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**HOUSE JOINT MEMORIAL 58**  
**45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001**  
**INTRODUCED BY**  
**Ray Ruiz**

**A JOINT MEMORIAL**  
**REQUESTING STATE AGENCIES AND THE LEGISLATIVE FINANCE**  
**COMMITTEE TO STUDY ALL PRIVATIZATION PROPOSALS OF PUBLIC**  
**INSTITUTIONS OF HIGHER EDUCATION.**

**WHEREAS, privatization of public higher education**  
**services should not be undertaken solely to shrink the size of**  
**institutions of higher learning; and**

**WHEREAS, privatization should only be considered after**  
**careful thought and assurances that the cost of providing**  
**services will be significantly less and citizens will benefit**  
**significantly more than being served by a public institution**  
**of higher education; and**

**WHEREAS, as part of the cost-benefit analysis, an**  
**institution of public higher education should consider the**  
**effects of privatization on its employees, local governments**

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1 and other entities and on existing service contracts;

2 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
3 STATE OF NEW MEXICO that each state institution of higher  
4 education that considers privatization of an activity perform  
5 a cost-benefit analysis and evaluate its proposal in light of:

6 A. the potential one-time and annual recurring  
7 savings, and whether those savings are substantial enough to  
8 warrant privatization;

9 B. the potential market for the activity;

10 C. relative strengths and weaknesses of  
11 governmental and private sector customer service and client  
12 protection mechanisms;

13 D. the effect of possible reduced service delivery  
14 on the citizens of New Mexico;

15 E. the effect on unemployment in an area and the  
16 state, including the number of displaced higher education  
17 faculty and classified staff and the effects of such  
18 displacement;

19 F. the effect on local governments and existing  
20 contractors; and

21 G. other pertinent fiscal and socioeconomic  
22 factors; and

23 BE IT FURTHER RESOLVED that the state budget division and  
24 the management and contracts review bureau of the department  
25 of finance and administration, and the purchasing division of

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1 the general services department, as applicable, evaluate any  
2 public higher education privatization proposals to ensure that  
3 the state agency's authority, responsibility or policymaking  
4 functions are not being delegated; and

5 BE IT FURTHER RESOLVED that the state agencies provide  
6 copies of their cost-benefit analyses to the legislative  
7 finance committee for review before taking action to privatize  
8 an activity; and

9 BE IT FURTHER RESOLVED that copies of this memorial be  
10 transmitted to the legislative finance committee for  
11 appropriate distribution.