

- SUBJECT:** Requiring TJJD to study pay-for-performance contract program
- COMMITTEE:** Corrections — favorable, without amendment
- VOTE:** 6 ayes — Murphy, Allen, Keough, Krause, Schubert, Tinderholt
0 nays
1 absent — J. White
- WITNESSES:** For — None
Against — None
On — Jennifer Carreon, Texas Criminal Justice Coalition; Chelsea Buchholtz, Texas Juvenile Justice Department
- BACKGROUND:** Pay-for-performance contracting is a funding method under which private organizations partner with government entities to provide services to the government entity and are paid by the government based on measurable outcomes.
- DIGEST:** HB 309 would require the Texas Juvenile Justice Department (TJJD) to conduct a study to determine the feasibility and potential costs and benefits of a pay-for-performance contract program.
- Under such a program, TJJD would contract for the operation of juvenile justice programs or the provision of services that would be funded with investor-provided financial capital. TJJD would make payments to the contractor using general obligation bond proceeds or other money only if performance requirements and outcomes were achieved and there was a positive return on the investment to the state.
- TJJD would produce a report on the study, which would have to include whether the agency determined that a pay-for-performance program would be cost effective and feasible. If TJJD made such a determination,

the report would have to make recommendations on operating the program, the types of programs and services that would be selected, and changes in laws needed to implement the program.

TJJD could request assistance with the study from the comptroller, the Texas Public Finance Authority, or other state agencies.

TJJD would have to submit the report by November 1, 2016, to the governor, lieutenant governor, and the heads of the House and Senate committees with jurisdiction over juvenile justice programs and services.

This 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, 2015.