

**GENERAL APPROPRIATIONS ACT
FOR THE 2012-13 BIENNIUM**

**Eighty-second Texas Legislature
Regular Session, 2011**

Text of Conference Committee Report on House Bill No. 1



Editor's Note: House Bill No. 1 Conference Committee Report (Eighty-second Legislature, Regular Session) appropriation amounts are adjusted to incorporate certain Article IX (General Provisions) appropriations into relevant agency bill patterns, as well as Governor's vetoes, House Bill No. 4 (Eighty-second Legislature, Regular Session), Senate Bill No. 2 (Eighty-second Legislature, First Called Session), and other miscellaneous bills. Conforming changes to agency riders and informational items have also been made. Complete copies of legislation affecting House Bill No. 1 are available at www.capitol.state.tx.us

Austin Texas
May 26, 2011

Honorable David Dewhurst, Lieutenant Governor
President of the Senate

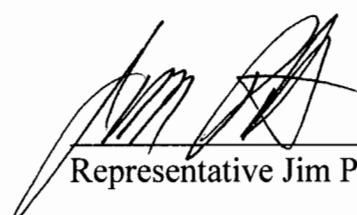
Honorable Joe Straus
Speaker of the House of Representatives

Gentlemen:

We, your Conference Committee appointed to adjust the differences between the Senate and the House of Representatives on House Bill 1, have met and had the same under consideration and beg to report back with the recommendation that it do pass in the form attached.



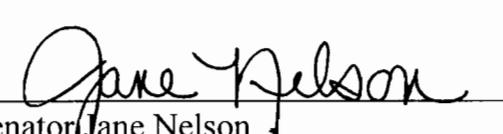
Senator Steve Ogden



Representative Jim Pitts

Senator Juan "Chuy" Hinojosa

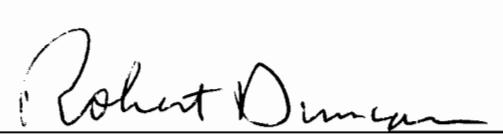
Representative Sylvester Turner



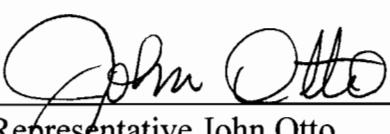
Senator Jane Nelson



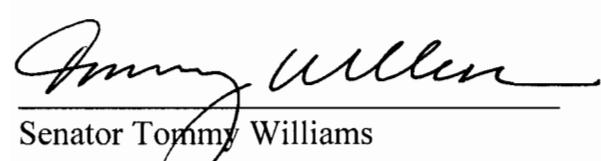
Representative Myra Crownover



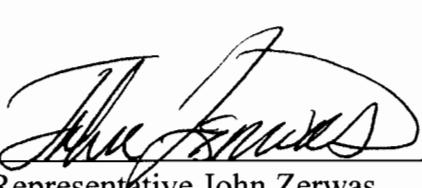
Senator Robert Duncan



Representative John Otto



Senator Tommy Williams



Representative John Zerwas

DEPARTMENT OF CRIMINAL JUSTICE

	For the Years Ending	
	August 31,	August 31,
	<u>2012</u>	<u>2013</u>
Method of Financing:		
<u>General Revenue Fund</u> ^{1, 2}		
General Revenue Fund	\$ 2,843,305,653	\$ 2,841,091,907
Education and Recreation Program Receipts	97,311,410	97,311,409
Texas Correctional Industries Receipts	4,998,079	4,998,079
Subtotal, General Revenue Fund	<u>\$ 2,945,615,142</u>	<u>\$ 2,943,401,395</u>
<u>General Revenue Fund - Dedicated</u>		
Private Sector Prison Industry Expansion Account No. 5060	292,949	292,950
Operators and Chauffeurs License Account No. 099	225,000	225,000
Subtotal, General Revenue Fund - Dedicated	<u>\$ 517,949</u>	<u>\$ 517,950</u>
Federal Funds for Incarcerated Aliens	18,246,048	18,246,048
<u>Other Funds</u>		
Interagency Contracts - Texas Correctional Industries	45,524,197	45,524,197
Appropriated Receipts	23,828,673	10,828,671
Bond Proceeds - General Obligation Bonds	10,000,000	40,000,000
Subtotal, Other Funds	<u>\$ 79,352,870</u>	<u>\$ 96,352,868</u>
Total, Method of Financing	<u>\$ 3,043,732,009</u>	<u>\$ 3,058,518,261</u>
This bill pattern represents an estimated 100% of this agency's estimated total available funds for the biennium.		
Number of Full-Time-Equivalents (FTE):	40,071.4	40,071.4
Schedule of Exempt Positions:		
Executive Director, Group 8	\$186,300	\$186,300
Presiding Officer, Board of Pardons and Paroles, Group 4	126,500	126,500
Parole Board Member, Group 3	(6) 95,619	(6) 95,619
Items of Appropriation:		
A. Goal: PROVIDE PRISON DIVERSIONS		
Provide Prison Diversions through Probation & Community-based Programs.		
A.1.1. Strategy: BASIC SUPERVISION	\$ 110,355,121	\$ 109,969,834
A.1.2. Strategy: DIVERSION PROGRAMS	\$ 120,302,857	\$ 121,102,859
A.1.3. Strategy: COMMUNITY CORRECTIONS	\$ 35,449,203	\$ 37,049,203
A.1.4. Strategy: TRMT ALTERNATIVES TO INCARCERATION	<u>\$ 11,129,346</u>	<u>\$ 11,129,346</u>
Treatment Alternatives to Incarceration Program.		
Total, Goal A: PROVIDE PRISON DIVERSIONS	<u>\$ 277,236,527</u>	<u>\$ 279,251,242</u>
B. Goal: SPECIAL NEEDS OFFENDERS		
B.1.1. Strategy: SPECIAL NEEDS PROJECTS	\$ 18,929,946	\$ 18,929,944
C. Goal: INCARCERATE FELONS		
C.1.1. Strategy: CORRECTIONAL SECURITY OPERATIONS	\$ 1,061,814,681	\$ 1,061,814,682
C.1.2. Strategy: CORRECTIONAL SUPPORT OPERATIONS	\$ 83,429,981	\$ 83,429,978
C.1.3. Strategy: OFFENDER SERVICES	\$ 13,091,729	\$ 13,091,727
C.1.4. Strategy: INSTITUTIONAL GOODS	\$ 158,901,669	\$ 158,901,669
C.1.5. Strategy: INSTITUTIONAL SERVICES	\$ 173,584,637	\$ 173,584,637
C.1.6. Strategy: INST'L OPERATIONS & MAINTENANCE	\$ 194,013,201	\$ 194,013,201
Institutional Operations and Maintenance.		

¹ Incorporates SB1, §65.02, and SB2, §22, 82nd Legislature, 1st Called Session, relating to an inmate fee to support health care costs and resulting in an appropriations increase of \$7,705,800 in General Revenue Funds in FY 2012 and \$5,779,350 in General Revenue Funds in FY 2013.

² Incorporates Article IX, §17.01, of this Act, resulting in reductions in appropriations and capital budget authority for data center services, in the amount of \$1,885,759 in General Revenue Funds in FY 2012 and \$2,292,420 in General Revenue Funds in FY 2013.

DEPARTMENT OF CRIMINAL JUSTICE

(Continued)

C.1.7. Strategy: UNIT AND PSYCHIATRIC CARE ³ Managed Health Care - Unit and Psychiatric Care.	\$	244,922,500	\$	244,280,350
C.1.8. Strategy: HOSPITAL AND CLINICAL CARE ³ Managed Health Care-Hospital and Clinical Care.	\$	137,877,407	\$	137,235,256
C.1.9. Strategy: MANAGED HEALTH CARE-PHARMACY ³	\$	54,068,600	\$	53,426,450
C.1.10. Strategy: HEALTH SERVICES	\$	4,588,266	\$	4,588,267
C.1.11. Strategy: CONTRACTED TEMPORARY CAPACITY Provide for Contract Correctional Beds.	\$	15,000,000	\$	0
C.1.12. Strategy: CONTRACT PRISONS/PRIVATE ST JAILS Contract Prisons and Privately Operated State Jails.	\$	120,434,291	\$	122,675,776
C.1.13. Strategy: RESIDENTIAL PRE-PAROLE FACILITIES	\$	36,102,192	\$	36,903,915
C.2.1. Strategy: TEXAS CORRECTIONAL INDUSTRIES	\$	66,206,252	\$	66,206,250
C.2.2. Strategy: ACADEMIC/VOCATIONAL TRAINING Academic and Vocational Training.	\$	1,363,883	\$	1,363,883
C.2.3. Strategy: PROJECT RIO	\$	0	\$	0
C.2.4. Strategy: TREATMENT SERVICES	\$	18,987,142	\$	18,987,142
C.2.5. Strategy: SUBSTANCE ABUSE FELONY PUNISHMENT Substance Abuse Treatmt - Substance Abuse Felony Punishment Facilities.	\$	57,418,787	\$	57,418,789
C.2.6. Strategy: IN-PRISON SA TREATMT & COORDINATION Substance Abuse Treatment - In-Prison Treatment and Coordination.	<u>\$</u>	<u>34,943,615</u>	<u>\$</u>	<u>34,943,615</u>
Total, Goal C: INCARCERATE FELONS	<u>\$</u>	<u>2,476,748,833</u>	<u>\$</u>	<u>2,462,865,587</u>
D. Goal: ENSURE ADEQUATE FACILITIES Ensure and Maintain Adequate Facilities.				
D.1.1. Strategy: FACILITIES CONSTRUCTION Construction and Repair of Facilities.	\$	10,000,000	\$	40,000,000
D.1.2. Strategy: LEASE-PURCHASE OF FACILITIES Provide for Lease-purchase of Facilities.	<u>\$</u>	<u>8,698,350</u>	<u>\$</u>	<u>5,263,225</u>
Total, Goal D: ENSURE ADEQUATE FACILITIES	<u>\$</u>	<u>18,698,350</u>	<u>\$</u>	<u>45,263,225</u>
E. Goal: BOARD OF PARDONS AND PAROLES				
E.1.1. Strategy: BOARD OF PARDONS AND PAROLES	\$	18,281,852	\$	18,281,852
E.1.2. Strategy: REVOCATION PROCESSING	<u>\$</u>	<u>7,116,158</u>	<u>\$</u>	<u>7,116,160</u>
Total, Goal E: BOARD OF PARDONS AND PAROLES	<u>\$</u>	<u>25,398,010</u>	<u>\$</u>	<u>25,398,012</u>
F. Goal: OPERATE PAROLE SYSTEM				
F.1.1. Strategy: PAROLE RELEASE PROCESSING	\$	6,191,160	\$	6,191,161
F.2.1. Strategy: PAROLE SUPERVISION	\$	99,949,870	\$	100,424,995
F.2.2. Strategy: HALFWAY HOUSE FACILITIES	\$	23,562,763	\$	23,584,207
F.2.3. Strategy: INTERMEDIATE SANCTION FACILITIES	<u>\$</u>	<u>25,857,720</u>	<u>\$</u>	<u>25,857,718</u>
Total, Goal F: OPERATE PAROLE SYSTEM	<u>\$</u>	<u>155,561,513</u>	<u>\$</u>	<u>156,058,081</u>
G. Goal: INDIRECT ADMINISTRATION				
G.1.1. Strategy: CENTRAL ADMINISTRATION	\$	27,095,647	\$	27,095,649
G.1.2. Strategy: CORRECTIONAL TRAINING	\$	5,239,742	\$	5,239,741
G.1.3. Strategy: INSPECTOR GENERAL	\$	9,806,684	\$	9,806,684
G.1.4. Strategy: VICTIM SERVICES	\$	1,411,600	\$	1,411,600
G.1.5. Strategy: INFORMATION RESOURCES ⁴	<u>\$</u>	<u>27,605,157</u>	<u>\$</u>	<u>27,198,496</u>
Total, Goal G: INDIRECT ADMINISTRATION	<u>\$</u>	<u>71,158,830</u>	<u>\$</u>	<u>70,752,170</u>
Grand Total, DEPARTMENT OF CRIMINAL JUSTICE	<u>\$</u>	<u>3,043,732,009</u>	<u>\$</u>	<u>3,058,518,261</u>

³ Incorporates SB1, §65.02, and SB2, §22, 82nd Legislature, 1st Called Session, relating to an inmate fee to support health care costs and resulting in an appropriations increase of \$7,705,800 in General Revenue Funds in FY 2012 and \$5,779,350 in General Revenue Funds in FY 2013.

⁴ Incorporates Article IX, §17.01, of this Act, resulting in reductions in appropriations and capital budget authority for data center services, in the amount of \$1,885,759 in General Revenue Funds in FY 2012 and \$2,292,420 in General Revenue Funds in FY 2013.

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

Object-of-Expense Informational Listing:

Salaries and Wages	\$ 1,390,692,441	\$ 1,391,167,696
Other Personnel Costs	56,511,156	56,511,150
Professional Fees and Services	478,815,680	476,482,572
Fuels and Lubricants	11,018,999	11,018,999
Consumable Supplies	17,170,284	17,170,268
Utilities	123,526,606	123,526,591
Travel	8,252,253	8,252,232
Rent - Building	13,852,075	13,852,060
Rent - Machine and Other	6,331,847	6,331,820
Other Operating Expense	519,106,934	507,171,562
Client Services	51,525,942	51,525,942
Food for Persons - Wards of State	92,766,058	92,766,056
Grants	243,858,419	245,873,131
Capital Expenditures	<u>30,303,315</u>	<u>56,868,182</u>

Total, Object-of-Expense Informational Listing \$ 3,043,732,009 \$ 3,058,518,261

Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:

Employee Benefits

Retirement	\$ 77,561,213	\$ 84,024,645
Group Insurance	302,521,508	328,183,344
Social Security	102,438,822	102,438,822
Benefits Replacement	<u>8,123,105</u>	<u>7,595,103</u>

Subtotal, Employee Benefits \$ 490,644,648 \$ 522,241,914

Debt Service

TPFA GO Bond Debt Service	\$ 151,011,901	\$ 134,800,582
Lease Payments	<u>607,261</u>	<u>607,259</u>

Subtotal, Debt Service \$ 151,619,162 \$ 135,407,841

Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act \$ 642,263,810 \$ 657,649,755

1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Department of Criminal Justice. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Criminal Justice. In order to achieve the objectives and service standards established by this Act, the Department of Criminal Justice shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	<u>2012</u>	<u>2013</u>
A. Goal: PROVIDE PRISON DIVERSIONS		
A.1.1. Strategy: BASIC SUPERVISION		
Output (Volume):		
Average Number of Felony Offenders under Direct Supervision	173,558	173,810
Efficiencies:		
Average Monthly Caseload	76	76
A.1.2. Strategy: DIVERSION PROGRAMS		
Output (Volume):		
Number of Residential Facility Beds Grant-funded	2,920	2,920
A.1.3. Strategy: COMMUNITY CORRECTIONS		
Output (Volume):		
Number of Residential Facility Beds Funded through Community Corrections	255	255
B. Goal: SPECIAL NEEDS OFFENDERS		
Outcome (Results/Impact):		
Offenders with Special Needs Three-year Reincarceration Rate	23%	23%
B.1.1. Strategy: SPECIAL NEEDS PROJECTS		
Output (Volume):		
Number of Special Needs Offenders Served Through the Continuity of Care Programs	26,190	26,190

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

C. Goal: INCARCERATE FELONS

Outcome (Results/Impact):

Three-year Recidivism Rate	26%	26%
Number of Offenders Who Have Escaped from Incarceration	0	0
Turnover Rate of Correctional Officers	18%	18%
Average Number of Offenders under Correctional Managed Health Care	152,897	153,788
Medical Care Cost Per Offender Day	7.67	7.65

C.1.1. Strategy: CORRECTIONAL SECURITY OPERATIONS

Output (Volume):

Average Number of Offenders Incarcerated	140,763	142,654
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C.1.7. Strategy: UNIT AND PSYCHIATRIC CARE

Output (Volume):

Psychiatric Inpatient Average Daily Census	1,963	1,963
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C.1.11. Strategy: CONTRACTED TEMPORARY CAPACITY

Explanatory:

Average Number of Offenders in Contractual Correctional Bed Capacity	1,000	0
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C.1.12. Strategy: CONTRACT PRISONS/PRIVATE STATE JAILS

Output (Volume):

Average Number of Offenders in Contract Prisons and Privately Operated State Jails	11,890	11,890
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C.1.13. Strategy: RESIDENTIAL PRE-PAROLE FACILITIES

Output (Volume):

Average Number of Pre-parole Transferees in Pre-parole Transfer Facilities	2,277	2,277
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Average Number of Offenders in Work Program Facilities	500	500
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C.2.1. Strategy: TEXAS CORRECTIONAL INDUSTRIES

Output (Volume):

Number of Offenders Assigned to the Texas Correctional Industries Program	5,700	5,700
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C.2.4. Strategy: TREATMENT SERVICES

Output (Volume):

Number of Sex Offenders Receiving Subsidized Psychological Counseling While on Parole/Mandatory Supervision	2,627	2,627
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C.2.5. Strategy: SUBSTANCE ABUSE FELONY PUNISHMENT

Output (Volume):

Number of Offenders Completing Treatment in Substance Abuse Felony Punishment Facilities	7,968	7,968
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E. Goal: BOARD OF PARDONS AND PAROLES

E.1.1. Strategy: BOARD OF PARDONS AND PAROLES

Output (Volume):

Number of Parole Cases Considered	92,000	92,000
Number of Parole Cases Processed	42,645	42,645

F. Goal: OPERATE PAROLE SYSTEM

Outcome (Results/Impact):

Releasee Annual Revocation Rate	8.2	8.2
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F.2.1. Strategy: PAROLE SUPERVISION

Output (Volume):

Average Number of Offenders Under Active Parole Supervision	81,663	82,280
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Efficiencies:

Average Monthly Caseload	62	62
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F.2.2. Strategy: HALFWAY HOUSE FACILITIES

Output (Volume):

Average Number of Releasees in Halfway Houses	1,607	1,607
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F.2.3. Strategy: INTERMEDIATE SANCTION FACILITIES

Output (Volume):

Average Number of Parolees and Probationers in Intermediate Sanction Facilities	1,705	1,705
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2. **Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code §1232.103.

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

	2012	2013
a. Construction of Buildings and Facilities		
(1) Lease-Purchase of Facilities	\$ 8,698,350	\$ 5,263,225
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Repair and Rehabilitation of Facilities	10,000,000	40,000,000
c. Acquisition of Information Resource Technologies		
(1) Data Center Consolidation ⁵	15,223,620	14,816,959
d. Transportation Items		
(1) Vehicles, Scheduled Replacements	1,071,875	1,071,875
e. Acquisition of Capital Equipment and Items		
(1) Agricultural Operations	447,042	447,041
(2) Correctional Security Equipment	5,000,000	5,000,000
(3) Replacement of Operational Support Equipment	2,530,615	2,530,612
(4) Equipment Replacements for Industrial Operations	917,210	917,210
Total, Acquisition of Capital Equipment and Items	<u>\$ 8,894,867</u>	<u>\$ 8,894,863</u>
Total, Capital Budget	<u>\$ 43,888,712</u>	<u>\$ 70,046,922</u>

Method of Financing (Capital Budget):

<u>General Revenue Fund</u>		
General Revenue Fund	\$ 32,971,502	\$ 29,129,712
Texas Correctional Industries Receipts	227,471	227,471
Subtotal, General Revenue Fund	<u>\$ 33,198,973</u>	<u>\$ 29,357,183</u>
Bond Proceeds - General Obligation Bonds	10,000,000	40,000,000
Interagency Contracts - Texas Correctional Industries	689,739	689,739
Total, Method of Financing	<u>\$ 43,888,712</u>	<u>\$ 70,046,922</u>

- 3. Disposition of Construction Appropriation.** Construction appropriations may be used to pay salaries of engineers, architects, superintendents, supervisors and administrative expenses and support personnel of construction projects; architectural fees and the actual and necessary travel expenses incurred by them or their representatives in making special trips of inspection at the instance of the Board of Criminal Justice or the Department of Criminal Justice's Executive Director or designee during construction or repair of buildings or installation of fixed equipment in such buildings. The State Auditor's Office may recommend job titles and rates of pay for such salaried positions.
- 4. Temporary Loan of Construction Resources.** The Texas Department of Criminal Justice (TDCJ) may temporarily utilize materials and equipment acquired and personnel paid from one project appropriated for construction, repairs, and renovation, including construction of additional capacity and building maintenance, to construct any other similar project for which funds have been appropriated. The receiving project must reimburse the providing project within twelve months with funds and/or a like amount of materials, equipment, equipment usage, or personnel of equivalent value. Reimbursement with funds may be accomplished by transfer in a manner which records appropriate expenditures to the borrowing project and negative expenditures to the lending project. These transfers may be summary amounts in a manner approved by the Comptroller of Public Accounts. However, the TDCJ must maintain adequate detailed records to support such summary transfer amounts.

⁵ Incorporates Article IX, §17.01, of this Act, resulting in reductions in appropriations and capital budget authority for data center services, in the amount of \$1,885,759 in General Revenue Funds in FY 2012 and \$2,292,420 in General Revenue Funds in FY 2013.

DEPARTMENT OF CRIMINAL JUSTICE
(Continued)

5. **Architectural Fees.** Notwithstanding other provisions of this Act, in those instances where inmate labor is used on construction projects, the Department of Criminal Justice is authorized to pay architectural fees based on the estimated total cost of a project as if it were to be done by a private contractor. The department shall employ an independent firm, separate from the architect, to estimate the total cost of a project. Architectural fees based on the estimated cost shall be governed by other provisions of this Act.
6. **Construction Encumbrances.** Any funds legally encumbered for construction contracts for projects which are in effect as of August 31, 2011, are considered encumbered and may be carried forward to fiscal year 2012.
7. **Utilization of Existing Correctional Facilities.** The department shall give full consideration to utilizing existing correctional facilities located in the State of Texas and currently owned or operated by federal or local governments. Appropriations to the department may be used for the purposes of leasing, purchasing, or contracting for operations of such facilities if agreements can be reached which are beneficial to the State.
8. **Review of Construction Change Orders.** From funds appropriated above, the Texas Department of Criminal Justice (TDCJ), upon the review of any change order, shall develop a procedure whereby cause of such change order shall be determined and documented in the project file. If it is determined that the change was necessitated by the error or omission of any contracted party, the TDCJ shall hold such party financially responsible.
9. **Salary Adjustment Authorized.** Notwithstanding other provisions of this Act, the Texas Department of Criminal Justice is authorized to adjust salaries of the following position series to rates within the designated salary group for the purpose of recruiting, employing, and retaining career correctional personnel:
 - a. Correctional Officer;
 - b. Sergeant, Lieutenant, Captain, and Major of Correctional Officers;
 - c. Food Service Manager;
 - d. Laundry Manager; and
 - e. Parole Officer.

Merit raises are prohibited for all employees who are receiving or are eligible to receive step adjustments in the career ladder system. No compression raise may be granted as a result of the salary adjustment authorized in this article.

10. **Appropriation: Meals Authorized.** The department may charge an amount necessary to recover the cost of a meal provided to an employee as described herein. Department employees assigned to work inside correctional facilities or on travel status may receive up to two free meals per shift and employees residing in employee dormitories may receive three free meals per day. None of the funds appropriated above shall be utilized to provide meals to other employees for a charge of less than \$1.00 per meal or to grow, purchase, prepare, or provide food products for employees to use at their homes. All meal fees received are appropriated above in Strategy C.1.4, Institutional Goods. Any fees collected in excess of \$4,308 in fiscal year 2012 and \$4,307 in fiscal year 2013 are hereby appropriated to the department for the same purpose.
11. **Benefit Policy Required.** The Board of Criminal Justice shall adopt a written policy relating to benefits provided in Riders 10 and 13 specifying the criteria used to award these benefits to employees, and shall develop a system to account for all costs related to these benefits and all revenues from collection of fees.
12. **Appropriation: State-owned Housing Authorized.**
 - a. The department's Regional Directors, Chief Wardens, Assistant Wardens, Majors of Correctional Officers, Captain of Correctional Officers, Lieutenant of Correctional Officers, Kennel Sergeants, Maintenance Supervisors, and Fire/Safety Managers at each facility are authorized to live in state-owned housing at rental rates determined by the department.
 - b. Other department employees may live in available state-owned housing as set forth in Article IX, § 11.04, State Owned Housing - Recover Housing Costs of this Act.

DEPARTMENT OF CRIMINAL JUSTICE

(Continued)

- c. All fees received for employee housing are appropriated above in Strategy C.1.6, Institutional Operations and Maintenance, to be used for maintaining employee housing. Any fees collected in excess of \$750,000 in fiscal year 2012 and \$750,000 in fiscal year 2013 are hereby appropriated to the department for the same purpose.
 - d. The state-owned housing, excluding Bachelor's Officers Quarters, at the Department of Criminal Justice shall be a cost recovery program. The total fees charged to employees shall at least cover the cost of maintenance and utilities.
- 13. Appropriation: Laundry Service.** The department may charge an amount necessary to recover the cost for the provision of laundry services as described herein. The department may launder or dry clean the uniforms of correctional officers at no charge. None of the funds appropriated above may be used to launder or dry clean other employee clothing or to provide other services unless fees are charged to recover the cost of providing the services. All fees collected for laundry and other related services are appropriated above in Strategy C.1.4, Institutional Goods. Any fees collected in excess of \$950,000 in fiscal year 2012 and \$950,000 in fiscal year 2013 are hereby appropriated to the department for the same purpose.
- 14. Employee Medical Care.** Appropriations made in this Act not otherwise restricted in use may also be expended to provide medical attention and hospitalization by correctional medical staff and the correctional hospital facilities, or to pay necessary medical expenses for employees injured while performing the duties of any hazardous position which is not reimbursed by workers' compensation and/or employees' state insurance. For the purpose of this section, "hazardous position" shall mean one for which the regular and normal duties inherently involve the risk or peril of bodily injury or harm. Appropriations made in this Act not otherwise restricted in use may also be expended for medical tests and procedures on employees that are required by federal or state law or regulations when the tests or procedures are required as a result of the employee's job assignment or when considered necessary due to potential or existing litigation.
- 15. Compensatory Time.** Exceptions to the prohibition against substituting other days for holidays may be authorized by the Director of the Texas Department of Criminal Justice for employees who are required to work on holidays due to the continuing operation of the department. Any employee who is required to work on any of the holidays authorized in the general provisions of this Act, and who does work on any of the said holidays, shall be entitled to compensating time off to be taken on such day as may be mutually agreed upon by the employee and supervisor.
- 16. Hazardous Duty Pay.** Employees hired after August 31, 1985, must occupy positions approved by the Texas Board of Criminal Justice and meet statutory criteria to receive hazardous duty pay.
- 17. Transfer Authority within and between Goals.** Subject to capital budget provisions contained in this Act, the Texas Department of Criminal Justice is authorized to transfer such amounts as may be necessary within appropriations made for each goal.

Funds may be transferred between goals, provided that before any transfer between goals which will have the cumulative effect of changing expenditures for any goal by more than 20 percent of the amount appropriated for that goal for the fiscal year, written notification of intent to transfer be provided the Governor, the Legislative Budget Board, the Senate Finance Committee, and the House Appropriations Committee.

- 18. Employment Limitation.** None of the funds appropriated above shall be expended by the Department of Criminal Justice to employ anyone who, in the course of his official duties, conducts business with individuals or firms with which the employee has either a direct or indirect financial interest.
- 19. Grievance Procedures.** From funds appropriated above, the Board of Criminal Justice shall maintain employee disciplinary and grievance procedures in compliance with this section.

The Board's disciplinary procedures shall allow an employee of the department to be represented by a designee of the employee's selection who may participate in the hearing on behalf of an employee charged with any type of disciplinary violation.

The Board's grievance procedure shall attempt to solve problems through a process which recognizes the employee's right to bring grievances pursuant to the procedures in this section. The grievance procedure shall include either independent mediation or independent, non-binding arbitration of disputes between the employer and the employee if the disciplining authority recommends that the employee be terminated or the employee is terminated.

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Any grievance or disciplinary hearing in which a department employee serves as a representative shall be held during normal business hours on a week day, unless the employer and employee agree otherwise. The employee subject to the hearing attends such hearing as a part of regular employment duties. An employee representative who is a department employee must obtain prior approval to be placed on unpaid leave to attend a hearing.

Nothing in this provision shall authorize expenditures of appropriated funds not authorized elsewhere in this Act.

20. **Petty Cash Fund Authorized.** The local Petty Cash Revolving Fund in the amount of \$10,000 is continued for the biennium beginning September 1, 2011, and may be used to advance or reimburse transfer agents and for the care and maintenance of convicted felons while en route to the department from points in Texas and elsewhere in the United States; and for the payment of C.O.D. freight and express charges and similar items requiring immediate cash disbursements. The funds shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.
21. **Revolving Fund Authorized.** The local Inmate Release Revolving Fund of \$500,000 is continued for each year of the biennium beginning September 1, 2011, and is deposited in a bank or banks in Texas; and all inmates released on parole, mandatory supervision, discharge, or conditional pardon shall be paid out of this fund. The fund shall be reimbursed by warrants drawn and approved by the Comptroller out of appropriated funds to the Texas Department of Criminal Justice.
22. **Appropriation: Agriculture Receipts.** Each year of the biennium the Texas Department of Criminal Justice (TDCJ) may exchange agricultural products for other agricultural products and finished goods, and all revenue accruing from the sale of agricultural commodities or livestock and other revenues as they apply to sales of equipment, salvage, refunds and to recover damage claims are appropriated above in Strategy C.1.5, Institutional Services. Any revenues collected in excess of \$5,708,349 in fiscal year 2012 and \$5,708,350 in fiscal year 2013 are hereby appropriated to the department for agricultural operations. Any unexpended balance up to \$2,000,000 remaining from revenues on August 31, 2011, and August 31, 2012, is appropriated to allow for continuity of agricultural production and sales cycles which do not conform to fiscal years (fiscal year 2011 unexpended balance estimated to be \$0).
23. **Appropriation: Acceptance of Grants, Gifts.** The Board of Criminal Justice is authorized to accept federal grants, donations, and gifts, including those of real property, for the programs and projects of the agency. All such gifts, donations, and grants are appropriated above in Strategy C.1.1, Correctional Security Operations, for the purposes for which they are made available, provided, however, that in taking advantage of or accepting such funds, the Board shall not incur any indebtedness which would necessitate a supplemental or additional appropriation out of any funds of this State nor deplete any of the funds herein appropriated to an amount which would necessitate a supplemental or additional appropriation out of any funds of this State to replenish said fund or funds.
24. **Appropriation: Controlled Substance Receipts.** In addition to the amounts appropriated above, all funds received under Chapter 59, Code of Criminal Procedure, and Chapter 71, Property Code, by the Texas Department of Criminal Justice are appropriated in Strategy G.1.3, Inspector General, to be used for law enforcement purposes. Any funds unexpended at the close of each fiscal year are appropriated for the following year (fiscal year 2011 unexpended balance estimated to be \$0).
25. **Appropriation: Texas Correctional Industries Receipts.** Receipts collected from the sales of products produced by Texas Correctional Industries (TCI) are appropriated above in Strategy C.2.1, Texas Correctional Industries. Any receipts collected in excess of \$49,199,930 in fiscal year 2012 and \$49,199,928 in fiscal year 2013 are hereby appropriated to the department for the continued production of TCI goods and services (estimated to be \$0). Any unexpended and unobligated balance up to \$5,000,000 remaining from TCI revenues on August 31, 2011, and August 31, 2012, is appropriated to the department for the same purpose. The State Comptroller shall transfer any unobligated fund balances from Texas Correctional Industries receipts in excess of \$5,000,000 to the General Revenue Fund at the end of each fiscal year (fiscal year 2011 unexpended balance estimated to be \$0).
26. **Appropriation: Unexpended Balances for Increased Offender Populations.** In order to operate new correctional facilities or programs necessary for increased offender populations under the department's supervision, unexpended balances from appropriations made to the Department

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of Criminal Justice for fiscal year 2012 are hereby appropriated to the Department for fiscal year 2013 contingent upon written notification to the Governor and the Legislative Budget Board by the Texas Board of Criminal Justice, not less than 45 days prior to encumbrance, which details the amount and purpose of expenditures of funds carried into fiscal year 2013 under authority of this provision.

27. **Transfer Limitation.** Upon any order from a federal court that requires the Texas Department of Criminal Justice to transfer funds from any appropriation made hereinabove, those funds which were attempted to be transferred shall lapse and the Comptroller shall return the amount appropriated to its respective source.
28. **Offender Information Management System.** The Department of Criminal Justice shall use funds appropriated above to automate the offender management function to the greatest extent possible. To this end, the department may contract for automation/reengineering assistance after receiving prior approval from the Legislative Budget Board. Funds for this payment may come from benefits and savings as realized.

The Texas Department of Criminal Justice shall demonstrate that the current phase (Phase III, Period 1) of the Offender Information Management System meets the business needs of the agency and the technical capabilities, performance, and specifications identified during the development phase of the project. The Texas Department of Criminal Justice shall validate that all product requirements are satisfied and that no outstanding issues exist. Senior management of the Board of Pardons and Paroles, the Texas Department of Criminal Justice, and the Parole Division of the Texas Department of Criminal Justice shall provide to the Governor and the Legislative Budget Board a letter of certification validating the usability and functionality of the current system (Phase III, Period 1) before expenditure of funds by the Texas Department of Criminal Justice for the next phase of the project (Phase III, Period 2).

The Texas Department of Criminal Justice shall provide a detailed project plan for the next phase of the Offender Information Management System (Phase III, Period 2), to the Governor and the Legislative Budget Board prior to the expenditure of funds for project implementation. This plan shall include a detailed description of tasks, deliverables, milestones, work efforts, responsible individuals, and due dates. The Texas Department of Criminal Justice shall provide performance measures to assist in evaluating the progress of the project. The Texas Department of Criminal Justice shall continue to provide monthly status reports to the Quality Assurance Team that include project status, change management, risk management, issue and action items, deliverables, and scheduled accomplishments.

29. **Appropriation: Recreational Facility Fees.** The department may charge an amount necessary to recover the cost for the use of recreation facilities. Fees charged for recreation facilities owned and operated by the department are to be deposited in a special account with the Comptroller of Public Accounts. All recreational facility fees received are appropriated above in Strategy C.1.6, Institutional Operations and Maintenance. Any fees collected in excess of \$30,545 in fiscal year 2012 and \$30,545 in fiscal year 2013 are hereby appropriated to the department for continued operation and maintenance of the department's recreational facilities.
30. **Purchasing Through Request for Proposal.** The Texas Department of Criminal Justice may purchase care, treatment services, and residential services through the Request for Proposal process.

The Texas Department of Criminal Justice shall:

- a. negotiate purchases to achieve fair and reasonable prices at rates that do not exceed any maximum provided by law, and
 - b. select service providers according to each provider's qualifications and demonstrated competence.
31. **Aircraft Authorization.** The Texas Department of Criminal Justice (TDCJ) is authorized to own or lease, operate, and maintain one aircraft and to replace it if necessary. In the event that a temporary need arises, the TDCJ is authorized to expend funds for the lease or rental of aircraft on an as-needed basis.

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- 32. Expenditure Limitation - Windham School District.** None of the funds provided to the Windham School District through the Texas Education Agency shall be expended unless the Board of Criminal Justice has approved an annual operating budget for the school district prior to the expenditure of any funds. The Department of Criminal Justice shall file a copy of that operating budget of the Windham School District with the Governor, the Legislative Budget Board, and the appropriate legislative oversight committees at the beginning of each fiscal year.
- 33. Appropriation: Education and Recreation Program Receipts.** All receipts collected from the operation of facility commissaries and all gifts and other income for inmate welfare accruing together with Education and Recreation Program account balances at the beginning of each year of the biennium beginning September 1, 2011, are hereby appropriated above in Strategy C.1.5, Institutional Services, to the Department of Criminal Justice subject to the following provisions:
- a. All receipts collected shall be deposited in accordance with applicable statutes: (1) in the General Revenue Fund of the State Treasury; (2) in trust with the State Comptroller; or (3) in a local bank account on approval by the State Comptroller.
 - b. Salaries of personnel employed by the Education and Recreation Program shall conform with the provisions of the Classification Plan except as otherwise provided by this Act.
 - c. Funds deposited in Education and Recreation Program accounts shall be expended only with the advance, written approval of the Board of Criminal Justice.
 - d. The department shall expend Education and Recreation Program receipts first for the construction, maintenance, equipment and operations of recreational facilities and for the income producing operations of the program. Any remaining balances may be expended for other programs benefiting the welfare of department confinees.

Any Education and Recreation Program receipts collected in excess of \$97,311,410 in fiscal year 2012 and \$97,311,409 in fiscal year 2013 are hereby appropriated to the department subject to the above-cited provisions.

- 34. Appropriation: Sex Offender Notification Fees.** All fees collected from offenders for reimbursement to local law enforcement authorities for costs incurred in providing notice for publication, including any costs incurred in publishing any photographs needed to provide notice, to a newspaper in accordance with Government Code, § 508.186, are appropriated above in Strategy F.2.1, Parole Supervision, for reimbursing local law enforcement authorities. Any fees collected in excess of \$10,046 in fiscal year 2012 and \$10,046 in fiscal year 2013 are hereby appropriated to the department for the same purpose.
- 35. Appropriation: Parole Supervision Fees.** All parole supervision fees collected from offenders in accordance with Government Code § 508.182, are appropriated above in Strategy F.2.1, Parole Supervision. Any fees collected in excess of \$8,399,000 in fiscal year 2012 and \$8,502,000 in fiscal year 2013 are hereby appropriated to the department for parole supervision.
- 36. Postsecondary Education Programs.** Postsecondary education courses shall be available only to inmates who have:
- a. demonstrated a clear and convincing record of rehabilitation while incarcerated, and
 - b. demonstrated an interest in a field of study that lends itself to performing specific and beneficial tasks while incarcerated, and
 - c. demonstrated the aptitude and capabilities to do college-level study.

The costs of such postsecondary education programs shall be reimbursed by the inmate as a condition of parole.

The Department of Criminal Justice shall not provide in-cell tutoring for inmates who are in administrative segregation.

The Department of Criminal Justice may not transfer appropriations out of Strategy C.2.2, Academic/Vocational Training.

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- 37. Appropriation Transfers Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act, the Texas Department of Criminal Justice may transfer appropriations in an amount not to exceed \$150,000,000 made for fiscal year 2013 to fiscal year 2012, subject to the following conditions provided by this section:
- a. Transfers under this section may be made only:
 - (1) if correctional populations exceed the capacity of the department, or
 - (2) if Federal Funds for Incarcerated Aliens appropriated in fiscal year 2012 to the department are not received in the amount identified in the method of finance for that year, or
 - (3) for any other emergency expenditure requirements, including expenditures necessitated by public calamity.
 - b. The transfer authority provided above is exclusive of expenditure needs for Strategy C.1.7, Managed Health Care - Unit and Psychiatric Care, C.1.8, Managed Health Care - Hospital and Clinical Care, and C.1.9, Managed Health Care - Pharmacy.
 - c. A transfer authorized by this section above must receive the prior approval of the Governor and the Legislative Budget Board.
 - d. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.
- 38. Computer Refurbishing Program.** The Texas Department of Criminal Justice shall use funds appropriated above in Strategy C.2.1, Texas Correctional Industries, to develop and implement an inmate work program in which donated, second-hand computers are refurbished in prisons for use by public schools.
- 39. Capital Expenditures Authorized.** Notwithstanding the limitations placed on the expenditure of funds for capital budget items contained in the general provisions of this Act, the Texas Department of Criminal Justice is hereby authorized to expend funds appropriated to the Texas Department of Criminal Justice for the acquisition of capital budget items and unforeseen building maintenance as approved by the Texas Board of Criminal Justice.
- 40. Correctional Officer Training.** Out of funds appropriated above, the Texas Department of Criminal Justice shall provide at least 284 hours of training for new correctional officers.
- 41. Ombudsman Activity.** From funds appropriated above, the Ombudsman for the Texas Department of Criminal Justice (TDCJ) shall respond to all agency and legislatively referred complaints in a timely manner. The TDCJ shall develop performance measures, trend analysis, and a method of resolution for issues presented. The TDCJ shall provide summary reports regarding this activity to the Legislative Budget Board and the Governor on an annual basis.
- 42. Safe Prisons Program.** From funds appropriated above, the Texas Department of Criminal Justice (TDCJ) shall maintain a Safe Prisons Program for the purpose of preventing and limiting the number of sexual assaults by inmates on inmates. Strategies to prevent sexual assaults that may be used in the Safe Prisons Program include, but are not limited to, use of protective custody; use of an inmate's assault history in making cell assignments; use of an inmate's likelihood of victimization in cell assignments; education of correctional officers on the importance of preventing sexual assault; education of new prisoners on the risks of sexual assault, including prosecution; and use of surveillance cameras. TDCJ shall report annually to the Legislative Budget Board and the Governor the number of sexual assaults by inmates on inmates and the actions taken on each assault. Additional reporting elements may be established by the Legislative Budget Board and the Governor. TDCJ shall designate a Safe Prisons Program coordinator who reports directly to the TDCJ Executive Director.
- 43. Appropriation: Unexpended Balances Bonds Proceeds.** Included in the amounts appropriated above are unexpended and unobligated balances of general obligation bond proceeds that have been approved under the provisions of Article IX, Section 17.11 of Senate Bill 1, Eighty-first Legislature, Regular Session, 2009, remaining as of August 31, 2011, (estimated to be \$0), for repair and rehabilitation of existing facilities, for the 2012-13 biennium in Strategy D.1.1,

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Facilities Construction. Unexpended balances appropriated for the 2012-13 biennium shall not be used for the conversion of the Marlin Correctional Mental Health Facility or for construction of additional facilities.

Also included in the amounts appropriated above are unexpended and unobligated balances of general obligation bond proceeds that have been approved under the provisions of Article IX, Sections 19.70 and 19.71 of House Bill 1, Eightieth Legislature, Regular Session, 2007, remaining as of August 31, 2011, (estimated to be \$0) for repair and rehabilitation of existing facilities, for the 2012-13 biennium in Strategy D.1.1, Facilities Construction. Unexpended balances appropriated for the 2012-13 biennium shall not be used for the conversion of the Marlin Correctional Mental Health Facility or for construction of additional facilities.

All projects funded herein with general obligation bond proceeds are subject to approval by the Legislative Budget Board prior to the issuance of the bond proceeds by the Texas Public Finance Authority. Any unexpended balances in general obligation bond proceeds described herein and remaining as of August 31, 2012, are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2012.

- 44. Appropriation: Refunds of Unexpended Balances from CSCDs.** The Texas Department of Criminal Justice (TDCJ) shall maintain procedures to ensure that the state is refunded all unexpended and unencumbered balances of state funds held as of the close of this biennium by local community supervision and corrections departments (CSCDs). All estimated fiscal years 2010-11 refunds received from CSCDs by TDCJ are appropriated above in Strategies A.1.1, Basic Supervision, A.1.2, Diversion Programs, A.1.3, Community Corrections, and A.1.4, Treatment Alternatives to Incarceration. All refunds received by TDCJ in excess of \$13,000,000 shall be redistributed by TDCJ for the benefit of the community supervision and corrections system (estimated to be \$0).
- 45. Transportation - Substance Abuse.** From funds appropriated above, the Department of Criminal Justice shall provide transportation for inmates who are released from Substance Abuse Felony Punishment Facilities (SAFPF) or In-Prison Therapeutic Community (IPTC) facilities and transferred to a residential setting.
- 46. Interagency Contract for Legal Services.** Out of funds appropriated above, \$1.3 million for each fiscal year of the 2012-13 biennium is for an interagency contract with the Office of the Attorney General for legal services provided by the Office of the Attorney General to the Texas Department of Criminal Justice (TDCJ). Any interagency contract funded by appropriated funds may not exceed reasonable attorney fees for similar legal services in the private sector, shall not jeopardize the ability of the TDCJ to carry out its legislative mandates, and shall not affect the budget for the TDCJ such that employees must be terminated in order to pay the amount of the interagency contract.
- 47. Continuity of Care.** Out of the funds appropriated above in Strategy B.1.1, Special Needs Projects, the Texas Correctional Office on Offenders with Medical or Mental Impairments shall coordinate with the Texas Department of State Health Services, county and municipal jails, and community mental health and mental retardation centers on establishing methods for the continuity of care for pre- and post-release activities of defendants who are returned to the county of conviction after the defendant's competency has been restored. The Council shall coordinate in the same manner it performs continuity of care activities for offenders with special needs.
- 48. Texas State Council for Interstate Adult Supervision Authority.** Out of funds appropriated above, TDCJ shall provide reimbursement of travel expenses incurred by members of the Texas State Council for Interstate Adult Offender Supervision while conducting the business of the council in accordance with Government Code, Chapters 510 and 2110, and provisions of this Act related to the per diem of board or commission members.
- 49. Advisory Committee on Offenders with Medical or Mental Impairments.** Out of the funds appropriated above, TDCJ shall provide reimbursement of travel expenses incurred by members of the Advisory Committee on Offenders with Medical or Mental Impairments incurred while conducting business of the committee in accordance with Government Code, Chapters 614 and 2110, and provisions of this Act related to the per diem of board or commission members.
- 50. Medically Recommended Intensive Supervision.** From funds appropriated above, the Department of Criminal Justice (TDCJ) shall maintain an automated report to assist in identifying offenders eligible for medically recommended intensive supervision (MRIS). TDCJ shall

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maintain uniform diagnosis codes to signal offenders eligible for release on MRIS. TDCJ shall expedite its screening process for MRIS by requesting an offender's board file at the same time it assigns a caseworker to complete an interview of the offender.

- 51. Unexpended Balance Authority for Special Needs Projects.** Any unexpended balances as of August 31, 2012, for the Texas Department of Criminal Justice in appropriations made above in Strategy B.1.1, Special Needs Projects, are hereby appropriated to the department for the fiscal year beginning September 1, 2012, for the same purpose.
- 52. Monitoring of Community Supervision Diversion Funds.** From funds appropriated above, the Texas Department of Criminal Justice (TDCJ) shall maintain a specific accountability system for tracking community supervision funds targeted at making a positive impact on the criminal justice system.

In addition to continuing the recommendations made by the State Auditor's Office in the September 2004 report (Report No. 05-002) to the Texas Department of Criminal Justice to increase the accuracy and completeness of information used to allocate funds for adult probation services and to improve the monitoring agreements made with the community supervision and corrections departments (CSCDs), the agency shall implement a monitoring system so that the use of funds appropriated in Strategies A.1.2, A.1.3, and A.1.4. can be specifically identified.

The agency shall produce, on an annual basis, detailed monitoring, tracking, utilization, and effectiveness information on the above mentioned funds. This information shall include information on the impact of any new initiatives. Examples include, but are not limited to, number of offenders served, number of residential beds funded, number of community supervision officers hired, and caseload sizes. The agency shall provide documentation regarding the methodology used to distribute the funds. In addition to any other requests for information, the agency shall report the above information for the previous fiscal year to the Legislative Budget Board and the Governor's Office by December 1st of each year.

- 53. Withholding of Funds.** The Department of Criminal Justice (TDCJ) may withhold the distribution of funds allocated in Goal A, Provide Prison Diversions, to community supervision and corrections departments (CSCDs) that fail to comply with TDCJ data reporting requirements that include, but are not limited to, data required for the Community Supervision Tracking System, Quarterly Financial Reports, Monthly Community Supervision and Correction Reports, Caseload Reports, Program Output reports and other data required by TDCJ for accountability purposes.
- 54. Parole Process Delays Study.** From funds appropriated above in Strategy E.1.1, Board of Pardons and Paroles, the Board of Pardons and Paroles and the Texas Department of Criminal Justice shall conduct a study to evaluate and identify process inefficiencies related to parole review and offender release that is contingent upon successful completion of an assigned rehabilitation program. A report including the results of the study shall be submitted to the Legislative Budget Board and the Governor's Office not later than January 1, 2012. The report shall include recommendations and strategies to better align parole votes, program start dates, and offender releases.

Not later than December 1, 2012, the Board of Pardons and Paroles and the Department of Criminal Justice shall submit to the Legislative Budget Board and the Governor's Office an update to include actions, if any, implemented since the initial report. The update shall include savings associated with any actions taken to reduce delays in releasing paroled offenders who have completed an assigned rehabilitation program.

- 55. Correctional Managed Health Care.** The use of appropriated funds to the Department of Criminal Justice for managed health care for offenders in custody shall be governed by the specific limitations included in this rider.

a. Managed Health Care Staff Loan Repayment

1. None of the funds appropriated above shall be used for loan repayment assistance for medical and mental health care staff without prior approval of the Legislative Budget Board.

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b. Correctional Managed Health Care Committee

1. From funds appropriated above in Strategy C.1.7, Managed Health Care - Unit and Psychiatric Care, the Department of Criminal Justice shall pay salaries, operating expenses, and travel expenses for staff of the Correctional Managed Health Care Committee.
2. From funds appropriated above, the Department of Criminal Justice may provide reimbursement of travel expenses incurred by the members of the Correctional Managed Health Care Committee with prior approval of the Legislative Budget Board.

c. Strategy C.1.7, Managed Health Care - Unit and Psychiatric Care

1. Together with the Texas Tech University Health Sciences Center and the University of Texas Medical Branch, the Department of Criminal Justice shall approve a staffing model and services by unit that conforms to the available annual appropriation in Strategy C.1.7, Managed Health Care - Unit and Psychiatric Care, before the beginning of each fiscal year.
2. Texas Tech University Health Sciences Center and the University of Texas Medical Branch shall provide unit medical and psychiatric care based on the jointly developed staffing model and services approved by the Department of Criminal Justice.
3. To the extent possible, the Department of Criminal Justice shall maintain at least one Correctional Officer or other staff that is a licensed health care professional on duty per unit at all times.

d. Strategy C.1.8, Managed Health Care - Hospital and Clinical Care

1. The University of Texas Medical Branch shall provide inpatient and outpatient hospital services and physician services at the University of Texas Medical Branch Hospital Galveston for offenders in the custody of the Department of Criminal Justice. Inpatient and applicable hospital outpatient services shall be reimbursed at an amount no greater than the University of Texas Medical Branch's Medicaid Tax Equity and Fiscal Responsibility Act (TEFRA) rates. Hospital outpatient services not subject to Medicaid TEFRA reimbursements shall be reimbursed at an amount not to exceed the published Medicaid fee schedules for such services. Physician services shall be reimbursed at a rate not to exceed cost.
2. The Texas Tech University Health Sciences Center and the University of Texas Medical Branch shall provide inpatient and outpatient hospital services through contract hospital providers for offenders in the custody of the Department of Criminal Justice at a rate not to exceed 100% of what would be paid for similar services according to the Medicare reimbursement methodology.
3. The Department of Criminal Justice may pay a rate in excess of Medicare reimbursement rates only after receiving prior written approval from the Legislative Budget Board.
4. The Department of Criminal Justice may provide for a medical review of the appropriateness of non-emergency medical procedures provided by the University of Texas Medical Branch Hospital Galveston.
5. The University of Texas Medical Branch will maintain at least 100 inpatient beds at Hospital Galveston to be staffed based on average weekday census.

e. Transferability

1. The Department of Criminal Justice shall not transfer any funds between Strategies C.1.7, Managed Health Care - Unit and Psychiatric Care; C.1.8, Managed Health Care - Hospital and Clinical Care, and C.1.9, Managed Health Care - Pharmacy, without prior approval of the Legislative Budget Board. The request shall be considered approved unless the Legislative Budget Board issues a written disapproval within thirty calendar days of receipt of the recommendation prepared by Legislative Budget Board staff.

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2. This transferability limitation extends to the Texas Tech University Health Sciences Center and the University of Texas Medical Branch upon receipt of funding from the Department of Criminal Justice.

f. Reimbursement to Institutions

1. At the beginning of each quarter, the Department of Criminal Justice shall prepay Texas Tech University Health Sciences Center and the University of Texas Medical Branch one quarter of the annual appropriation for services to be rendered under contract.
2. The Department of Criminal Justice shall reimburse the Texas Tech University Health Sciences Center and the University of Texas Medical Branch for actual costs, including indirect administrative services based on generally accepted accounting principles. The total reimbursements shall not exceed amounts appropriated above in Strategies C.1.7, Managed Health Care - Unit and Psychiatric Care, C.1.8, Managed Health Care - Hospital and Clinical Care, and C.1.9, Managed Health Care - Pharmacy, unless prior approval is provided by the Legislative Budget Board.

g. Reporting Requirements

1. The Department of Criminal Justice is required to submit quarterly to the Legislative Budget Board and the Office of the Governor a report detailing:
 - i. correctional managed health care actual and projected expenditures for unit and psychiatric care, hospital and clinical care, and pharmacy;
 - ii. health care utilization and acuity data; and
 - iii. other health care information determined by the Office of the Governor and the Legislative Budget Board.
2. The Texas Tech University Health Sciences Center and the University of Texas Medical Branch shall provide the Department of Criminal Justice with necessary documentation to fulfill the reporting requirements contained in this section.

h. Managed Health Care Operational Shortfalls

1. If deemed necessary by the Department of Criminal Justice, appropriations may be transferred into Strategies C.1.7, Managed Health Care - Unit and Psychiatric Care, C.1.8, Managed Health Care - Hospital and Clinical Care, and C.1.9, Managed Health Care - Pharmacy, with prior approval of the Legislative Budget Board. The request shall be considered approved unless the Legislative Budget Board issues a written disapproval within thirty calendar days of receipt of the recommendation prepared by Legislative Budget Board staff.
2. In addition to transfer authority provided elsewhere in this Act, the Department of Criminal Justice may transfer appropriations made in Strategies C.1.7, Managed Health Care - Unit and Psychiatric Care, C.1.8, Managed Health Care - Hospital and Clinical Care, and C.1.9, Managed Health Care - Pharmacy, for fiscal year 2013 to fiscal year 2012 with prior approval of the Legislative Budget Board. The request shall be considered approved unless the Legislative Budget Board issues a written disapproval within thirty calendar days of receipt of the recommendation prepared by Legislative Budget Board staff.

56. Battering Intervention and Prevention Program. Out of funds appropriated above in Strategy A.1.2, Diversion Programs, the Texas Department of Criminal Justice (TDCJ) shall allocate \$625,000 in fiscal year 2012 and \$625,000 in fiscal year 2013 for funding the Battering Intervention and Prevention Program (BIPP) in the manner required by Article 42.141 of the Code of Criminal Procedure. The BIPP shall be administered using a statewide allocation of direct grants from TDCJ to local non-profit organizations in the manner described in Government Code § 509.011. Funds subject to this provision shall be allocated at the local level and designated for use only for these programs. Funds subject to this provision may not be utilized for administrative expenses of local community supervision and corrections departments nor may they be used to supplant local funding.

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- 57. Harris County Community Corrections Facility.** Out of funds appropriated above in Strategy A.1.2, Diversion Programs, \$6,000,000 in fiscal year 2012 and \$6,000,000 in fiscal year 2013 in discretionary grants shall be made to the Harris County Community Supervision and Corrections Department for the continued operations of the Harris County Community Corrections Facility.
- 58. Misdemeanor Funding.** The Texas Department of Criminal Justice shall distribute funds at a rate not to exceed \$0.70 per day for each misdemeanor defendant directly supervised by a community supervision and corrections department. Funding for each misdemeanor defendant may not exceed the period of time authorized by statute.
- 59. Contingency Rider: Managed Health Staff Loan Repayment.⁶** Contingent on the enactment and becoming law of House Bill 1908 or similar legislation of the Eighty-second Legislature, Regular Session, from the amounts appropriated above in Strategies C.1.7, Managed Health Care - Unit and Psychiatric Care, C.1.8, Managed Health Care - Hospital and Clinical Care, and C.1.9, Managed Health Care - Pharmacy, the Department of Criminal Justice may use funds for loan repayment assistance for medical and mental health care staff with prior approval of the Legislative Budget Board.
- 60. Appropriation: Authority for General Obligation Bond Proceeds.** Appropriated above in Strategy D.1.1, Facilities Construction, in fiscal year 2012 is \$10,000,000 and in fiscal year 2013 is \$40,000,000 in general obligation bond proceeds for projects for the Department of Criminal Justice as described in Article IX, Sec. 18.01, Informational Listing General Obligation Bond Proceeds.
- All projects funded herein with general obligation bond proceeds are subject to approval by the Legislative Budget Board prior to issuance of the bond proceeds by the Texas Public Finance Authority. Any unexpended and unobligated balances in general obligation bond proceeds described herein and remaining as of August 31, 2012 are hereby appropriated for the fiscal year beginning September 1, 2012 for the same purpose(s).
- 61. Offender Housing Study.** From funds appropriated above, the Department of Criminal Justice, together with the Health and Human Services Commission, shall conduct a study using the Clinical Acuity Rating System to address disease specific and healthy populations and to determine if housing similarly diagnosed offenders together may improve care and reduce costs. The Department shall report the findings of the study to the Legislative Budget Board no later than December 1, 2012.
- 62. Contracted Temporary Capacity.** Funds appropriated above in Strategy C.1.11, Contracted Temporary Capacity, shall only be used to contract for additional capacity when inmate populations exceed 96 percent of total unit capacity. Any unexpended balance on August 31, 2012, from appropriations in Strategy C.1.11, Contracted Temporary Capacity, is hereby appropriated to the department for the fiscal year beginning on September 1, 2012, for the same purpose.
- 63. Central Unit Closure.** No funds appropriated by this Act shall be used for the operation of the Central Unit located in Sugar Land, Texas in Fort Bend County after December 31, 2011. The Department of Criminal Justice shall remove all offenders from the Central Unit no later than December 31, 2011.

⁶ Incorporates the passage of HB 1908, 82nd Legislature, Regular Session, resulting in permissive authority to use appropriations for medical staff loan repayment.

David Dewhurst
President of the Senate

Joe Straus
Speaker of the House

I hereby certify that S.B. No. 2 passed the Senate on June 3, 2011, by the following vote: Yeas 20, Nays 11; June 13, 2011, Senate refused to concur in House amendments and requested appointment of Conference Committee; June 15, 2011, House granted request of the Senate; June 27, 2011, Senate adopted Conference Committee Report by the following vote: Yeas 20, Nays 10; passed subject to the provisions of Article III, Section 49a, of the Constitution of Texas.

Lately Gau
Secretary of the Senate

I hereby certify that S.B. No. 2 passed the House, with amendments, on June 10, 2011, by the following vote: Yeas 101, Nays 42, one present not voting; June 15, 2011, House granted request of the Senate for appointment of Conference Committee; June 27, 2011, House adopted Conference Committee Report by the following vote: Yeas 89, Nays 55, one present not voting; passed subject to the provisions of Article III, Section 49a, of the Constitution of Texas.

Robert Haney
Chief Clerk of the House

Approved:

19 JUL '11
Date
Rick Perry
Governor

I, Susan Combs, Comptroller of Public Accounts, do hereby certify that the amounts appropriated in the herein S.B. No. 2, 1st Called Session, 82nd Legislature, are within the amount estimated to be available in the affected fund.

Certified July 5, 2011.

Susan Combs
Comptroller of Public Accounts

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:00pm O'LOSK
JUL 19 2011
Colby Hunter III
Secretary of State