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FISCAL IMPACT REPORT

SPONSOR: Knauer DATE TYPED: 03/07/01 HB 765/aHJC
 SHORT TITLE: 5-Year Agreement for Private Jail Contractors SB _____
 ANALYST: Trujillo

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files
 Attorney General (AG)
 Children, Youth and Families Department (CYFD)
 Corrections Department (CD)

SUMMARY

Synopsis of HJC Amendments

The House Judiciary Committee amendments to HB 765 inserts wording to allow a privatized independent contractor to operate a jail or incarcerate prisoners therein for a period of up to five years.

Synopsis of Original Bill

HB765 amends existing Section 33-3-27 NMSA 1978 to provide that agreements with a private independent contractor for the operation of a jail or for the incarceration of prisoners therein shall be made for a period of five (5) years, but such agreements may allow for additional one (1) year extensions not to exceed a total of five (5) extensions. Existing law provides that such contracts shall not be longer than three (3) years.

The bill also contains minor clean-up language.

Significant Issues

The AG reports this does not conflict with the Procurement Code because of Section 13-1-98 (M).

CD reports it currently contracts with Lea County and Guadalupe County who, in turn, contract with a private entity to house CD inmates. The bill could result in an increase in the stability and length of the Department's contracts with the counties. In other words, the bill could allow CD to engage in longer-term planning with respect to housing their inmates in these privately-operated facilities.

PERFORMANCE IMPLICATIONS

According to CD, HB765 could result in a minor increase in efficiency with regard to the department's planning function as it relates to placing inmates in these privately-operated facilities.

FISCAL IMPLICATIONS

CD reports the bill will have little, if any, fiscal impact upon the department. Staff cautions that the bill as written may allow existing contracts with the private entities to continue with the current escalator clauses up to ten years without any renegotiation.

ADMINISTRATIVE IMPLICATIONS

According to CD, in the long-term, the bill could result in a minimal decrease in the administrative burden upon department personnel who are required to negotiate the contracts regarding placement of its inmates in these privately-operated facilities.

LT/ar/njw