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#### FISCAL IMPACT REPORT

SPONSOR: S	SJC	DATE TYPED:	03/05/01	HB	
SHORT TITLE: Los Lunas Medium S		ecurity Facility		SB	537/SJCS
			ANAL	YST:	Trujillo

#### APPROPRIATION

Appropriation Contained			Estimated Additional Impact		Recurring	Fund
FY01	FY02		FY01	FY02	or Non-Rec	Affected
	\$	80.0			Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to appropriation in the General Appropriation Act

## **SOURCES OF INFORMATION**

LFC Files Corrections Department (CD) Attorney General (AG)

#### **SUMMARY**

Synopsis of Bill

SB537/SJCS appropriates \$80,000 from the general fund to CD for expenditure in FY 2002 and 2003 to develop options and assess relative advantages and disadvantages of public or private financing construction, ownership and operation of correctional facilities in the State.

The study conducted would address the following factors:

- (1) whether there is a need for more correctional facilities in the State and how many;
- (2) the timetable for the need;
- (3) the configuration of the prospective facility or facilities in terms of custody or classification levels:
- (4) the location of the prospective facility or facilities, including an assessment of the labor market and wage rates of the location;
- (5) the support services available for a prospective facility; and
- (6) the programs envisioned within the prospective facility.

The bill further mandates that two separate assessments shall be done, one to assess the issues of

# Senate Bill 537/SJCS – Page 2

public ownership of the prospective facility or facilities and one to address the issues of private ownership. The assessment would need to be done by December 31, 2002 for presentation to the Governor, the Secretary of Corrections, the President pro tempore of the Senate, the Speaker of the House of Representatives. A report shall be presented to an appropriate legislative interim committee at their November 2002 meeting.

Any unexpended balances of the appropriation remaining at the end of FY 2003 will revert to the general fund. The effective date of the provision of the act is July 1, 2001.

# Significant Issues

According to CD, this bill seems to provide the flexibility for the department to carefully analyze its long-term needs, consider its overall bed plan/capacity, philosophies, and factor in cost containment considerations. This is the type of strategic correctional planning that was recommended by the Independent Board of Inquiry (IBI) Report. Considering the fact that CD and its private correctional partners have almost used all new bed capacity, it is essentially needed for future capacity decisions.

The result of the studies could permit CD to actively engage with the Legislature in developing comprehensive, thoughtful recommendations for future facilities in terms of the design, financing, ownership and operation in light of legislative aspirations, the department's particular expertise, as well as the observations and recommendations tendered by the IBI and Corrections Oversight Committee. This could in turn assure the building of humane, safe and economical corrections complexes.

#### PERFORMANCE IMPLICATIONS

CD reports there would be minimal performance impact upon the department. However, in the long term, the bill could indirectly result in a significant improvement in the department's prison programs.

#### FISCAL IMPLICATIONS

The appropriation of \$80.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund.

#### **ADMINISTRATIVE IMPLICATIONS**

CD reports there will be an increase in the administrative burden on several department employees who would be responsible for coordinating with the contractor and providing information for the study.

## **TECHNICAL ISSUES**

The AG reports Section 1 (c) omits a third option: public ownership with private operation.

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