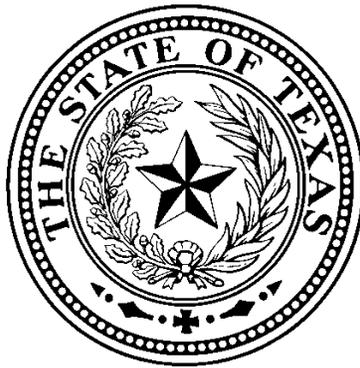


Updated Adult Incarceration Population Projections

Fiscal Years 2008-2012



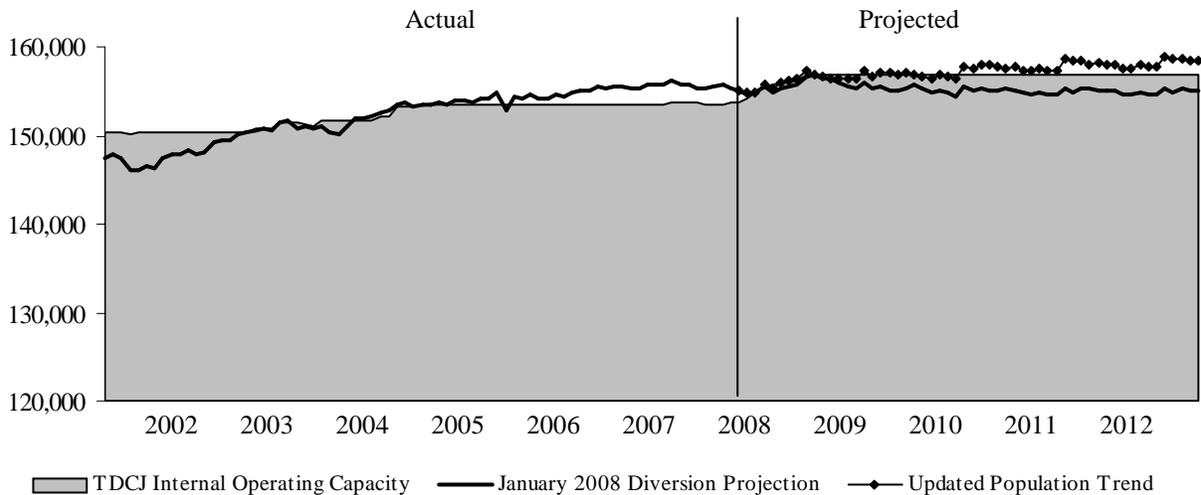
Legislative Budget Board

**ADULT INCARCERATION POPULATION PROJECTIONS
JANUARY 2008**

The adult incarceration population projection for the Texas Department of Criminal Justice (TDCJ) is based on a discrete-event simulation modeling approach resulting from the movement of individual offenders into, through, and out of TDCJ. Discrete-event simulation focuses on the modeling of a system over time as a dynamic process. The model simulates offender movement through the system based on their offense type, sentence length, and time credited to their current sentence.

The major drivers of the projected adult incarceration population are future admissions and releases. Admissions are based on at-risk populations, court conviction rates, and probation and parole revocations. Future releases are largely driven by release approval decisions. Two projected population lines are provided in Figure 1: 1) an Updated Population Trend and 2) the January 2008 Diversion Projection. As with past projections, the Updated Population Trend relies on previous fiscal years' admission and release trend data. The adult prison population trends have been updated incorporating information from fiscal year 2007. The January 2008 Diversion Projection utilizes this information as well as anticipated changes in admissions and releases as a result of the expansion of treatment and diversion programs for fiscal years 2008 through 2009 funded by the 80th Texas Legislature. The January 2008 Diversion Projection is the Legislative Budget Board forecast for the adult incarceration population.

Figure 1: Actual and Projected TDCJ Inmate Population and Internal Operating Capacity, Fiscal Years 2002–2012



- As of January 1, 2008, the total state prison capacity was 157,566 beds.
- Projected incarceration populations at the end of each biennium are as follows: 155,005 for 2008–09; and 155,096 for 2010–11. Both figures are below the anticipated TDCJ state operating capacity (see Table 1).

The expansion of the diversion and treatment programs is projected to decrease prison admissions. Using findings from prior research in this area, the diversion rate for these programs was estimated at 50 percent, meaning 50 percent of those placed in diversion beds would have been revoked or sentenced to prison if the facilities were not available. Any significant change in projection drivers (e.g., parole approval rates) may also impact projected populations. Additional information regarding the projection drivers and model assumptions are detailed on the following pages. Appendix A provides a comparison of previous projections for the 80th Texas Legislature and the actual population.

Table 1: TDCJ Inmate Population and Operating Capacity, Fiscal Years 2008–2012

| FISCAL YEAR | INCARCERATION POPULATION (END-OF-YEAR) | | | PROJECTED POPULATION EXCEEDING STATE OPERATING CAPACITY ² (END-OF-YEAR) | |
|-------------|---|---|--|---|---|
| | UPDATED POPULATION TREND | JANUARY 2008 DIVERSION PROJECTION | TDCJ STATE OPERATING CAPACITY ¹ | UPDATED POPULATION TREND | JANUARY 2008 DIVERSION PROJECTION |
| 2008 | 156,364 | 155,764 | 156,150 | 214 | 0 |
| 2009 | 156,775 | 155,005 | 156,759 | 16 | 0 |
| 2010 | 157,822 | 155,144 | 156,759 | 1,063 | 0 |
| 2011 | 158,146 | 155,096 | 156,759 | 1,387 | 0 |
| 2012 | 158,470 | 155,048 | 156,759 | 1,711 | 0 |

¹The state operating capacity preferred by TDCJ prison administrators is 97.5 percent of bed capacity. As of January 1, 2008, the state prison capacity was 157,566 beds and their internal operating capacity was 153,627. In fiscal year 2008, it is anticipated 2,588 beds will become operational and increase the state prison capacity to 160,154 and the internal operating capacity to 156,150. In fiscal year 2009, it is anticipated 624 beds will become operational and increase the state prison capacity to 160,778 and the internal operating capacity to 156,759 (see page 8).

²TDCJ reported contracting for an average of 1,910 beds in fiscal year 2007. The agency has appropriated funding to contract for an average of 2,513 beds in fiscal year 2008.

ASSUMPTIONS FOR UPDATED POPULATION TREND

ADMISSIONS: Admissions are based on the historical growth in direct sentences and the rate at which probationers (offenders on community supervision) and parolees are revoked.

DIRECT COURT COMMITMENTS — Projected yearly growth rates in direct court commitments vary according to fluctuations of the Texas population, felony court activity, and trends in direct sentence admissions to TDCJ. Overall, direct sentences are projected to increase on average by 3.0 percent during fiscal years 2008–12. The 3.0 percent average growth rate in direct court commitments to prison is lower than previous projections reflecting recent trends in court conviction rates and recent increases in felony probation placements. Figure 2 depicts TDCJ admissions as a percentage of statewide felony convictions for fiscal years 2000–07. The January 2007 projection assumed a 6.8 percent average growth rate in direct court commitments to prison.

Figure 2: TDCJ Admissions as Percentage of Statewide Felony Convictions

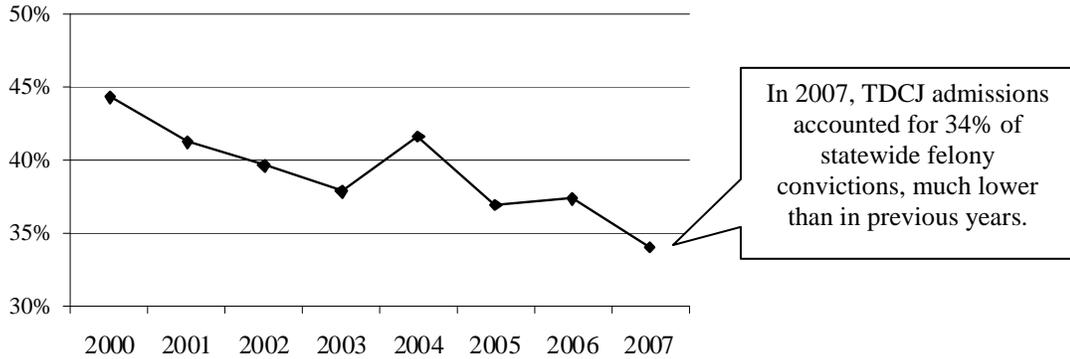
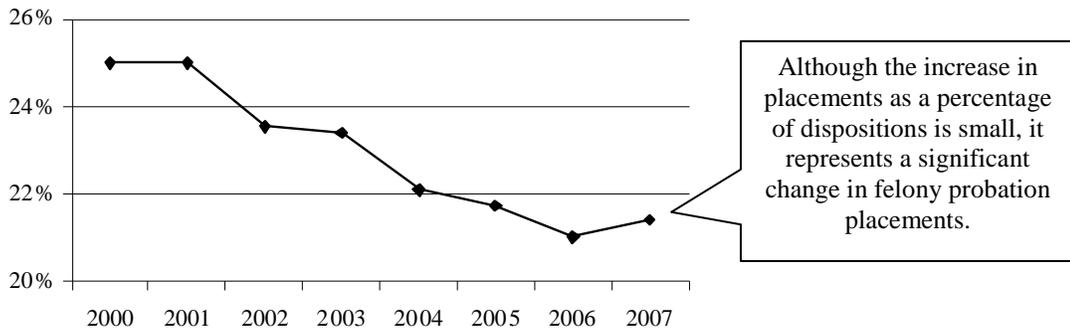


Figure 3: Felony Probation Placements as Percentage of Statewide Felony Dispositions

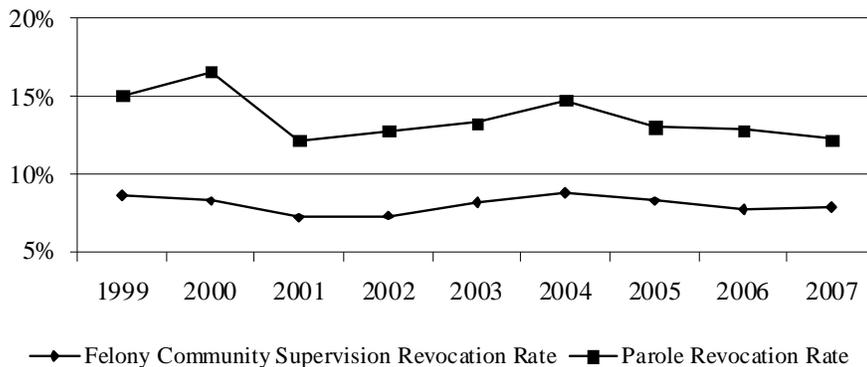


One reason for the lower projected growth rate in direct court commitments is the increase in felony probation placements (see Figure 3). Statewide felony convictions continue to increase, which reflects the growth in Texas’ general population and the increase in the number of district courts disposition activity. However, the percentage of felony dispositions resulting in probation placement is increasing and the percentage of

dispositions resulting in direct court admissions to incarceration is declining. For example, in fiscal year 2007 there were 59,747 felony probation placements, compared to 56,573 in 2006 and 56,415 in 2005.

COMMUNITY SUPERVISION AND PAROLE REVOCATIONS — Projected yearly rates of felony community supervision revocations (7.9 percent) and parole revocations (12.2 percent) are applied to the population projection model to determine the number of revocation admissions. The fiscal year 2007 felony community supervision and parole revocation rates, comparable to revocation rates for the last two fiscal years, are applied to the projected community supervision and parole populations. In fiscal year 2007 there were 9,380 parole revocations and 12,722 probation revocations to prison. In fiscal year 2004, when the revocation rates for probation and parole were higher at 8.8 percent and 14.8 percent respectively, there were 13,697 probation revocations and 11,311 parole revocations to prison. Figure 4 illustrates felony community supervision and parole revocation rates from fiscal years 1999 through 2007.

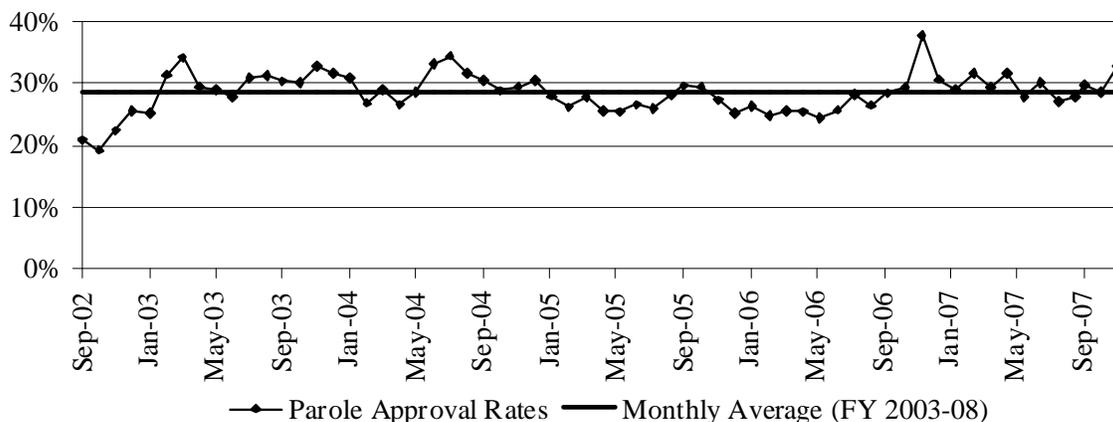
Figure 4: Felony Community Supervision and Parole Revocation Rates, Fiscal Years 1999–2007



PAROLE RELEASE PRACTICES: The model assumes current parole release practices.

PAROLE APPROVAL RATE — The parole approval rate has averaged 28.4 percent over the last five fiscal years (see Figure 5). During fiscal year 2007, the average parole approval rate increased slightly to 29.9 percent. The model is based on an average of 28.4 percent for fiscal years 2008 through 2012.

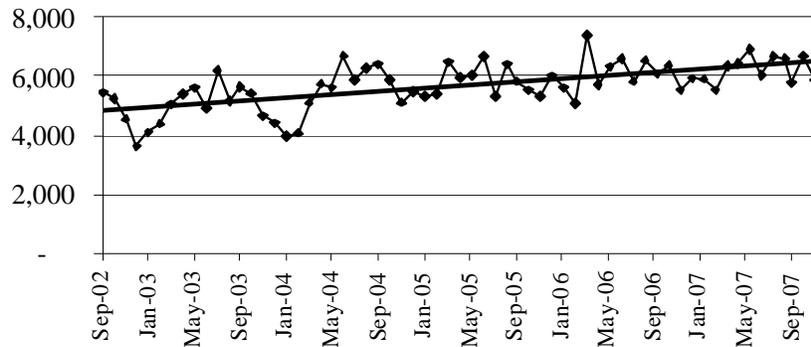
Figure 5: Parole Approval Rates, Fiscal Year 2003–2008



The January 2007 projection assumed a parole approval rate of 26.4 percent which was based on the fiscal year 2006 parole approval rate of 26.4 percent. An increase of 2.0 percent in the parole approval rate translates into nearly 1,500 additional parole releases for a fiscal year.

PAROLE CASE CONSIDERATIONS — During fiscal year 2007, an average of 6,199 parole cases were considered monthly. For the first three months of fiscal year 2008, the monthly average number of cases considered has been 6,099. The model indicates an increase in parole considerations for fiscal years 2008 through 2012 based on the sentence lengths, time served, and parole eligibility of the individual offenders in the incarceration population. Figure 6 depicts monthly parole considerations and a trend line demonstrating the gradual increase of considerations.

Figure 6: Monthly Parole Considerations, Fiscal Year 2003–2008



DISCRETIONARY MANDATORY SUPERVISION (DMS) CONSIDERATIONS AND APPROVALS — The DMS approval rate has averaged 52.2 percent over the last three fiscal years after averaging 60.6 percent in fiscal year 2003 and 58.1 percent in fiscal year 2004 (see Table 2). However, the decrease in the discretionary mandatory supervision rate does not have a significant impact on releases because it is a result of: 1) a change in policy which allowed some offenders eligible for DMS to be released without a vote and 2) an increasing proportion of offenders who receive parole approval and are released prior to being considered for DMS approval. As a higher percentage of offenders are approved for parole release, the likelihood of approval of DMS would decrease. The model is based on an average of 52.2 percent for fiscal years 2008 through 2012.

Table 2: Discretionary Mandatory Supervision Considerations, Approvals, and Approval Rate

| | Fiscal Year 2003 | Fiscal Year 2004 | Fiscal Year 2005 | Fiscal Year 2006 | Fiscal Year 2007 |
|---------------|------------------|------------------|------------------|------------------|------------------|
| Considered | 18,014 | 18,478 | 13,765 | 17,025 | 18,131 |
| Approved | 10,917 | 10,737 | 7,206 | 8,876 | 9,437 |
| Approval Rate | 60.60% | 58.11% | 52.35% | 52.14% | 52.05% |

ASSUMPTIONS FOR JANUARY 2008 DIVERSION PROJECTION

The 80th Texas Legislature appropriated \$217.7 million to the Texas Department of Criminal Justice (TDCJ) for the expansion of treatment and diversion programs in fiscal years 2008–09. These initiatives included funding for additional substance abuse treatment for probationers and incarcerated offenders, additional funding for mental health services for offenders, additional probation and parole intermediate sanction facility (ISF) beds, probation residential treatment beds, and parole halfway house beds. The January 2008 Diversion Projection includes additional releases from incarceration as a result of expansions to the In-Prison Therapeutic Community Program (IPTC), contracting for DWI treatment, and parole halfway house beds. Diversion calculations assume appropriate turnover rates for each facility type. For example, substance abuse treatment beds are assumed to turn over twice per year meaning 1,500 beds can serve 3,000 offenders during the year.

The following assumptions are based on the most recent implementation timeframes from TDCJ. The assumptions concerning the implementation timeframe of treatment and diversion programs are in many cases later than the assumptions used in the May 2007 Conference Committee diversion treatment program scenario and are still subject to change as implementation proceeds. Factors that may further delay the implementation of treatment and diversion capacity include the availability of private facility beds and treatment services and the terms of contracts obtained from the Request for Proposal process. As more information becomes available, the timeframe for expansion of treatment and diversion programs will become more certain and will be reflected in subsequent projections of the adult incarceration population (i.e., June 2008 and January 2009).

- Probation Residential Substance Abuse and Mentally Ill Treatment Beds as Alternative to Probation Revocation (800 Additional Beds)
 - Diversion factor assumption of 50%.
 - Assumption that 254 probation residential beds are operational in February 2008; increasing to 370 beds by June 2008, and the remaining beds are expected to become operational in fiscal year 2009.
- Probation and Parole Intermediate Sanction Facility Placement As Alternative for Technical Revocations (1,400 Additional Beds)
 - Diversion factor assumption of 50%.
 - Assumption that 120 parole ISF beds are operational in May 2008 with the number of operational beds increasing to 224 by June 2008 and the remaining 1,176 ISF probation and parole beds added on September 1, 2008.
- Additional funding for probation outpatient substance abuse counseling
 - Increased funding of \$10 million over the biennium serving approximately 3,000 offenders yearly.
 - The projection does not include any adjustment regarding the potential impact of this increase in funding on prison diversions.

- Substance Abuse Felony Punishment Facilities (SAFP) as Alternative to Revocation (1,500 Additional Beds)
 - Diversion factor assumption of 50%.
 - This includes funding for the aftercare component upon release – through residential transitional treatment centers (TTC) and outpatient counseling.
 - TDCJ currently has 3,250 SAFP beds located at seven facilities. As of December 2007, there were 356 offenders on the SAFP waiting list. The waiting list for December 2006 was 823 offenders.
 - Assumption that 120 beds will become operational on March 1, 2008, with the number of beds increasing to 876 by August 2008. Assumption that all 1,500 SAFP treatment beds are operational September 1, 2008.

- In-Prison Therapeutic Community Program (conversion of 1,000 treatment beds)
 - Based on TDCJ appropriation request (beds from existing capacity).
 - 1,000 treatment slots became operational on January 1, 2008.
 - Assumption that the 1,000 treatment slots will be gradually filled by parole votes requiring IPTC treatment resulting in increased future releases.

- Contracting for 500 bed facility which provides DWI treatment (500 Additional Beds)
 - Assumption that offenders completing the new program will have a higher approval rate than offenders who did not complete the program.
 - This includes funding for the aftercare component upon release – through transitional treatment centers (TTC) and outpatient counseling.
 - This expands TDCJ's capacity by 500 beds.
 - Assumption that the 500 bed facility with DWI treatment is operational on March 1, 2008.

- Conversion of two Texas Youth Commission (TYC) facilities to TDCJ facilities (606 beds each)
 - The two facilities (John Shero State Juvenile Correctional Facility and Marlin Assessment and Orientation Unit) will result in a TDCJ capacity increase of 1,212 beds.
 - Assumption that one of the two TYC facilities will be operational by February 2008 and the second will become operational in April 2008.

- Parole halfway houses (300 beds)
 - Assumption that 200 halfway house beds are operational on September 1, 2007, with 100 halfway house beds added on November 1, 2008.

The availability of expanded treatment and diversion capacity in fiscal years 2008 and 2009 will impact the current projection and future projections of the adult incarceration population. As treatment and diversion beds become available, the projection is lowered by increased releases from the incarceration population and decreased admissions.

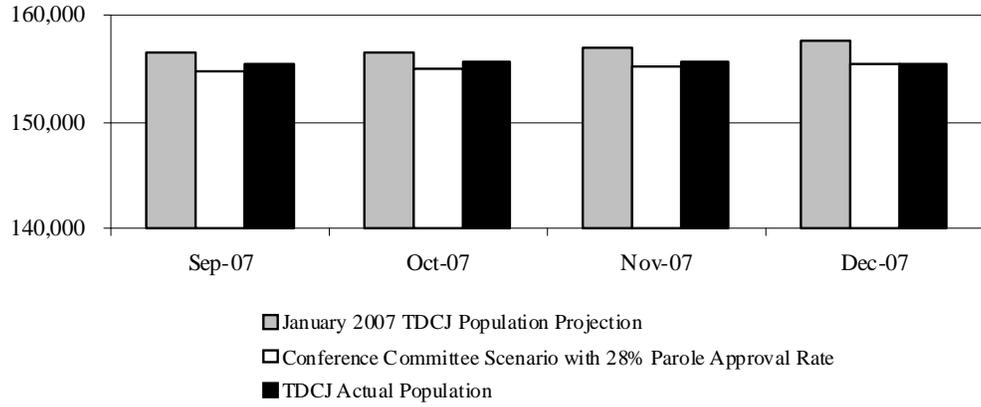
ASSUMPTIONS FOR INTERNAL OPERATING CAPACITY

Appropriations made by the 80th Texas Legislature increase the number of prison beds by 3,212. As of January 1, 2008, the total state prison capacity was 157,566 and their internal operating capacity (97.5 percent of the state prison capacity) was 153,627. In fiscal year 2008, it is assumed 2,588 beds will become operational and increase the state prison capacity to 160,154 and the internal operating capacity to 156,150. In fiscal year 2009, it is assumed the remaining 624 beds will become operational and increase the state prison capacity to 160,778 and the internal operating capacity to 156,759.

- Substance Abuse Felony Punishment Facilities (SAFP) as Alternative to Revocation (1,500 Additional Beds)
 - Assumption that 120 beds will become operational on March 1, 2008, with the number of beds increasing to 876 by August 2008. Assumption that all 1,500 SAFP treatment beds are operational September 1, 2008.
- Contracting for 500 bed facility which provides DWI treatment (500 Additional Beds)
 - Assumption that the 500 bed facility with DWI treatment is operational on March 1, 2008.
- Conversion of two Texas Youth Commission (TYC) facilities to TDCJ facilities (606 beds each)
 - Assumption that one of the two TYC facilities will be operational by February 2008 and the second will become operational in April 2008.

APPENDIX A

Figure 7: Comparison of Actual and Projected TDCJ Incarceration Populations



In May 2007, the projected TDCJ incarceration population was updated to include Conference Committee diversion and treatment programs and a 28 percent parole approval rate. The updated projection closely reflects the actual population in the first four months of fiscal year 2008.