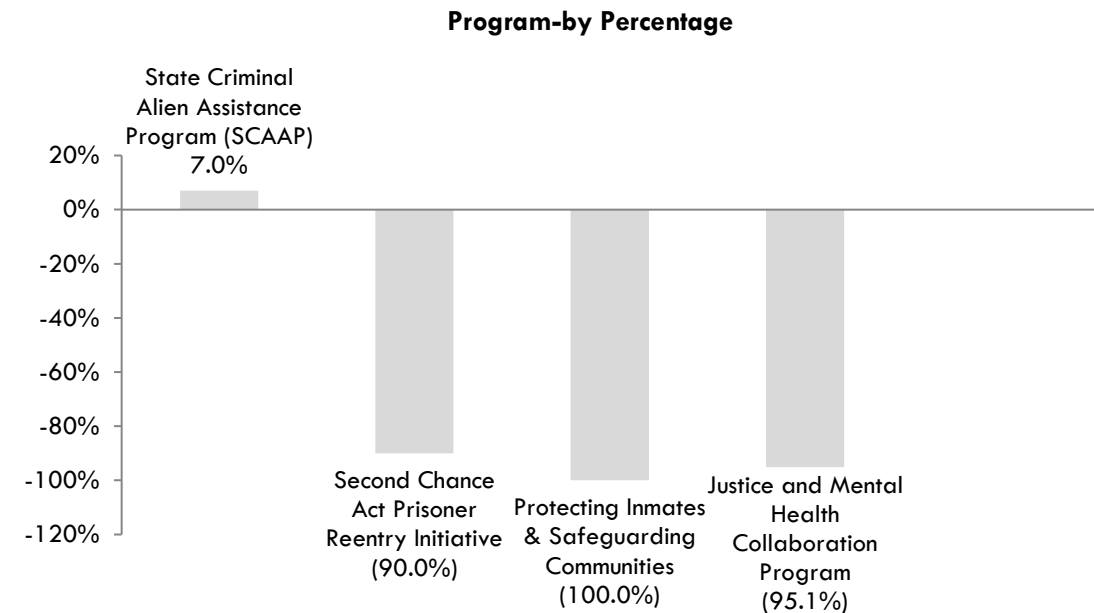
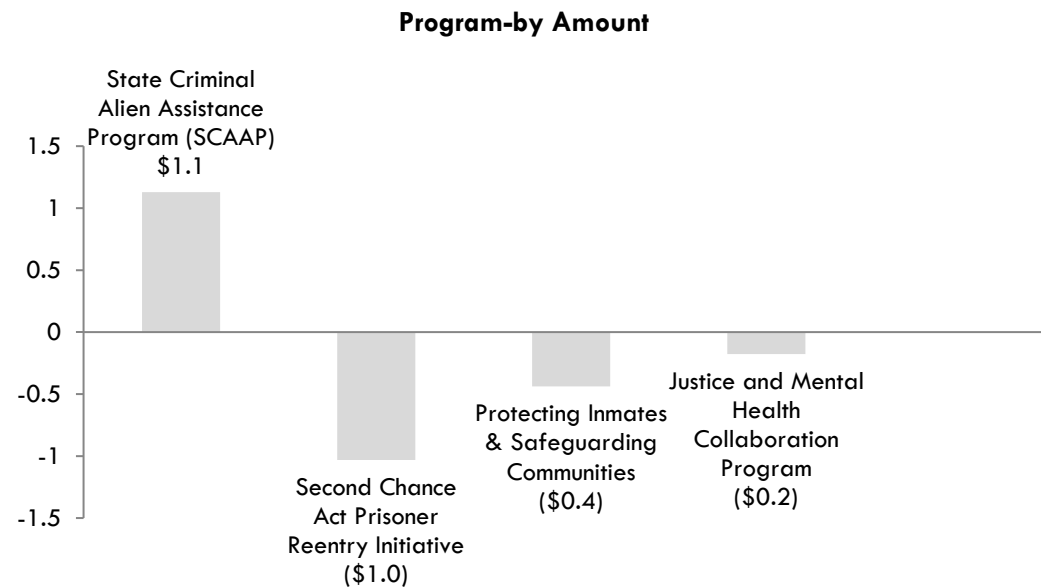


Selected Federal Fiscal and Policy Issues

1. Funding for SCAAP has decreased significantly since FY 2009. Texas' award increased slightly from FY 2014 through 2016, due to both an increase in national funding and an increase in the population of offenders ICE determined to be illegal. Texas' FY 2016 SCAAP award was higher than the LAR estimate, therefore LBB recommendations reflect this increase of \$1.1 million in estimated expenditures for the 2018-19 biennium.

2. Agency submitted revised estimates for HIV Formula Grants and Asset Seizures. LBB recommendations reflect these revisions for the 2018-19 biennium.

Programs with Significant Federal Funding Changes from 2016 - 17



Texas Department of Criminal Justice
Contracting Highlights - House

Summary of Contracts Awarded 09/01/2014 to 01/17/2017 and Reported to LBB Contracts Database*

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	2,347	\$ 2220.4	\$ 0.9	100%

Award Method

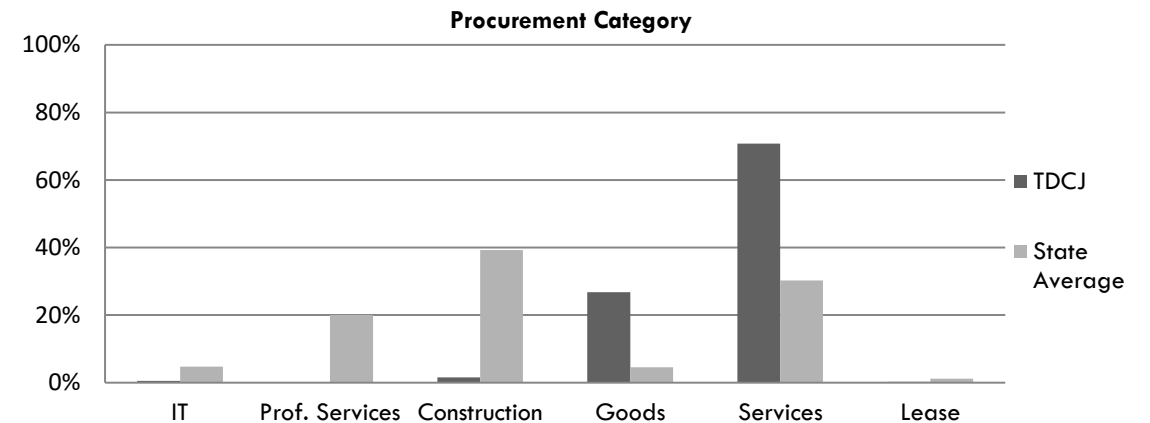
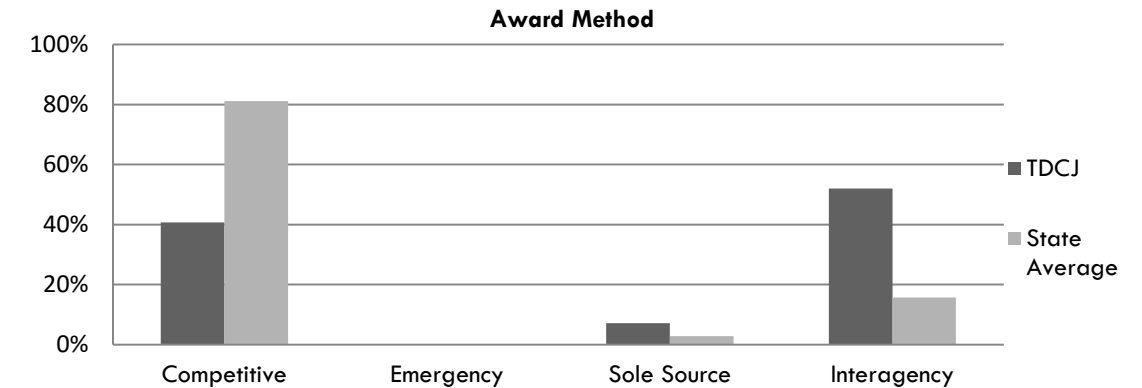
Total Competitive Contracts	2,123	\$ 905.2	\$ 0.4	40.8%
Total Non-Competitive	224	\$ 1315.3	\$ 5.9	59.2%
Emergency	3	\$ 0.7	\$ 0.2	0.0%
Sole Source	147	\$ 158.4	\$ 1.1	7.1%
Interagency Agreement	72	\$ 1155.7	\$ 16.1	52.0%
Provider Enrollment	2	\$ 0.6	\$ 0.3	0.0%

Procurement Category

Information Technology	32	\$ 10.9	\$ 0.3	0.5%
Professional Services	9	\$ 2.8	\$ 0.3	0.1%
Construction	74	\$ 35.7	\$ 0.5	1.6%
Goods	1,918	\$ 595.5	\$ 0.3	26.8%
Other Services ¹	294	\$ 1570.8	\$ 5.3	70.7%
Lease/Rental	20	\$ 4.8	\$ 0.2	0.2%

Revenue Generating Contracts²	114	\$ 113.4	\$ 1.0	5.1%
Competitive	109	\$ 112.4	\$ 1.0	5.1%
Non-competitive	5	\$ 1.0	\$ 0.2	0.0%

Comparisons with State Averages



*Note: These figures reflect the total value of reported contracts awarded 09/01/2014 to 01/17/2017 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

1. TDCJ's two CMHC contracts for FY 15-16 were incorrectly reported in the Contract Database as "Other Services" as opposed to "Professional Services". These two contracts total approximately \$1.1 billion.

2. While TDCJ reports that it has revenue generating contracts, the majority are for good to be re-sold in the commissary and should not be labeled as revenue generating. LBB staff is working with TDCJ to correct these reporting errors.

Texas Department of Criminal Justice
Contracting Highlights

(Dollar values rounded to the nearest tenth of a million)

Largest Competitive Contracts Awarded 09/01/2014 to 01/17/2017	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 East Texas Treatment Facility	Competitive	\$ 107.0	-	09/01/14	3 years	0	Management & Training Corporation
2 Estes Correctional Center	Competitive	\$ 22.7	-	09/01/15	2 years	0	Management & Training Corporation
3 RF and GPS Monitoring Services	Competitive	\$ 21.2	186.5%	09/01/14	6 years	2	3M Electronic Monitoring Inc.
4 Lockhart Correctional Center	Competitive	\$ 20.6	-	09/01/15	2 years	0	Management & Training Corporation

Largest Non-Competitive Contracts Awarded 09/01/2014 to 01/17/20

1 Correctional Managed Health Care Services	Interagency	\$ 905.6	-	09/01/15	2 years	0	University of Texas Medical Branch
2 Correctional Managed Health Care Services	Interagency	\$ 201.9	-	09/01/15	2 years	0	Texas Tech University
3 Utility-Gas-Multiple (40) Units	Interagency	\$ 13.7	-	09/01/15	2 years	0	General Land Office
4 Worker's Compensation- TDCJ Employees	Interagency	\$ 11.1	-	09/01/15	2 years	0	State Office of Risk Management

Largest Active Contracts from Previous Fiscal Years

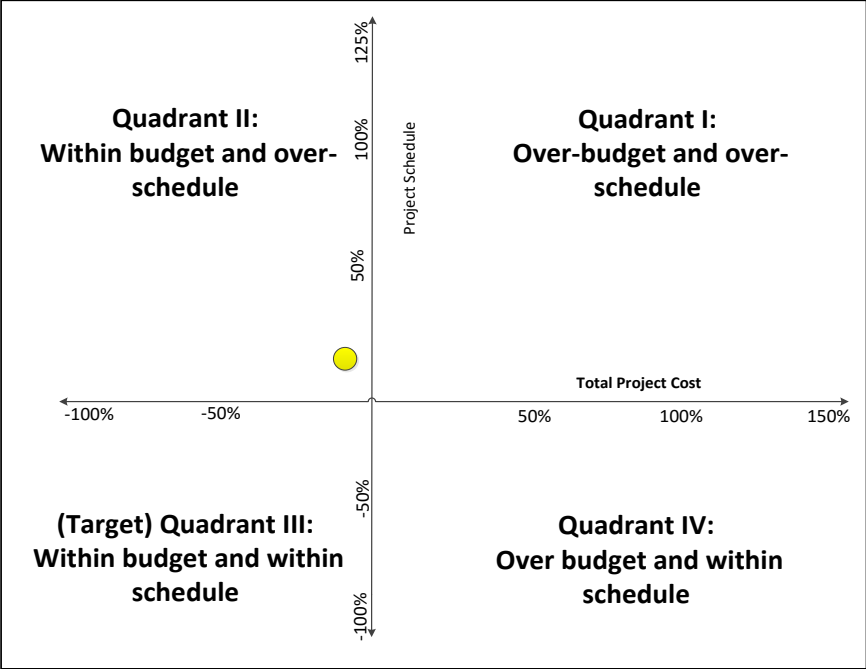
1 Bradshaw State Jail	Competitive	\$ 98.8	-	01/16/11	6 years	2	CCA of Tennessee LLC
2 Bartlett State Jail	Competitive	\$ 74.7	-	01/16/11	6 years	2	CCA of Tennessee LLC
3 Hospital & Medical Services for Offenders	Interagency	\$ 74.1	-	03/06/21	5.5 years	0	Walker County Hospital Corporation

Summary of Total Costs (in millions) and Time Frames reported to the Quality Assurance Team*

	Original Projected Costs	Current Projected Costs	Difference in Costs	Expenditures to Date	Original Timeline in Months	Current Timeline in Months	Difference in Time	% Complete	
Project Name									
1 Electronic Document Management System	\$14.7	\$13.5	-\$1.2	\$13.5	24	30	6	100%	●
Project Totals (1)	\$14.7	\$13.5	-\$1.2	\$13.5					

Note: The Electronic Document Management System project is 8% under-budget and 24% over duration. The cost decreased due to two areas. The agency built-in a 5 percent contingency for project costs and did not allow expansion of the original scope which lowered the final contract costs. The duration increase was due to a number of software related issues not experienced during User Acceptance Testing (UAT). These findings required additional time for the project team support.

Major Information Resources Projects



- Legend**
- Project which is within budget and within schedule
 - Project which exceeds budget OR schedule
 - Project which is over budget and behind schedule

*Note: These figures reflect all project costs (Capital and Informational) and timelines from self-reported monitoring reports that are sent to the Quality Assurance Team (QAT) for review. QAT includes representatives from the Legislative Budget Board, the State Auditor’s Office, and the Department of Information Resources.

Significant Project Highlights

1 Electronic Document Management System (EDMS)

This project was authorized to begin in FY 2014 as a 24 month project and was appropriated \$12.9 million for project development (General Revenue).

Texas Department of Criminal Justice (TDCJ) acquired a Commercial-off-the-Shelf (COTS) Electronic Document Management System (EDMS) that captures, stores, manages and retrieves electronic documents and reports across the agency wide network. The accumulated volume of offender related paper files and microfilm images are now being scanned into the new EDMS repository. Digital records currently stored in the agency's existing imaging systems will be migrated to the new EDMS.

The agency also purchased, customized, and deployed the Ohio Risk Assessment System (ORAS), also referred to as TRAS (Texas Risk Assessment System). Data sharing between TRAS, the agency's web-based offender case management system, and other legacy systems enabled streamlined access to offender records.

Late into the project, the agency experienced minor deployment delays with three Change Control Requests (CCRs) that were submitted and approved by the Change Control Board. This modified the payment schedule for Paper File Imaging Phase II and extended the period of performance of the contract to allow sufficient time to complete the remaining Deliverables.

Neubus, Inc. was the vendor for the EDMS Project. Neubus subcontracted with ImageSoft to perform the work associated with the deployment of the EDMS product and provide maintenance and support for year one (\$462,885), which ends October 31, 2016. Additionally, TDCJ is finalizing the procurement for maintenance and support for year 2, with 4 one-year renewal options.

QAT Budget Highlights (in millions)

Project Name	2016-17 Base	2018-19 Requested	2018-19 Recommended
1 EDMS	\$0.0	\$0.0	\$0.0
Total	\$0.0	\$0.0	\$0.0

* Note: The agency was able to deploy the project \$1.2 million under the original estimated budget. This was due to the agency managing state staff and vendor costs and providing a 5% contingency during the planning stages of the project.

**Texas Department of Criminal Justice
Rider Highlights - House**

Modification of Existing Riders

- 47. Correctional Managed Health Care: Recommendations modify rider to require TDCJ to submit information not later than the end of each fiscal year demonstrating cost containment efforts to the Legislative Budget Board.
- 57. Contingency for Behavioral Health Funds: Recommendations revise rider to extend the requirements to both years of the biennium.

New Riders

- 59. Notification of Federal Regulatory Action: Recommendations include rider to require TDCJ to notify certain entities of the implementation of federal regulatory action related to the Offender Telephone System.

Deleted Riders

- 36. Appropriation of Unexpended Balances Bond Proceeds: Recommendations delete rider as TDCJ has expended all previously appropriated General Obligation Bond Proceeds for these projects.
- 58. Grievance Procedures: Recommendations delete rider as it amends Texas statute; employee grievances are addressed in the Texas Labor Code; and TDCJ has internal policies currently in place that address the subject of the rider.
- 59. Harris County Correctional Correction Facility: Recommendations delete rider and maintain the funding referenced in the rider, but do not specify its purpose. TDCJ has a competitive discretionary grant award process for determining the distribution of its grant funds to local Community Supervision and Corrections Departments.
- 60. Friends for Life Grant: Recommendations delete rider and maintain the funding referenced in the rider, but do not specify its purpose.
- 61. Reentry Services Pilot Programs: Recommendations delete rider and reduce funding in Strategy C.2.3, Treatment Services, by \$2.0 million as the funding is considered a one-time expenditure.
- 62. Study on Locations of Contracted Halfway House Beds: Recommendations delete rider as TDCJ has completed the required study.
- 63. Funding Increases for the 2016–2017 Biennium: Recommendations delete rider, an informational listing of funding appropriated in the previous biennium.

Department of Criminal Justice
Items Not Included in Recommendations - House

Section 5

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Repair and Renovation of Facilities - Repairs to TDCJ facilities include: roof repairs, security fencing and lighting, electrical renovations, water/wastewater improvements, and major infrastructure repair.	\$55,720,000	\$55,720,000	0.0	No	Yes	\$98,330,000
2)	Contractual Per Diem Adjustments - Funding for increases in per diem rates for contracts with privately operated prisons, state jails, halfway houses, and Intermediate Sanction Facilities.	\$14,783,845	\$14,783,845	0.0	No	Yes	\$14,783,845
3)	Offender Health Care - Funding for anticipated health care cost increases, additional equipment, offender prescription medication cost increases, and salary increases for UTMB staff.	\$247,323,976	\$247,323,976	0.0	Yes	No	\$247,323,976
4)	Community Supervision and Corrections Department Health Insurance - Funding for health insurance benefit costs increases for CSCD employees.	\$22,023,885	\$22,023,885	0.0	No	No	\$22,023,885
5)	Probation Specialized Caseloads - Funding for additional CSCD diversion programs for mental health and substance abuse aftercare caseloads.	\$21,290,060	\$21,290,060	0.0	No	No	\$21,290,060
6)	In-Prison Therapeutic Community (IPTC) - Funding for an additional 500 treatment slots to serve 1,000 offenders annually.	\$15,371,976	\$15,371,976	0.0	No	Yes	\$15,371,976
7)	Additional TCOOMMI Funding - Funding to expand jail diversion services in rural areas to serve an additional 1,250 offenders; expand specialized caseloads to serve an additional 3,890 offenders; expand a dual diagnosis residential treatment facility to serve 160 offenders.	\$12,000,000	\$12,000,000	0.0	No	No	\$12,000,000
8)	Comprehensive Video Surveillance Systems - Installation of video surveillance cameras in TDCJ correctional facilities.	\$10,000,000	\$10,000,000	0.0	No	Yes	\$10,000,000
9)	Reentry Transitional Coordinators - Funding for an additional 30 Reentry Transitional Coordinators to assist upon offender intake.	\$2,856,104	\$2,856,104	30.0	No	No	\$2,856,104
10)	Corrections Information Technology System Project - Funding to update TDCJ's 40 year old mainframe and offender management system.	\$19,894,831	\$19,894,831	0.0	Yes	Yes	\$0

Department of Criminal Justice
Items Not Included in Recommendations - House

Section 5

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items - Board of Pardons and Paroles* - In Agency Priority Order							
11)	Consultant Services: Parole Guidelines Upgrade.	\$300,000	\$300,000	0.0	No	Yes	\$0
12)	Relocate Angleton and Gatesville Board Offices - Funding for lease costs.	\$121,751	\$121,751	0.0	No	No	\$121,751
13)	Relocate Angleton and Gatesville IPO Offices - Funding for lease costs.	\$679,861	\$679,861	0.0	No	No	\$679,861
14)	Relocate Angleton Hearing Offices - Funding for lease costs.	\$4,500	\$4,500	0.0	No	No	\$4,500
TOTAL Items Not Included in Recommendations		\$422,370,789	\$422,370,789	30.0	\$444,785,958		

*Board of Pardons and Paroles is a separate agency and its exceptional items should not be considered last priority.

Department of Criminal Justice
Appendices - House

SFR Table of Contents		
SFR Appendix	Appendix Title	Page
1	SFR Program Funding	14
2	SFR Program Listing – Services and Administration	15
3	SFR Program Listing – Fiscal	16
4	SFR Mission Centrality/Authority	17
5	SFR Constitutional, General Revenue-Dedicated and Funds Outside the Treasury	18
6	SFR Program Summaries	22

* Appendix is not included - no significant information to report

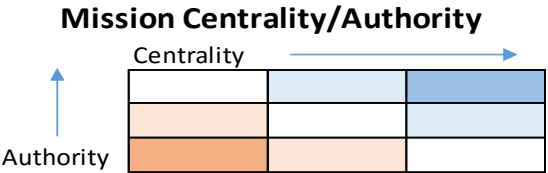
** Information is included in the presentation section of the packet


Correctional Managed Health Care
Strategic Fiscal Review: Appendix 1-- Program Funding - House

Department of Criminal Justice - Correctional Managed Health Care

Correctional Managed Health Care (CMHC) is a collaboration between TDCJ, University of Texas Medical Branch (UTMB), and Texas Tech University Health Science Center (TTUHSC) to provide health care services to offenders incarcerated in state prisons. The program is overseen by the ten-member CMHC Committee. Offenders are the only Americans with a constitutional right to health care. The foundation of the constitutional right to healthcare for offenders is built on the Supreme Court's decision in *Estelle v. Gamble*, 429 U.S. 97; 97 S. Ct. 285; 50 L. Ed. 2d 251 (1976) that "deliberate indifference" to a prisoner's health was "cruel and unusual punishment" prohibited by the Eighth Amendment to the United States Constitution.

Until 1993, offender health care was provided through ambulatory clinics staffed by TDCJ-employed nurses and physicians, while emergency services were provided by local physicians and hospitals. Prison populations were approximately one-third of current populations at that time. In January 1993, the Comptroller of Public Accounts published a Texas Policy Report entitled *Against the Grain*, with recommendations for TDCJ to establish a managed care health system governed by a board comprised of members of TDCJ, UTMB, and TTUHSC, with a managed care administrator to establish a network of contract community health care providers and facilities. TDCJ implemented those recommendations. The Eighty-third Legislature, 2013, eliminated the managed care administrator position and provided contracting authority directly to TDCJ.



Total Budget		2018-19 Recommendations			2018-19 Agency Total Request	
					Recommendations retain \$40.5 million for correctional managed health care activities that were included in the 4 percent reduction. Funding maintains levels of service at 2016-2017 appropriated levels.	
100%	Strategy	Budget, Ordered by Mission Centrality and Authority	Agency Ranking	\$1,107,463,335		\$1,354,787,299
	3.1.10 Managed Health Care-Pharmacy	Correctional Managed Health Care - Pharmacy	3	\$118,674,371	Requests for funding to extend prescription medication for released offenders to 30 days were not included in the recommendations.	\$161,781,318
	89% 3.1.9 Hospital And Clinical Care	Correctional Managed Health Care - Hospital and Clinical Care	2	\$413,180,172	Requests for funding market level adjustments to salaries, capital equipment, repair to Hospital Galveston, and additional nursing staff were not included in the recommendations.	\$552,746,110
	0% 3.1.8 Unit And Psychiatric Care	Correctional Managed Health Care - Unit and Psychiatric Care	1	\$575,608,792	Requests to bring FY 2018-2019 funding to the projected level of expenditure were not included in the recommendations.	\$640,259,871

Correctional Managed Health Care
Strategic Fiscal Review Appendix 2 Program Listing -- Services and Administration - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission		LBB Staff Review and Analysis								
Agency Ranking	Program Name	Year Implemented	State Authority	Federal Authority	Authority	Mission Centrality	State Service	Service Area	Significant Audit and/or Report Findings	Contracts for Outsourced Services
1	Correctional Managed Health Care - Unit and Psychiatric Care	1993	Agency Rider, Statute	Yes	Strong	Strong	Health Care - Disease Prevention, Treatment & Research	Statewide	Yes	Yes
2	Correctional Managed Health Care - Hospital and Clinical Care	1993	Admin Code, Agency Rider, Statute	Yes	Strong	Strong	Health Care - Acute Care Services	Statewide	Yes	Yes
3	Correctional Managed Health Care - Pharmacy	1993	Agency Rider, Statute	Yes	Strong	Moderate	Health Care - Acute Care Services	Statewide	Yes	Yes

Note: *Significant Audit and/or Report Findings.* Since its creation, the correctional managed health care (CMHC) system has been audited and reviewed numerous times by the state. In 2012, the Sunset Commission audited TDCJ and made recommendations to areas of fiscal management and contract issues. The State Auditor's Office reviewed both the University of Texas Medical Branch (UTMB) and Texas Tech University Health Science Center (TTUHSC) in 2011 and issued two reports with similar findings within the university systems. Recommendations were related to the support and calculation of indirect costs, salary increases while projecting a deficit, reimbursement amounts, controls over CMHC expenditures, and supporting documentation. As a result of these recommendations, a new rider providing direction to TCJ and the university providers of correctional managed health care was added by the Eighty-second Legislature in 2011.

Correctional Managed Health Care
Strategic Fiscal Review Appendix 3: Program Listing -- Fiscal - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Agency Submission				LBB Staff Review and Analysis							
Agency Ranking	Program Name	2012-13 Expended	2014-15 Expended	2016-17 Est / Budg	2017 FTEs Budg	2018-19 Recommended	2019 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?
1	Correctional Managed Health Care - Unit and Psychiatric Care *	\$ 474,546,901	\$ 506,398,881	\$ 575,757,556	0.0	\$ 575,757,558	0.0	0.0%	0.0	No	Compliant
2	Correctional Managed Health Care - Hospital and Clinical Care	\$ 328,005,641	\$ 407,404,833	\$ 413,180,165	0.0	\$ 413,180,172	0.0	0.0%	0.0	No	Compliant
3	Correctional Managed Health Care - Pharmacy *	\$ 98,795,931	\$ 112,474,400	\$ 118,764,856	0.0	\$ 118,764,859	0.0	0.0%	0.0	No	Compliant
Total		<u>\$ 901,348,473</u>	<u>\$ 1,026,278,114</u>	<u>\$ 1,107,702,577</u>	<u>0.0</u>	<u>\$ 1,107,702,589</u>	<u>0.0</u>	<u>0.0%</u>	<u>0.0</u>		

	2016-17 Est/Budg	2018-19 Recommended
Inside the Treasury	\$ 1,107,463,323	\$ 1,107,463,335
Outside the Treasury	\$ 239,254	\$ 239,254
Total	\$ 1,107,702,577	\$ 1,107,702,589

* Program has funds Outside the Treasury and / or Outside the Bill Pattern

Correctional Managed Health Care
Strategic Fiscal Review Appendix 4: Assessments of Mission Centrality and Authority - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Mission centrality is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other documents.
Authority is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.

MISSION CENTRALITY

		Weak	Moderate	Strong
A U T H O R I T Y	Strong		Correctional Managed Health Care - Pharmacy(3)	Correctional Managed Health Care - Unit and Psychiatric Care(1) Correctional Managed Health Care - Hospital and Clinical Care(2)
	Moderate			
	Weak			

Notes: Agency program rankings included after the program name. The matrix does not include Indirect Administration programs.

Correctional Managed Health Care
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

1	Account No: 1	Account Type: GENERAL REVENUE FUNDS
	Account Name: General Revenue Fund	
	Legal Cite(s): House Bill 1, 84th Legislature, Regular Session, Article V, Rider 47 - Correctional Managed Health Care, Gov Code, Ch.501, Subch. B, Subch. E,	
	Authorized Use: Correctional Managed Health Care	
	Revenue Source: Fees are generated when an offender initiates a visit to a health care provider for a non-chronic or non-emergency condition. The \$100 fee per year is deducted from the offender's trust fund. If the amount in the trust fund does not cover the health care fee, one-half off all deposits to the offender's trust account are applied towards the fee.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
1	Correctional Managed Health Care - Unit and Psychiatric Care	\$ 4,545,641	\$ 4,000,000	Yes
Total		\$ 4,545,641	\$ 4,000,000	

Notes/Comments:	Collected offender health care fees received are deposited in an account in the General Revenue Fund that may be used only to pay the cost of correctional health care. At the beginning of each fiscal year, the comptroller transfers any surplus from the preceding fiscal year to the state treasury to the credit of the General Revenue Fund.
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2	Account No: 8011	Account Type: GENERAL REVENUE FUNDS
	Account Name: General Revenue - Education & Recreation Program Receipts	
	Legal Cite(s): House Bill 1, 84th Legislature, Regular Session, Article V, Rider 47 - Correctional Managed Health Care, Gov Code, Ch. 501, Subch. B, Subch. E,	
	Authorized Use: Correctional Managed Health Care	
	Revenue Source: Revenue collected from the operation of unit commissaries and gifts and other income for inmate welfare.	

Correctional Managed Health Care
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
2	Correctional Managed Health Care - Hospital and Clinical Care	\$ -	\$ -	Yes
Total		\$ -	\$ -	

Notes/Comments: Revenue collected from the operation of unit commissaries and gifts and other income for inmate welfare are appropriated in Strategy C.1.6, Institutional Services. TDCJ was authorized to transfer \$10.0 million from this account to Strategy C.1.9, Hospital and Clinical Care, to address a CMHC funding shortfall for the 2014-15 biennium.

3	Account No: 8041	Account Type: OTHER FUNDS
	Account Name: Interagency Contracts: Texas Correctional Industry (TCI)	
	Legal Cite(s): House Bill 1, 84th Legislature, Regular Session, Article V, Rider 47 - Correctional Managed Health Care, Gov Code, Ch. 501, Subch. B, Subch. E,	
	Authorized Use: Correctional Managed Health Care	
	Revenue Source: Revenue collected from the sale of products produced by TCI	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
2	Correctional Managed Health Care - Hospital and Clinical Care	\$ -	\$ -	Yes
Total		\$ -	\$ -	

Notes/Comments: Receipts collected from the sale of products produced by TCI are appropriated in Strategy C.2.3, Texas Correctional Industries. TDCJ was authorized to transfer \$2.0 million from this account to Strategy C.1.9, Hospital and Clinical Care, to address a CMHC funding shortfall for the 2014-15 biennium.

Correctional Managed Health Care
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

4	Account No: 2	Account Type: Outside the Treasury
	Account Name: UTMB Local Account	
	Legal Cite(s): Education Code, Sec. 51.009,	
	Authorized Use: Correctional Managed Health Care	
	Revenue Source: Collected revenue from various sources including offender eyeglass replacement fees, medical record copy fees, the sale of salvage equipment, and pharmaceutical revenue, such as medication rebates. Collected revenue may offset payments to UTMB from TDCJ.	

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
1	Correctional Managed Health Care - Unit and Psychiatric Care	\$ 122,130	\$ 122,130	Yes
3	Correctional Managed Health Care - Pharmacy	\$ 90,488	\$ 90,488	Yes
Total		\$ 212,618	\$ 212,618	

Notes/Comments:	Local funds are managed by UTMB.
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5	Account No: 1	Account Type: Outside the Treasury
	Account Name: TTUHSC Local Account	
	Legal Cite(s): Education Code, Sec. 51.009	
	Authorized Use: Correctional Managed Health Care	
	Revenue Source: Collected revenue from various sources for medical record copy fees and pharmaceutical revenue, such as medication rebates. Collected revenue may offset payments to TTUHSC from TDCJ.	

Correctional Managed Health Care
Strategic Fiscal Review Appendix 5: Constitutional, General Revenue Dedicated Accounts, and Funds Outside the Treasury - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Ranking:	Program Name	2016-17 Est/Budg	2018-19 Recommended	In Compliance with Authorized Use?
1	Correctional Managed Health Care - Unit and Psychiatric Care	\$ 26,636	\$ 26,636	Yes
Total		\$ 26,636	\$ 26,636	

Notes/Comments:	Local funds are managed by TTUHSC.
------------------------	------------------------------------

	2016-17 Est/Budg	2018-19 Recommended
Inside the Treasury	\$ 4,545,641	\$ 4,000,000
Outside the Treasury	\$ 239,254	\$ 239,254
Total	\$ 4,784,895	\$ 4,239,254

Department of Criminal Justice
Strategic Fiscal Review Appendix 6a: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Correctional Managed Health Care - Unit and Psychiatric Care

Agency Ranking

1 of 3

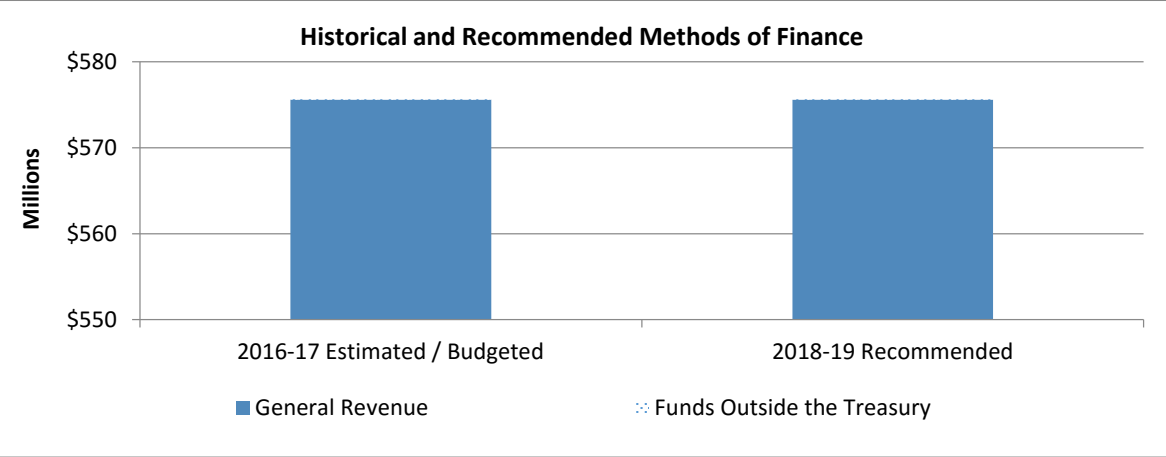
Unit-based mental health and health care services are provided to Texas Department of Criminal Justice (TDCJ) offenders by the University of Texas Medical Branch and Texas Tech University Health Sciences Center under the guidance/direction of the Correctional Managed Health Care (CMHC) Committee.

Legal Authority: Government Code, Ch. 501, Subch. B, Subch. E; House Bill 1, 84th Legislature, Regular Session, Article V, Rider 47 - Correctional Managed Health Care

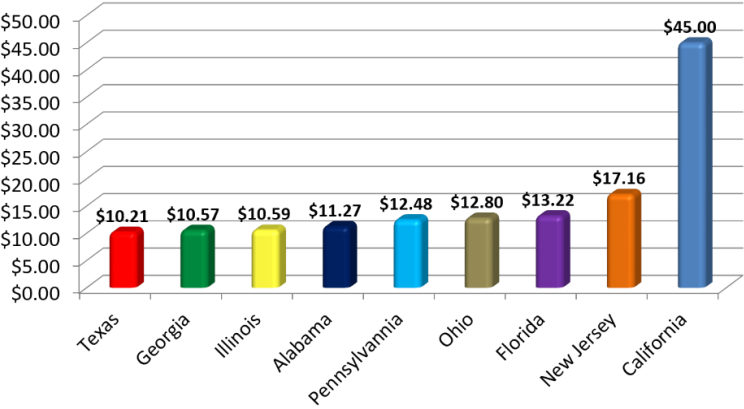
Year Implemented	1993	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Yes	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Health Care - Disease Prevention, Treatment & Research		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
UTMB Unit Operations	\$ 293,238,227	0.0	\$ 293,238,227	0.0	50.9%
TTUHSC Unit Operations	\$ 79,236,002	0.0	\$ 79,236,002	0.0	13.8%
UTMB Unit Based - Psychiatric Care	\$ 56,707,342	0.0	\$ 56,707,343	0.0	9.8%
TTUHSC Psychiatric Care	\$ 27,395,072	0.0	\$ 27,395,072	0.0	4.8%
All Other Activities	\$ 119,180,913	0.0	\$ 119,180,914	0.0	20.7%
TOTAL	\$ 575,757,556	0.0	\$ 575,757,558	0.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 575,608,792	100%
Funds Outside the State Treasury	\$ 148,766	0.0%
Total	\$ 575,757,558	100.0%



Comparison of State Prison Healthcare Costs Per Offender Per Day - FY 2014



Source: University of Texas Medical Branch

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$19.5 million in General Revenue Funds for Unit and Psychiatric Care programs included in the agency's 4 percent reduction.

Recommended Statutory Changes for Program Improvement

- Recommendations amend Government Code 501.063 to increase offender health care fees from \$100 to \$200 per year.

Enhancement Opportunities

- Hospital care is the fastest growing program in Correctional Managed Health Care. The following enhancements could be opportunities to reduce use of hospitals, potentially creating long-term cost containment:

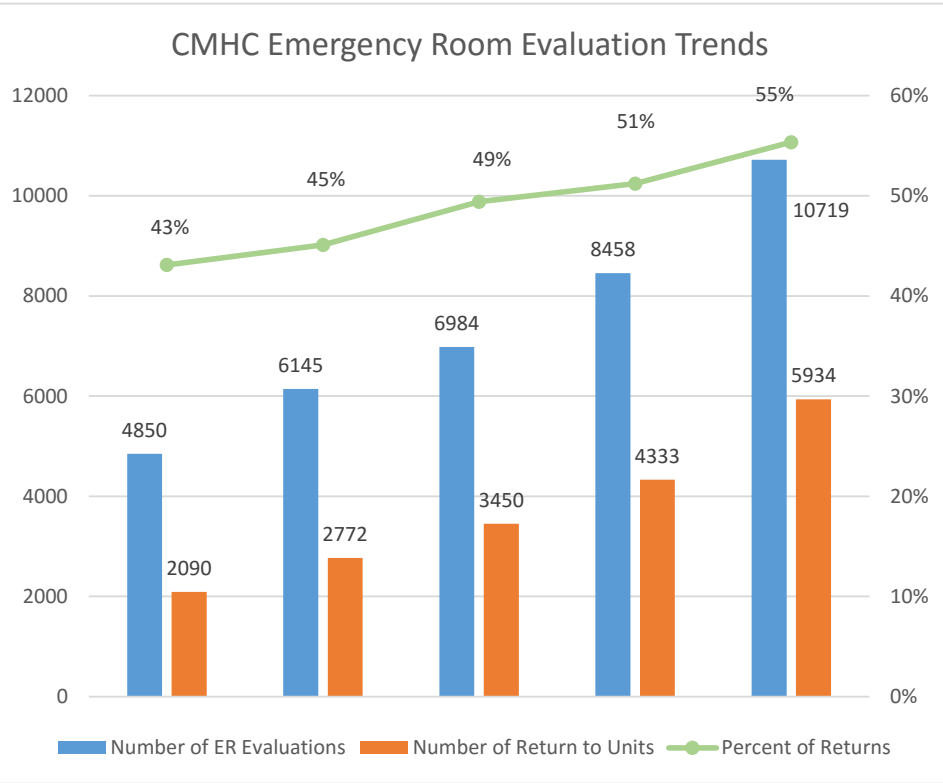
Opportunity 1 - Funding additional health care staff at market salary rates to increase unit medical hours of operation, thereby increasing the number of offenders treated onsite rather than in a hospital. Health care staffing levels vary by unit, but typically range from 12 to 16 hours. Prior to 2011, larger TDCJ units were staffed 24 hours per day and smaller units were staffed as needed. A CMHC budget reduction of \$118.7 million in All Funds realized in 2011 reduced staffing by 498 health care professionals employed by university providers, primarily Registered Nurses, and reduced hours of operation significantly. Staffing and hours of operation have not been restored to pre-reduction levels. Correctional officers are not authorized to determine medical need, meaning offenders who may have been previously treated at a unit must be transported to a hospital after health care staffing hours. Additionally, two correctional officers must accompany an offender to a hospital, lessening unit coverage and potentially increasing overtime.

Opportunity 2 - Increasing the number of unit infirmary beds for routine offender recovery could also achieve cost savings as the number of days in the hospital would be reduced. Contracts with free-world hospitals include an assumed length of stay for specific medical conditions; if an offender stays in the hospital longer than assumed, there is no additional cost to TDCJ. Hospital Galveston bills on a at cost basis, day for day, service for service, for offenders housed there. Either expanding capacity to increase infirmary beds, or swapping capacity across units to add infirmary beds could result in shorter hospital stays. TDCJ currently operates 655 infirmary beds across 109 units, many of which are occupied by offenders with long-term care needs.

- Additional enhancement opportunities include reviewing and modifying corrections and sentencing policies and strengthening prison diversion programs to reduce the incarcerated population. Growth in total health care spending is correlated to a rise in offender population and increasing healthcare costs.

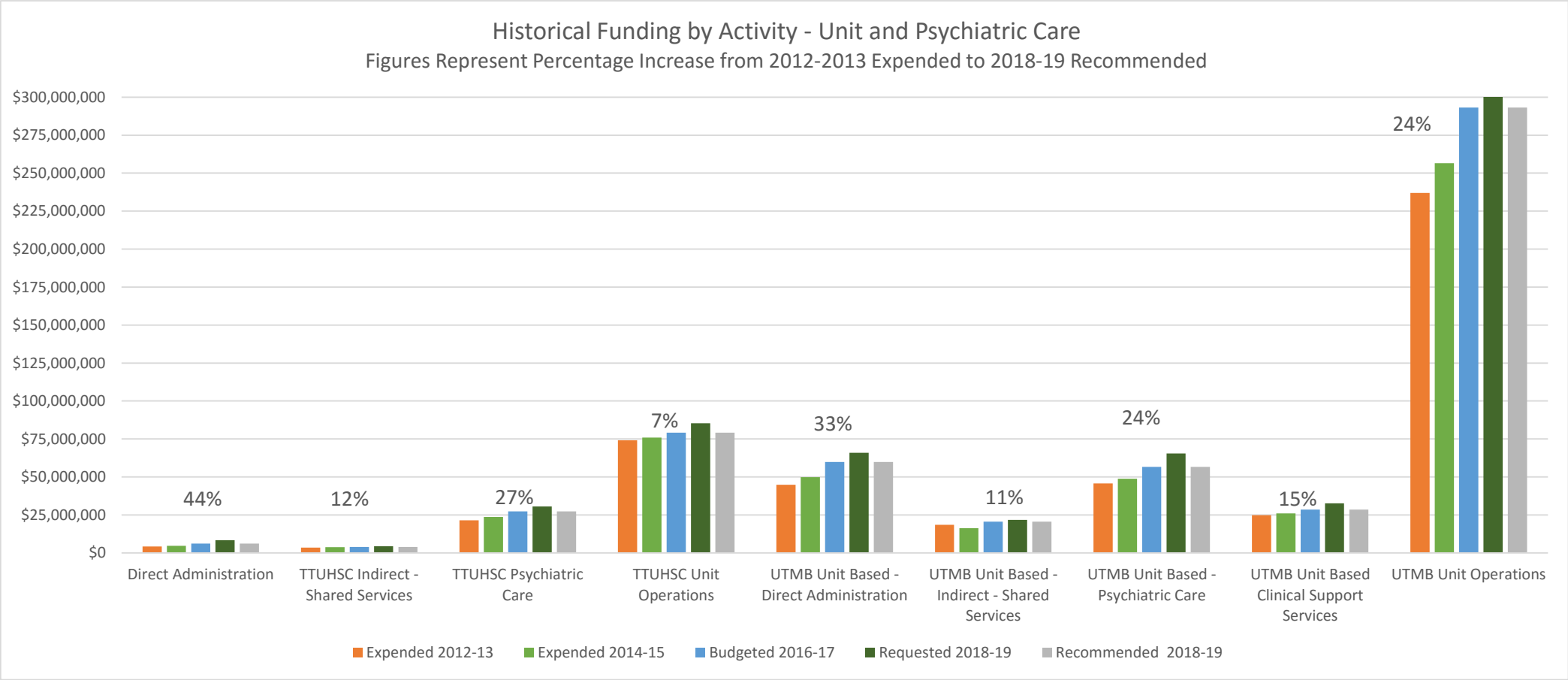
Challenges to Operation of Program

- The age, size, and health status of offender populations are the primary determinants of states' total correctional health care spending. Other factors that affect the delivery of health care and drive costs are the proximity of prisons to hospitals, the prevalence of infectious and chronic disease, mental illness and substance abuse, and an aging offender population. Offenders have higher rates of mental illness, chronic medical conditions, and infectious diseases compared to the general public. The disproportionate prevalence of infectious diseases in the offender population, such as HIV, hepatitis, and diabetes are addressed by Chronic Care Clinic programs that aim to help offenders manage their health and prevent other serious health problems.



Funding Alternatives

- Funding alternatives include amending Government Code 501.063 to increase the offender healthcare fee from \$100 to \$200 per year. TDCJ reports over 50% of offenders are indigent; therefore, funding for an increased health care fee would be drawn from future trust fund deposits. TDCJ collected approximately \$2.5 million in fiscal years 2015 and 2016.
- Rider 47 (f)(2) requires TDCJ to reimburse UTMB and TTUHSC for indirect administrative services. In 2016-17, TDCJ reported \$24.5 million of Indirect Administrative Costs-Shared Services for both universities in the Unit and Psychiatric Care program. Indirect administrative costs include: general administration, legal, corporate human resources, general accounting, payroll, audits, etc. Savings could potentially be achieved if the Eighty-fifth Legislature chose to revise the practice of paying certain indirect costs.



Correctional Managed Health Care
Strategic Fiscal Review Appendix 6b: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Correctional Managed Health Care - Hospital and Clinical Care

Agency
Ranking

2 of 3

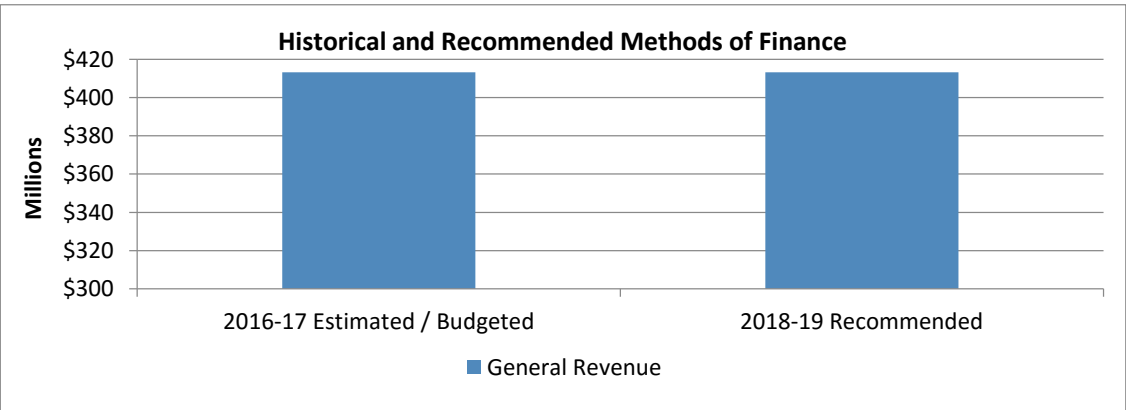
Hospital Services are provided to TDCJ offenders through contractual agreements with the University of Texas Medical Branch (UTMB) and the Texas Tech University Health Sciences Center (TTUHSC) and their subcontractors.

Legal Authority: Government Code, Ch. 501, Subch. B, Subch. E; House Bill 1, 84th Legislature, Regular Session, Article V, Rider 47 - Correctional Managed Health Care

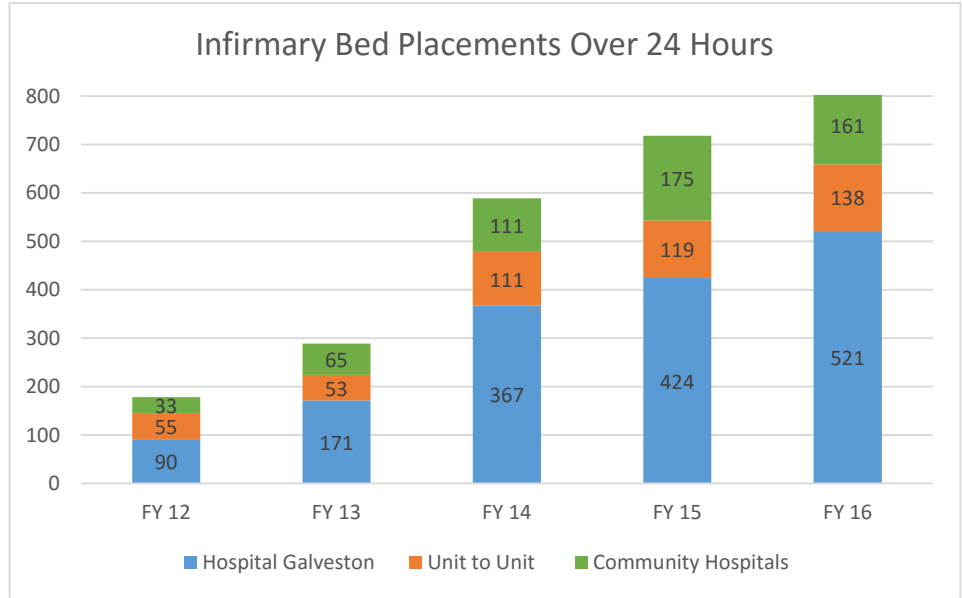
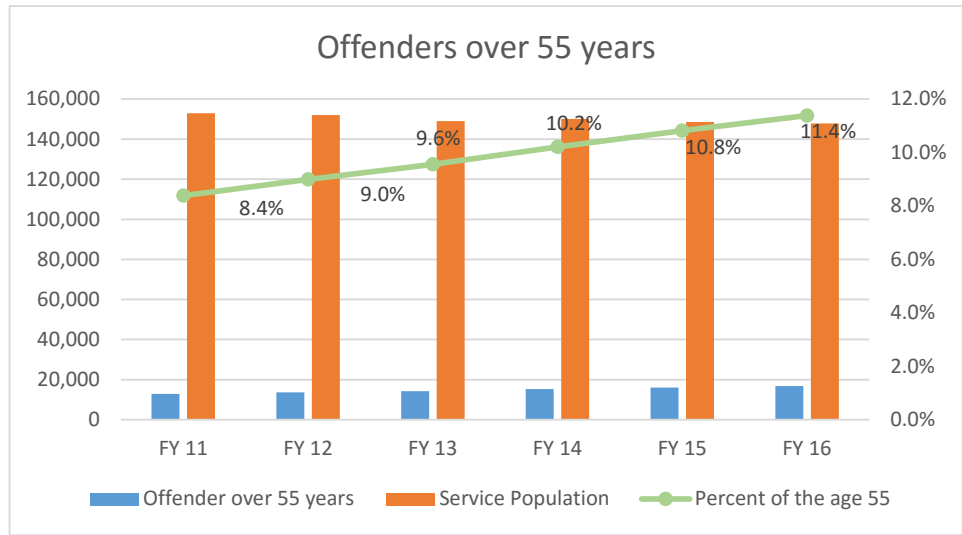
Year Implemented	1993	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Strong	Outsourced Services	Yes	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Health Care - Acute Care Services		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
UTMB Hospital Galveston	\$ 215,082,977	0.0	\$ 215,082,978	0.0	52.1%
UTMB Contract Hospitals - Inpatient	\$ 38,157,033	0.0	\$ 38,157,033	0.0	9.2%
TTUHSC Contract Hospitals - Inpatient	\$ 18,088,358	0.0	\$ 18,088,358	0.0	4.4%
UTMB Contract Hospitals - ER	\$ 15,766,199	0.0	\$ 15,766,200	0.0	3.8%
All Other Activities	\$ 126,085,598	0.0	\$ 126,085,603	0.0	30.5%
TOTAL	\$ 413,180,165	0.0	\$ 413,180,172	0.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 413,180,172	100%
Funds Outside the State Treasury	\$ -	0.0%
Total	\$ 413,180,172	100.0%



Number of Chronic Disease Patients as of Novemeber 2016		
Disease	Number of Cases	Percentage of Offenders
Asthma	10,427	7.1%
Coronary Artery Disease	2,331	1.6%
Hepatitis C	17,545	12.0%
HIV	1,988	1.4%
Hypertension	40,718	27.8%
Seizure	5,149	3.5%
Diabetes	8,877	6.1%
Cancer Diagnosis	1,303	0.9%
Note: FY 2016 Service Population is 146,365. Cancer Diagnosis reflects the number of new cancer diagnoses in fiscal year 2016.		



Note: Infirmary Placements from Texas Tech University Health Science Center are not included. Source: University of Texas Medical Branch.

Summary of Recommendations and Fiscal and Policy Issues

- Recommendations include \$16.5 million in General Revenue Funds for Hospital and Clinical Care programs included in the agency’s 4 percent reduction.
- Recommendation include amending Rider 47 to require TDCJ to submit information demonstrating cost containment efforts to the Legislative Budget Board at the end of each fiscal year.

Recommended Statutory Changes for Program Improvement

- None

Enhancement Opportunities

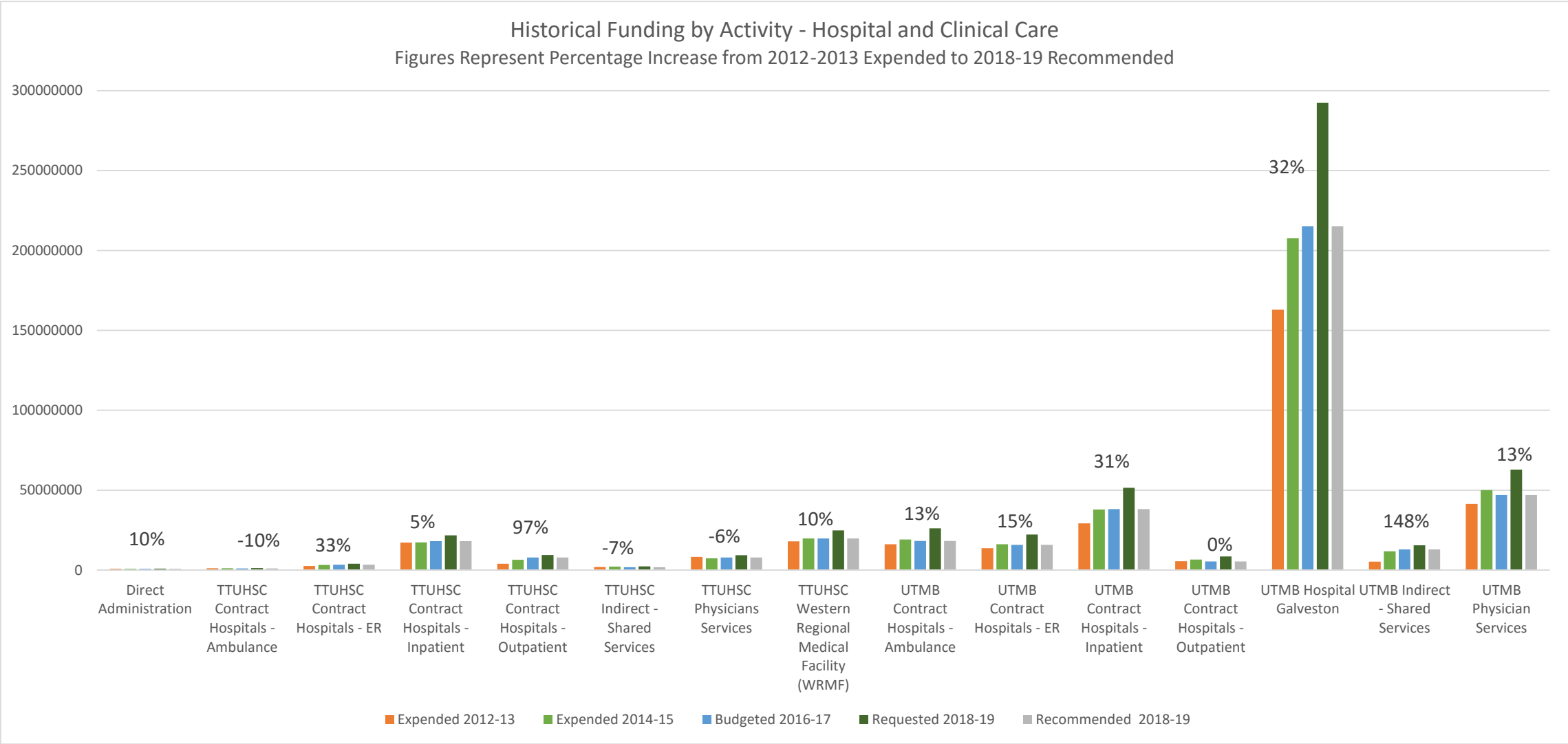
- Many TDCJ units are in medically underserved areas and Health Professional shortage Areas (HPSA). Statute allows for the use of appropriated funds for loan repayment programs to recruit and retain health care professionals; however, Rider 47 of the 2016-17 GAA prohibits the use of loan repayment programs.

Challenges to Operation of Program

- Offenders over the age of 55 have increased at a faster rate than the overall TDCJ population. From fiscal years 2009 to 2015, the population of aging offenders increased by 45.6 percent. In fiscal year 2015, older offenders represent 10.8 percent of the prison population but account for 40.7 percent of hospital and specialty service costs. In addition, many TDCJ units are in medically underserved areas with a shortage of health care professionals.
- The number of offenders requiring permanent placement in an infirmary bed has risen from 7 percent in fiscal year 2011 to 29 percent in fiscal year 2016. As a result, the total number of infirmary beds for offenders discharged from Hospital Galveston and community contract hospitals has decreased. The increase in infirmary bed placements over 24 hours is generally due to the overall increase in the number of offenders requiring infirmary placement. Factors creating pressure on TDCJ’s infirmary capacity include offenders who may not require hospital services but require infirmary placement for appropriate care, an aging offender population, and long term infirmary care associated with the Hepatitis C virus and end-stage liver disease.

Funding Alternatives

- Funding alternatives include deleting language in Rider 47 allowing contracted hospital providers to provide inpatient and outpatient services at a rate in excess of Medicare reimbursement rates after receiving prior written approval from the Legislative Budget Board. Paying contract hospital providers at a rate not to exceed the Medicare reimbursement methodology would save an estimated \$8.7 million per year. If reimbursement rates are reduced, hospitals may choose not to contract with CMHC.
- Rider 47(d)(2) may also be amended to require contracted CMHC health care providers to provide inpatient and outpatient services through contract hospital providers at a rate not to exceed 100 percent of Medicaid fee for service. The current rider specifies Medicare reimbursement methodology. There could potentially be a savings to the Hospital and Clinical Care program although there are no reliable estimates. If reimbursement rates are reduced, hospitals may choose not to contract with CMHC.
- Rider 47 (f)(2) requires TDCJ to reimburse UTMB and TTUHSC for indirect administrative services. In 2016-17, TDCJ reported \$14.9 million of Indirect Administrative Costs-Shared Services for both universities in the Hospital and Clinical Care program. Indirect administrative costs include: general administration, legal, corporate human resources, general accounting, payroll, audits, etc. Savings could potentially be achieved if the Eighty-fifth Legislature chose to revise the practice of paying certain indirect costs.



Note: Budgeted 2016-17 funding does not include estimated supplemental appropriations.

Correctional Managed Health Care
Strategic Fiscal Review Appendix 6c: Program Summary - House
(Includes Programs from All Funding Sources - Both Inside and Outside the State Treasury)

Program: Correctional Managed Health Care - Pharmacy

Agency
 Ranking

3 of 3

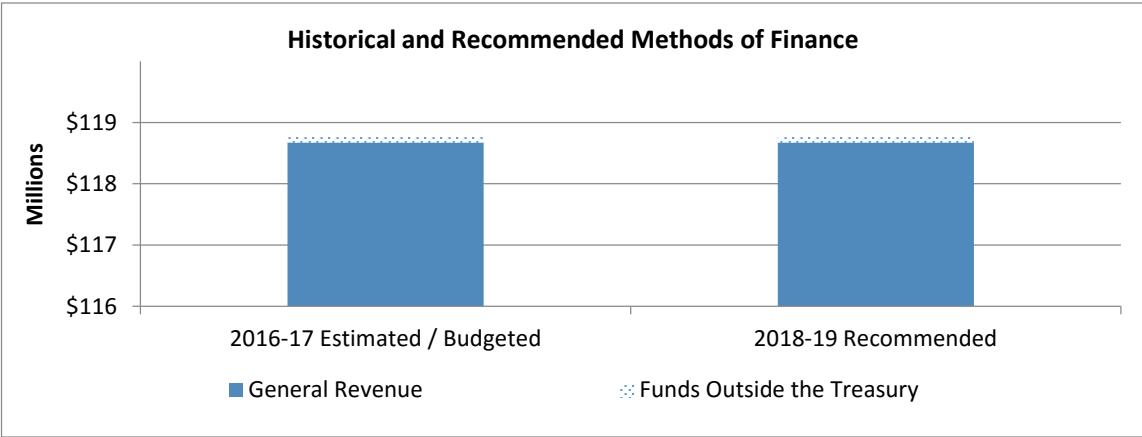
Pharmacy services in TDCJ are a joint collaboration between the partner agencies (TDCJ, UTMB and TTUHSC) of the CMHC Program. A Joint Pharmacy and Therapeutic Committee develops and maintains a state-wide medication formulary, medication use policies and disease management guidelines.

Legal Authority: Government Code, Ch. 501, Subch. B, Subch. E; House Bill 1, 84th Legislature, Regular Session, Article V, Rider 47 - Correctional Managed Health Care

Year Implemented	1993	Performance and/or		Revenue Supported	No
Authority	Strong	Operational Issues	No	Appropriate Use of Constitutional and	
Centrality	Moderate	Outsourced Services	Yes	General Revenue-Dedicated Funds	Compliant
Service Area	Statewide	State Service(s)	Health Care - Acute Care Services		

Major Activities	2016-17 Estimated / Budgeted	2017 FTEs	2018-19 Recommended	2019 FTEs	% of Total
UTMB Pharmaceutical Products	\$ 74,609,728	0.0	\$ 74,609,728	0.0	62.8%
TTUHSC Pharmaceutical Products	\$ 23,033,945	0.0	\$ 23,033,946	0.0	19.4%
UTMB Pharmacy Operations	\$ 14,420,976	0.0	\$ 14,420,977	0.0	12.1%
UTMB Indirect - Shared Services Pharmacy	\$ 3,593,947	0.0	\$ 3,593,948	0.0	3.0%
All Other Activities	\$ 3,106,260	0.0	\$ 3,106,260	0.0	2.6%
TOTAL	\$ 118,764,856	0.0	\$ 118,764,859	0.0	100.0%

	2018-19 Recommended	% of Total
Funds Inside the State Treasury	\$ 118,674,371	99.9%
Funds Outside the State Treasury	\$ 90,488	0.1%
Total	\$ 118,764,859	100.0%



Summary of Recommendations and Fiscal and Policy Issues

- 1 Recommendations include \$4.4 million in General Revenue Funds for Pharmacy programs included in the agency's 4 percent reduction.

Recommended Statutory Changes for Program Improvement

- 1 None

Enhancement Opportunities

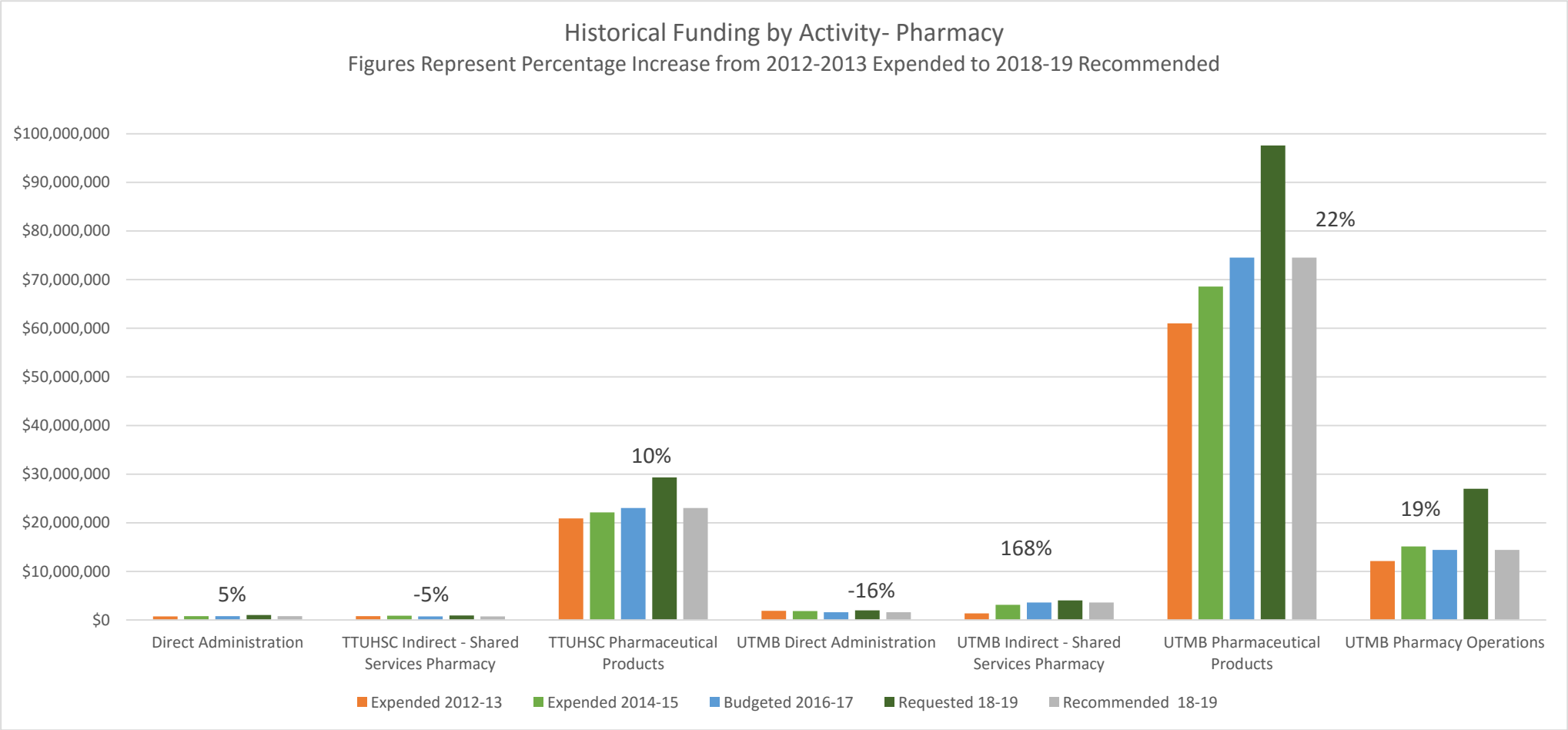
- 1 None

Challenges to Operation of Program

- 1 The primary challenges include the changing standards of care and increasing drug costs. Barriers to implementing best practices and technology such as mobile medication administration records and point of care barcodes are primarily funding based.
- 2 The 340B Drug Pricing Program provides outpatient drugs to 340B-eligible entities at significantly reduced costs. UTMB operates the centralized pharmacy for Correctional Managed Health Care and purchases pharmaceuticals for a majority of CMHC patients at 340B pricing. UTMB estimated that using 340B pricing for CMHC resulted in a savings of approximately \$67.4 million in fiscal year 2015. If UTMB loses eligibility for the 340B pricing, pharmaceuticals for CMHC will be purchased through the university's group purchasing organization and the university would try to negotiate greater savings in bids and contracts. This could offset some of the expected cost increase resulting from the loss of 340B program eligibility to an unknown extent. However, according to TDCJ, the proposed changes are no longer expected to be finalized and released due to the change in federal administration. UTMB does not have an immediate concern about losing its status as a covered entity in the 340B Program.

Funding Alternatives

- 1 Rider 47 (f)(2) requires TDCJ to reimburse UTMB and TTUHSC for indirect administrative services. In 2016-17, TDCJ reported \$4.3 million of Indirect Administrative Costs-Shared Services for both universities. Indirect administrative costs include: general administration, legal, corporate human resources, general accounting, payroll, audits, etc. Savings could potentially be achieved if the Eighty-fifth Legislature chose to revise the practice of paying certain indirect costs.



Note: Budgeted 2016-17 funding does not include estimated supplemental appropriations.

Department of Criminal Justice
Appendices - House

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	32
B	Summary of Federal Funds	37
C	FTE Highlights	38
D	Performance Measure Highlights	39
E	Summary of Ten Percent Biennial Base Reduction Options	41

* Appendix is not included - no significant information to report

** Information is included in the presentation section of the packet

Department of Criminal Justice
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
BASIC SUPERVISION A.1.1	\$244,072,014	\$147,333,533	(\$96,738,481)	(39.6%)	Recommendations include a \$93.4 million decrease in General Revenue as the result of moving CSCD health insurance costs to a new strategy (A.1.5.); a \$3.9 million decrease in General Revenue to fund basic supervision at 2018-19 LBB projected levels; and a \$0.7 million increase in Appropriated Receipts for probation refunds from CSCDs at 2016-17 appropriated levels.
DIVERSION PROGRAMS A.1.2	\$261,113,107	\$237,788,055	(\$23,325,052)	(8.9%)	Recommendations include a \$24.6 million decrease in General Revenue as the result of moving CSCD health insurance costs to a new strategy (A.1.5.) and a \$1.3 million decrease in Appropriated Receipts for probation refunds from CSCDs at 2016-17 appropriated levels.
COMMUNITY CORRECTIONS A.1.3	\$95,867,017	\$86,396,448	(\$9,470,569)	(9.9%)	Recommendations include a \$8.5 million decrease in General Revenue as the result of moving CSCD health insurance costs to a new strategy (A.1.5.) and an agency estimated \$1.0 million increase in Appropriated Receipts for probation refunds from CSCDs at 2016-17 appropriated levels.
TRMT ALTERNATIVES TO INCARCERATION A.1.4	\$23,779,455	\$21,886,782	(\$1,892,673)	(8.0%)	Recommendations include a \$2.1 million decrease in General Revenue as the result of moving CSCD health insurance costs to a new strategy (A.1.5.); and a \$182,621 increase in Appropriated Receipts for probation refunds from CSCDs at 2016-17 appropriated levels.
PROBATION HEALTH INSURANCE A.1.5	\$0	\$129,495,204	\$129,495,204	100.0%	Recommendations include a new strategy for CSCD health insurance costs which includes moving costs out of the four previous strategies (\$128.6 million) and a \$0.9 million increase in General Revenue to meet the 2016-17 agency estimated need for CSCD health insurance.
Total, Goal A, PROVIDE PRISON DIVERSIONS	\$624,831,593	\$622,900,022	(\$1,931,571)	(0.3%)	

Department of Criminal Justice
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
SPECIAL NEEDS PROGRAMS AND SERVICES B.1.1	\$50,867,723	\$50,491,033	(\$376,690)	(0.7%)	Recommendations include a \$0.1 million decrease in General Revenue as part of the agency's 4 percent reduction and an agency estimated \$0.2 million Federal Funds decrease as the result the agency anticipating having fully expended a grant awarded in fiscal year 2015 by the end of fiscal year 2018.
Total, Goal B, SPECIAL NEEDS OFFENDERS	\$50,867,723	\$50,491,033	(\$376,690)	(0.7%)	
CORRECTIONAL SECURITY OPERATIONS C.1.1	\$2,421,121,334	\$2,421,121,334	\$0	0.0%	Recommendations fund Correctional Security Operations at 2016-17 expenditure levels.
CORRECTIONAL SUPPORT OPERATIONS C.1.2	\$179,617,945	\$168,905,282	(\$10,712,663)	(6.0%)	Recommendations include a \$10.0 million decrease in General Revenue for video surveillance cameras; an agency estimated \$0.4 million decrease in Federal Funds for a one-time PREA grant; and an agency estimated \$0.3 million decrease in a one-time Criminal Justice Grant for additional surveillance cameras.
CORRECTIONAL TRAINING C.1.3	\$11,109,921	\$11,109,921	\$0	0.0%	Recommendations fund Correctional Training at 2016-17 expenditure levels.
OFFENDER SERVICES C.1.4	\$28,605,893	\$28,605,893	\$0	0.0%	Recommendations fund Offender Services at 2016-17 expenditure levels.
INSTITUTIONAL GOODS C.1.5	\$336,980,351	\$336,980,351	\$0	0.0%	Recommendations fund Institutional Goods at 2016-17 expenditure levels.
INSTITUTIONAL SERVICES C.1.6	\$412,721,338	\$412,721,338	\$0	0.0%	Recommendations fund Institutional Services at 2016-17 expenditure levels.
INST'L OPERATIONS & MAINTENANCE C.1.7	\$397,753,594	\$397,748,366	(\$5,228)	(0.0%)	Recommendations fund Institutional Operations and Maintenance at 2016-17 General Revenue expenditure levels, and include a \$5,228 agency anticipated decrease in Federal Funds.
UNIT AND PSYCHIATRIC CARE C.1.8	\$575,608,790	\$575,608,790	\$0	0.0%	Recommendations fund Unit and Psychiatric Care at 2016-17 expenditure levels, excluding an agency estimated supplemental appropriation.
HOSPITAL AND CLINICAL CARE C.1.9	\$413,180,165	\$413,180,165	\$0	0.0%	Recommendations fund Hospital and Clinical Care at 2016-17 expenditure levels, excluding an agency estimated supplemental appropriation.
MANAGED HEALTH CARE-PHARMACY C.1.10	\$118,674,368	\$118,674,368	\$0	0.0%	Recommendations fund Pharmacy at 2016-17 expenditure levels, excluding an agency estimated supplemental appropriation.

Department of Criminal Justice
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
HEALTH SERVICES C.1.11	\$10,435,110	\$10,090,202	(\$344,908)	(3.3%)	Recommendations include a \$0.3 million decrease in General Revenue as the result of the agency's 4 percent reduction.
CONTRACT PRISONS/PRIVATE ST JAILS C.1.12	\$210,402,229	\$211,531,628	\$1,129,399	0.5%	Recommendations fund Contract Prisons and Private State Jails at 2016-17 General Revenue expenditure levels, and include a \$1.1 million estimated Federal Funds increase for SCAAP.
RESIDENTIAL PRE-PAROLE FACILITIES C.1.13	\$17,457,856	\$17,457,856	\$0	0.0%	Recommendations fund Residential Pre-parole Facilities at 2016-17 expenditure levels.
TEXAS CORRECTIONAL INDUSTRIES C.2.1	\$139,852,946	\$139,852,946	\$0	0.0%	Recommendations fund Texas Correctional Industries at 2016-17 expenditure levels.
ACADEMIC/VOCATIONAL TRAINING C.2.2	\$3,838,088	\$3,838,088	\$0	0.0%	Recommendations fund Academic and Vocational Training at 2016-17 expenditure levels.
TREATMENT SERVICES C.2.3	\$57,162,828	\$55,162,828	(\$2,000,000)	(3.5%)	Recommendations include a \$2.0 million decrease in General Revenue as the result of a one-time reentry pilot program in 2016-17.
SUBSTANCE ABUSE FELONY PUNISHMENT C.2.4	\$99,441,071	\$99,441,071	\$0	0.0%	Recommendations fund SAFPFs at 2016-17 expenditure levels.
IN-PRISON SA TREATMT & COORDINATION C.2.5	\$65,419,087	\$65,419,087	\$0	0.0%	Recommendations fund IPTCs at 2016-17 expenditure levels.
Total, Goal C, INCARCERATE FELONS	\$5,499,382,914	\$5,487,449,514	(\$11,933,400)	(0.2%)	
MAJOR REPAIR OF FACILITIES D.1.1	\$60,000,000	\$40,000,000	(\$20,000,000)	(33.3%)	Recommendations include a \$20.0 million decrease in General Revenue-Dedicated Fund 5166 for deferred maintenance funding in the 2016-17 biennium.
LEASE-PURCHASE OF FACILITIES D.1.2	\$0	\$0	\$0	0.0%	
Total, Goal D, ENSURE ADEQUATE FACILITIES	\$60,000,000	\$40,000,000	(\$20,000,000)	(33.3%)	
BOARD OF PARDONS AND PAROLES E.1.1	\$9,595,177	\$9,194,202	(\$400,975)	(4.2%)	Recommendations include a \$0.4 million decrease in General Revenue as part of the agency's 4 percent reduction and an additional \$17,170 decrease in General Revenue for personal computer funding reductions to meet industry replacement standards.

Department of Criminal Justice
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
REVOCATION PROCESSING E.1.2	\$15,774,615	\$15,615,723	(\$158,892)	(1.0%)	Recommendations include a \$0.2 million decrease in General Revenue as part of the agency's 4 percent reduction.
INSTITUTIONAL PAROLE OPERATIONS E.1.3	\$33,531,608	\$33,184,126	(\$347,482)	(1.0%)	Recommendations include a \$0.3 million decrease in General Revenue as part of the agency's 4 percent reduction.
Total, Goal E, BOARD OF PARDONS AND PAROLES	\$58,901,400	\$57,994,051	(\$907,349)	(1.5%)	
PAROLE RELEASE PROCESSING F.1.1	\$12,943,823	\$12,943,823	\$0	0.0%	Recommendations fund Parole Release Processing at 2016-17 expenditure levels.
PAROLE SUPERVISION F.2.1	\$239,472,381	\$238,254,426	(\$1,217,955)	(0.5%)	Recommendations fund Parole Supervision at 2016-17 General Revenue expenditure levels and include a \$1.2 million decrease in Interagency Contracts (Other Funds) as the result of a one-time Criminal Justice Grant from the Governor's Office in fiscal year 2016.
HALFWAY HOUSE FACILITIES F.2.2	\$62,269,705	\$62,269,705	\$0	0.0%	Recommendations fund Halfway House Facilities at 2016-17 expenditure levels.
INTERMEDIATE SANCTION FACILITIES F.2.3	\$69,155,228	\$56,065,023	(\$13,090,205)	(18.9%)	Recommendations include a \$13.1 million decrease in General Revenue as the result of the agency's 4 percent reduction for the closure of on ISF.
Total, Goal F, OPERATE PAROLE SYSTEM	\$383,841,137	\$369,532,977	(\$14,308,160)	(3.7%)	
CENTRAL ADMINISTRATION G.1.1	\$58,203,354	\$57,595,928	(\$607,426)	(1.0%)	Recommendations include a \$0.6 million decrease in General Revenue as the result of the agency's 4 percent reduction.
INSPECTOR GENERAL G.1.2	\$25,944,422	\$25,255,263	(\$689,159)	(2.7%)	Recommendations include a \$0.3 million decrease in General Revenue as the result of the agency's 4 percent reduction; a \$0.2 million decrease in Interagency Contracts (Other Funds) for a one-time Criminal Justice Grant from the Governor's Office; an agency anticipated \$50,000 decrease in Interagency Contracts (Other Funds); a \$6,819 decrease in agency estimated Federal Funds; and a \$93,045 agency estimated decrease in Appropriated Receipts for Controlled Substance Receipts.

Department of Criminal Justice
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
VICTIM SERVICES G.1.3	\$4,582,950	\$3,387,548	(\$1,195,402)	(26.1%)	Recommendations include a \$42,129 decrease in General Revenue as the result of the agency's 4 percent reduction; a \$1.0 million decrease in Interagency Contracts (Other Funds) for a one-time Criminal Justice Grant from the Governor's Office; and an agency anticipated \$0.2 million decrease in Interagency Contracts (Other Funds) for one-time Victim Rights Compliance Grant from the Office of the Attorney General.
INFORMATION RESOURCES G.1.4	\$55,953,539	\$56,769,142	\$815,603	1.5%	Recommendations include a \$5.7 million decrease in General Revenue as the result of the agency's 4 percent reduction; a \$6.0 million increase for Department of Information data center services estimates; and a \$0.5 million decrease in General Revenue for personal computer funding reductions to meet industry replacement standards.
Total, Goal G, INDIRECT ADMINISTRATION	\$144,684,265	\$143,007,881	(\$1,676,384)	(1.2%)	
Grand Total, All Strategies	\$6,822,509,032	\$6,771,375,478	(\$51,133,554)	(0.7%)	

Department of Criminal Justice
Summary of Federal Funds - House
(Dollar amounts in Millions)

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
State Criminal Alien Assistance Program (SCAAP)	\$8.2	\$7.9	\$8.6	\$8.6	\$16.2	\$17.3	95.2%	\$1.1	7.0%
HIV Care Formula Grants	\$0.2	\$0.2	\$0.2	\$0.2	\$0.4	\$0.4	2.4%	\$0.0	2.9%
National Asset Seizure Forfeiture Program	\$0.3	\$0.0	\$0.2	\$0.2	\$0.3	\$0.3	1.7%	(\$0.0)	(2.2%)
Second Chance Act Prisoner Reentry Initiative	\$0.1	\$1.1	\$0.1	\$0.0	\$1.1	\$0.1	0.6%	(\$1.0)	(90.0%)
Criminal & Juvenile Justice and Mental Health Collaboration Program	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2	\$0.0	0.0%	(\$0.2)	(95.1%)
Support for Adam Walsh Act Implementation Grant Program	\$0.1	\$0.1	\$0.0	\$0.0	\$0.1	\$0.0	0.0%	(\$0.1)	(97.3%)
Protecting Inmates & Safeguarding Communities-Discretionary	\$0.0	\$0.4	\$0.0	\$0.0	\$0.4	\$0.0	0.0%	(\$0.4)	(100.0%)
All Other Grants	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	(\$0.0)	(100.0%)
TOTAL:	\$9.0	\$9.9	\$9.1	\$9.0	\$18.8	\$18.2	100.0%	(\$0.7)	(3.5%)

**Department of Criminal Justice
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	40,306.4	39,467.4	39,467.4	39,453.8	39,450.6
Actual/Budgeted	37,269.4	38,214.9	39,483.9	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 8	\$260,000	\$266,500	\$266,500	\$266,500	\$266,500
Presiding Officer, Board of Pardon and Paroles, Group 5	\$172,000	\$176,300	\$176,300	\$176,300	\$176,300
Parole Board Member, Group 3 (6)	\$110,000	\$112,750	\$112,750	\$112,750	\$112,750

Notes:

- a) State Auditor's Office is the source for the FY 2015 and 2016 annual average (actual) FTE levels.
- b) FY 2015 and 2016 actual FTE figures are less than the FTE cap limits due to staff vacancies.
- c) The State Auditor's Office report entitled Executive Compensation at State Agencies (Report No. 16-706, August 2016) indicates a market average salary of \$273,237 for the Executive Director position at the Department of Criminal Justice and recommends keeping the current Group classification for the position. The agency is not requesting any changes to its Exempt Position.

**Department of Criminal Justice
Performance Measure Highlights - House**

Appendix D

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
<ul style="list-style-type: none"> Average Number of Felony Offenders Under Direct Supervision 	156,913	155,758	157,248	157,212	157,853
<i>Measure Explanation: Recommendations are based on the LBB's June 2016 Adult and Juvenile Correctional Population Projection report.</i>					
<ul style="list-style-type: none"> Number of Community Supervision Residential Beds Grant Funded 	2,787	2,723	2,723	2,723	2,723
<i>Measure Explanation: The number of grant - funded residential community corrections beds is determined through a TDCJ discretionary award process. The beds are operated by local Community Supervision and Corrections Departments.</i>					
<ul style="list-style-type: none"> Number of Special Needs Offenders Served Through the Continuity of Care Programs 	31,901	45,924	40,000	40,000	40,000
<i>Measure Explanation: Additional funding for treatment services in the 2016-17 biennium led to more offenders receiving service.</i>					
<ul style="list-style-type: none"> Average Number of Offenders Incarcerated (in non-contracted correctional institutions) 	138,843	137,258	136,935	136,920	136,911
<i>Measure Explanation: Recommendations are based on the LBB's June 2016 Adult and Juvenile Correctional Population Projection report.</i>					
<ul style="list-style-type: none"> Average Number of Offenders in Contract Prisons and Privately Operated State Jails 	9,582	9,545	9,696	9,531	9,399
<i>Measure Explanation: Recommendations are based on the LBB's June 2016 Adult and Juvenile Correctional Population Projection report.</i>					
<ul style="list-style-type: none"> Average Number of Offenders Under Active Parole Supervision 	87,546	87,304	87,751	87,849	88,055
<i>Measure Explanation: Recommendations are based on the LBB's June 2016 Adult and Juvenile Correctional Population Projection report.</i>					
<ul style="list-style-type: none"> Average Number of Offenders in Work Programs Facilities 	492	488	500	486	469
<i>Measure Explanation: The average number of offenders in work program facilities is expected to remain stable.</i>					

**Department of Criminal Justice
Performance Measure Highlights - House**

Appendix D

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
<ul style="list-style-type: none"> Average Number of Offenders Completing Treatment in Substance Abuse Felony Punishment Facilities 	5,763	5,621	6,350	6,350	6,350
<p><i>Measure Explanation: The average number of offenders completing treatment in Substance Abuse Felony Punishment facilities has varies as the result of the specific treatment needs of each offender, the number of offenders sentenced to this program by local judges, and the number of offenders placed in the program by the Board of Pardons and Paroles.</i></p>					
<ul style="list-style-type: none"> Average Number of Pre-parole Transferees in Pre-parole Transfer Facilities 	199	199	200	196	194
<p><i>Measure Explanation: The average number of offenders in pre-parole transfer facilities is expected to slightly decrease due to higher per diem costs.</i></p>					

Department of Criminal Justice
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Special Needs Programs & Services	Five percent reduction includes treatment of mentally ill offenders supervised in the community, including intensive case management and support services such as psychiatric assessments, medications, and counseling; continuity of care services involving pre-release and post-release screening, referral and medical/psychiatric treatment to offenders nearing release from incarceration; processing of offenders eligible for release to Medically Recommended Intensive Supervision; and administering the pre-release Social Security application process for offenders. Includes two FTEs in Special Needs Administration.	\$153,357	\$153,357	2.0	\$0	N/A	No
2)	Offender Services	Five percent reduction includes State Counsel for Offenders, Access to Courts, academic and vocational programs, and Chaplaincy. Includes Counsel Substitute program, release payments for prison offenders, and interstate compact services. Includes 48 FTE and 226 fewer offenders accessing academic and vocational programs.	\$3,743,758	\$3,743,758	48.0	\$0	N/A	No
3)	Administrative Support Operations	Five percent reduction includes Office of Inspector General, Victim Services, Information Resources, and monitoring of offender health care delivery as well as management oversight and internal controls within the agency. Includes 59 FTEs and will reduce the provision of OIG investigative resources, and victim services, information resources.	\$7,224,797	\$7,224,797	59.0	\$0	N/A	No
4)	Correctional Unit Support	Five percent reduction includes unit-based and regional support operations, including unit offender records, offender mail, courtroom operations, and the Classification and Records Department. Includes 147 FTEs.	\$8,627,565	\$8,627,565	147.0	\$0	N/A	No
5)	Parole Supervision	Five percent reduction includes supervision of offenders released on parole and mandatory supervision. Includes 151 Parole Officers and support staff and will increase caseload ratio to 88.	\$12,009,757	\$12,009,757	151.0	\$0	N/A	No

Department of Criminal Justice
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
6)	Probation	Five percent reduction includes formula and discretionary funding for CSCDs for probation supervision, treatment diversions, and other alternatives to incarceration. Includes 169 CSCD probation officer positions, will increase caseload ratio by 11 percent, and 7,500 fewer offenders served on specialized caseloads.	\$15,230,286	\$15,230,286	0.0	\$0	N/A	No
7)	Privately Operated Facilities	Five percent reduction includes vendors to provide services at seven correctional centers, four state jails, one pre-parole transfer facilities, one Driving While Intoxicated (DWI) facility, one work program facility, eight halfway house facilities, and four intermediate sanction facilities. Includes 652 beds.	\$15,708,244	\$15,708,244	0.0	\$0	N/A	No
8)	Correctional Managed Health Care	Additional 5 percent reduction to 2018-19 base request, which is 96% of the 2016-17 funding level. Includes offender health care including unit care, hospital care, and pharmacy.	\$48,605,844	\$48,605,844	0.0	\$0	N/A	No
9)	Institutional Goods and Services	Additional 5 percent reduction to 2018-19 base request, which is 96% of the 2016-17 funding level. Includes unit-based goods and services associated with 109 units statewide including food and laundry service, utilities, facilities maintenance, agricultural operations, commissary operations, transportation and warehousing functions, major repair and renovation of facilities, and Texas Correctional Industries. Includes 448 employees.	\$59,050,030	\$59,050,030	448.0	\$0	N/A	No
10)	Correctional Security Operations	Five percent reduction includes confinement of offenders sentenced to prison and state jail. Includes 1,394 correctional positions.	\$117,278,364	\$117,278,364	1,394.0	\$0	N/A	No
11)	Special Needs Programs & Services	Additional 5 percent reduction.	\$153,358	\$153,358	2.0	\$0	N/A	No
12)	Offender Services	Additional 5 percent reduction.	\$3,743,758	\$3,743,758	48.0	\$0	N/A	No
13)	Administrative Support Operations	Additional 5 percent reduction.	\$7,224,797	\$7,224,797	59.0	\$0	N/A	No
14)	Correctional Unit Support	Additional 5 percent reduction.	\$8,627,565	\$8,627,565	147.0	\$0	N/A	No
15)	Parole Supervision	Additional 5 percent reduction.	\$12,009,757	\$12,009,757	151.0	\$0	N/A	No
16)	Probation	Additional 5 percent reduction.	\$15,230,286	\$15,230,286	0.0	\$0	N/A	No

Department of Criminal Justice
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
17)	Privately Operated Facilities	Additional 5 percent reduction.	\$15,708,244	\$15,708,244	0.0	\$0	N/A	No
18)	Correctional Managed Health Care	Additional 5 percent reduction.	\$48,605,843	\$48,605,843	0.0	\$0	N/A	No
19)	Institutional Goods and Services	Additional 5 percent reduction.	\$59,050,031	\$59,050,031	448.0	\$0	N/A	No
20)	Correctional Security Operations	Additional 5 percent reduction.	\$117,278,363	\$117,278,363	1,394.0	\$0	N/A	No
21)	Board of Pardons and Paroles	Additional 5 percent reduction.	\$2,827,200	\$2,827,200	29.0	\$0	N/A	No
22)	Board of Pardons and Paroles	Additional 5 percent reduction.	\$2,827,200	\$2,827,200	29.0	\$0	N/A	No
TOTAL, 10% Reduction Options			\$580,918,404	\$580,918,404	4,556.0	\$0		