

SUBJECT: Unexpended proceeds from TYC's sale or license of treatment programs

COMMITTEE: Juvenile Justice and Family Issues — favorable, without amendment

VOTE: 5 ayes — Dutton, Goodman, Baxter, Castro, Morrison
0 nays
4 absent — Dunnam, Hodge, J. Moreno, Reyna

WITNESSES: None

BACKGROUND: Human Resources Code, ch. 61, allows the Texas Youth Commission (TYC) to sell or license to an individual or a private or public entity the right to use a treatment program developed by TYC. Proceeds from the sale or license of a treatment program must be deposited in the fund that provided the money to finance the development of the treatment program.

DIGEST: HB 2002 would amend the Human Resources Code ch. 61 to require that at the end of each fiscal year, any unexpended proceeds from the sale or license of a TYC treatment program must be carried over to the next fiscal year to the fund that provided the money to finance the development of the treatment program.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

SUPPORTERS SAY: HB 2002 would ensure that TYC could use funds from the sale or license of its treatment programs as the Legislature intended. TYC developed a nationally recognized program, known as the Resocialization Program, which is a structured, comprehensive rehabilitation program with demonstrated effectiveness in reducing criminal behavior. When TYC sells or licenses the right to use this treatment program, the proceeds are deposited in program development fund. However, if TYC receives payments late in the fiscal year, it must either spend those funds quickly or risk losing them altogether, which prevents the agency from using the funds for their stated purpose. The bill

would give TYC added incentive to license and sell the right to use the Resocialization Program because unexpended proceeds would not be swept at the end of the fiscal year.

Enabling TYC to carry over unexpended proceeds to the next fiscal year would allow TYC to use the funds to develop and sustain a training institute for TYC personnel, treatment providers, and others who might benefit, such as probation departments. The training initially would focus on the Resocialization Program but eventually would expand to include advanced workshops with special populations such as chemically dependent offenders, emotionally disturbed offenders, sexual offenders, and others. While TYC staff already receives some training in these topics, current resources limit training to the introductory level. HB 2002 would enable TYC to expand the professional development opportunities for staff to enhance their effectiveness at rehabilitating youth.

The 75th Legislature specifically directed that these funds be used for the development of treatment programs for youthful offenders, which it already determined is a priority for the state. HB 2002 would allow TYC to develop the training institute and would give the agency the flexibility to fulfill its mission at no additional cost to the state.

**OPPONENTS
SAY:**

The state needs as much flexibility as possible in the budget process to fund its priorities, and every penny counts. If every agency dedicated funds to a specific purpose, it would undermine this flexibility. Furthermore, the money from the sale or license of treatment programs belongs to the state, not to TYC, because such programs, including the Resocialization Program, were developed using state funds. Licensing boards that raise more money through fees than they spend are not permitted to keep that money; instead, it is swept into general revenue at the end of the fiscal year. TYC likewise should not be permitted to dedicate funds to a specific training institute.