



**Report
to
The LEGISLATIVE FINANCE COMMITTEE**



General Services Department
Corrections Department
Review of Capital Outlay Planning, Spending, and Outcomes
June 12, 2014

Report #14-07

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June 12, 2014

Mr. Ed Burckle, Secretary
General Services Department
John F. Simms Building
715 Alta Vista Street
Santa Fe, New Mexico 87505

Mr. Gregg Marcantel, Secretary
New Mexico Corrections Department
4337 NM 14
Santa Fe, New Mexico 87508

Dear Secretary Burckle and Secretary Marcantel:

On behalf of the Legislative Finance Committee (Committee), I am pleased to transmit the *Review of Capital Outlay Planning, Spending and Outcomes* for the General Services Department and the New Mexico Corrections Department. The evaluation team evaluated planning, spending, and outcomes associated with public prisons in New Mexico.

The report will be presented to the Committee on June 12, 2014. The report was reviewed with agency staff at the exit conference which was conducted on June 3, 2014. The Committee would like a plan from the agencies to address recommendations in this report within 30 days from the date of the hearing.

I believe this report addresses issues the committee asked us to review. We appreciate the cooperation and assistance from the agencies' staff.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Abbey".

David Abbey, Director

Cc: Representative Luciano "Lucky" Varela, Chairman, Legislative Finance Committee
Senator John Arthur Smith, Vice-Chairman, Legislative Finance Committee
Dr. Tom Clifford, Secretary, Department of Finance and Administration

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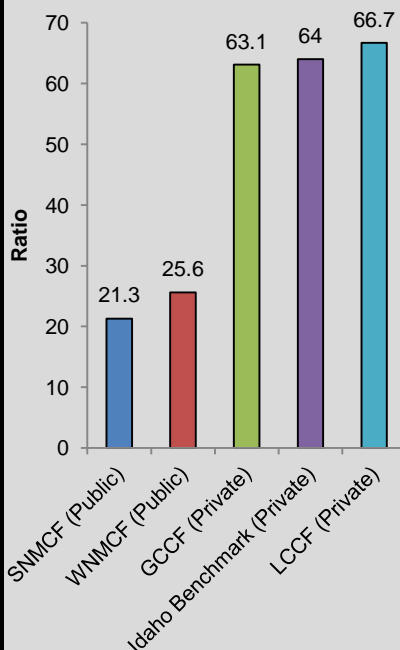
In 1980, New Mexico suffered one of the nation's bloodiest prison riots. An investigation indicated that overcrowding and other issues caused the unrest.

NMCD Daily Cost per Prisoner

| | |
|--------------------|-------|
| Public Facilities | \$112 |
| Private Facilities | \$80 |

Source: NMCD

Medium Security Inmate to Officer Ratios



Source: NMCD, Private Prison Contracts, Idaho Office of Performance Evaluations
Note: Assumes average salaries are the same across facilities.

On February 2, 1980, inmates overpowered four correctional officers at the Penitentiary of New Mexico (PNM) beginning what would become one of the nation's bloodiest prison riots. Thirty-six hours later, 33 inmates were dead and another 200 were being treated for injuries. All 14 correctional officers held hostage survived the chaos. An investigation by Attorney General Jeff Bingaman indicated that overcrowding, lack of trained security staff, inconsistent policy enforcement, a disciplinary system reliant on "snitches," failure to separate predatory inmates from others, and an overall lack of incentive programs, such as education, were conditions leading to the prison riot.

After the riot, New Mexico began a long, expensive, and massive prison construction process and expansion of services for inmates. The bloody riot and the subsequent *Duran* consent decree and settlement agreement profoundly affected the design and cost of prison facilities and the services provided. Prior to the riot, PNM was New Mexico's only state prison. Currently, the New Mexico Corrections Department (NMCD) operates six prisons and contracts with five private operators.

Unlike private prisons, public prisons house high security inmates and have become increasingly specialized, resulting in increased per prisoner costs. In FY13 the average public prison cost \$112 per inmate per day whereas the average state expenditure on inmates at private prisons was around \$80 per day. Public prisons' per inmate costs are driven by a higher security population; the public prisons housing higher security inmates cost an average of \$120 per inmate per day.

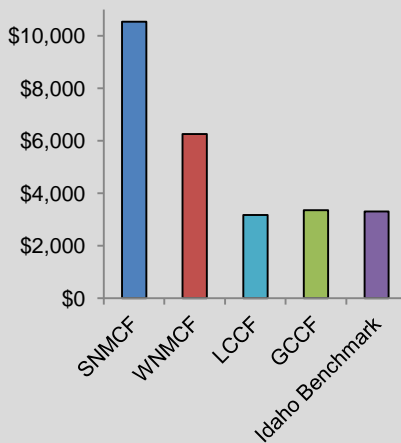
The disparity in public and private prison costs is also due to the post-riot considerations made in the design of the state's public prisons. To limit the likelihood of a repeat event, NMCD opted to build smaller, pod style, housing units, which limit the number of inmates an individual officer can supervise. Private prisons have much larger housing units, allowing a single officer to supervise many more inmates than in public facilities. While the design of the state's public prisons made sense when constructed, over time they have proven to be extremely costly and inefficient.

Along with of the inefficient design of the state's public prisons, there is approximately \$277 million in capital needs at these facilities. The FY15 Legislative Finance Committee (LFC) budget recommendation concluded that NMCD's aging correctional facilities are in need of repair. For FY15, the department requested capital outlay appropriations of \$25.6 million, but, due to limited funding and priorities for statewide projects, \$2 million of the request was appropriated. NMCD also received \$2 million to address deferred maintenance statewide in the General Appropriation Act of 2014.

Through cost-benefit analysis, this report shows that New Mexico could realize significant savings by replacing existing housing units at public prisons with larger and more operationally efficient facilities. Improved project prioritization could also provide savings.

The Correction's capital outlay need of \$277 million is equal to the department's FY15 operating budget.

**Direct Security Staffing
Annual Cost Per Level
III Inmate**



Source: NMCD, Private Prison Contracts, Idaho Office of Performance Evaluations

**Net Present Value of 192
Bed New Construction
(Medium Security)**



KEY FINDINGS

Public prisons have \$277 million in capital outlay needs, but investing in existing medium security housing may not prove cost beneficial.

Making the assumption of a three percent annual increase, as NMCD does, a 2005 estimate of \$181 million in deferred maintenance has grown to \$236 million. Additionally, a 2013 security study commissioned by the General Services Department (GSD) identified \$40.8 million in needs.

Continuing to defer capital spending could increase costs, for example NMCD and GSD have issued \$549 thousand in sole source contracts in FY14 for public prison repairs. NMCD requested \$25.6 million in capital outlay during the 2014 legislative session, but, due to limited funding and priorities for statewide projects, \$2 million of the request was appropriated. The department also received \$2 million to address deferred maintenance statewide in the General Appropriation Act of 2014.

Security issues, estimated at \$40.8 million, are a potential threat to inmate and officer safety. NMCD has operated facilities in a relatively safe manner with only two escape attempts in the last five years. However, a contracted study and LFC staff found that some security upgrades are necessary. Some security issues identified are particularly concerning and should be addressed immediately. These security issues will not be reported in this document.

Changing missions of public prisons and expansion of private prison use for medium security inmates have driven up operational costs. Unlike private prisons, public prisons house high security inmates and have become increasingly specialized, resulting in increased per prisoner costs. Moreover, high security and specialized units in public prisons require additional, higher cost personnel, contributing to higher operational costs.

Inefficient design makes operating many public prisons expensive, and new construction and benchmarks for efficiency for new prisons could provide the state with cost savings. Medium security housing units in NMCD operated prisons have higher inmate to officer ratios than more recently constructed prisons. Thus, the cost of security staffing is higher for medium security inmates in public prisons than more efficiently designed private prisons.

Replacement of housing units at some public prisons may prove more cost beneficial than the current situation. The cost of doing nothing is not a viable option given the potential safety threat that declining infrastructure conditions and security needs present to prison staff, inmates, and the general public. A new 192 bed medium security housing unit to replace existing facilities would provide cost savings of \$2.6 million over 10 years.

The federal Government Accountability Office suggests capital planning processes:

- **Provide a strategic link to a long range plan to meet agency goals**
- **Assess needs**
- **Evaluate alternatives**
- **Review and select projects based on established criteria**
- **Result in a capital plan covering at least five years**

In 2009, the LFC recommended that NMCD develop and implement a 10-year facility strategic plan, which was last done in 2003.

GSD Facility Assessment Costs

| Year | Description | Amount |
|--------------|---|--------------------|
| 2003 | Ten year facility plan | \$116,000 |
| 2005 | Statewide facility assessment (not limited to NMCD) | \$537,703 |
| 2009 | Statewide facility assessment (not limited to NMCD) | \$472,800 |
| 2010 | NMCD roof assessments | \$47,250 |
| Total | | \$1,173,753 |

Source: GSD

Inadequate planning and oversight of capital outlay projects has led to deficient outcomes.

In accordance with best practices, state law requires agencies to engage in 5-year capital planning and prioritization. NMCD's capital planning process begins when the administrative office requests information on conditions and needs from state owned facilities. These requests should address safety, security, health, or completion of an ongoing project. Next, the Corrections Department collaborates with GSD's Facilities Management Division (FMD), and NMCD's administrative office prioritizes facilities' requests and prepares the annual Infrastructure Capital Improvement Plan (ICIP). NMCD then submits its ICIP to DFA by July 1. Based on this submission and hearings in October where state agencies present capital requests, DFA finalizes the ICIP.

The process to prioritize projects could be improved through master planning, use of facilities condition assessments, and use of best practices in the ICIP process. A long-term and comprehensive plan is needed, but NMCD's most recent master plan is a ten-year plan from 2003.

GSD did not make the most recent facilities condition assessment available to NMCD. Since 2003, GSD has spent approximately \$1.2 million on facility condition assessments statewide. Although these assessments quantify the needs of state properties with a well established measurement, this data has not been used in the ICIP process. This raises two concerns: (1) the prioritization of projects is potentially highly subjective and disregards an objective measure of facility needs; and (2) the resources spent on these assessments by GSD were not used in a productive manner.

Some projects at public prisons have poor results, including unusable investments, and others raise concerns over prioritization and purchasing practices. NMCD constructed a new recreation yard that is unused. NMCD also installed a stun fence for modular housing for low security inmates, despite a very low rate of escape attempts from public facilities. The modular housing unit is currently vacant. This is in line with a prioritization of perimeter security over other potential high need security issues, such as holes in cell walls and floors. Moreover, questionable quality control by GSD resulted in a need for repairs and upgrade in one of the more costly projects reviewed by LFC staff.

Cost Benefit Analysis of SNMCF Level III Facilities

Baseline: Cost of Doing Nothing

| Twenty Year Cost | |
|--------------------------------|--------------|
| Operating (Mandatory Staff) | \$15,999,263 |
| Maint & Util | \$18,591,500 |
| Total | \$34,590,763 |

Option 1: Cost of Current Approach

| Twenty Year Cost | |
|--------------------------------|--------------|
| Operating (Mandatory Staff) | \$15,999,263 |
| Maint & Util | \$18,591,500 |
| Defferred Maint/Upgrads | \$15,081,717 |
| Total | \$49,672,480 |

Option 2: New Construction of 192 Bed Housing Level III

| Twenty Year Cost | |
|--------------------------------|--------------|
| Operating (Mandatory Staff) | \$12,184,320 |
| Maint & Util | \$13,943,625 |
| Construction Costs | \$16,953,000 |
| Total | \$43,080,945 |

Source: LFC analysis of NMCD data

KEY RECOMMENDATIONS

The Corrections Department and General Services Department should consider replacing medium security housing units based on LFC cost benefit analysis.

The General Services Department should:

- Improve project management by developing quality assurance tools with status updates to ensure projects are completed to specifications; and
- Implement policies and procedures regarding capital outlay during FY15.

The Corrections Department should:

- Continue to work with the Legislature to acquire resources to address serious security issues identified in the 2013 Security Systems Upgrades Assessment;
- Consider expanding medium security housing capacity in public prisons to transfer inmates back from private facilities;
- Develop and implement a 10-year facility strategic plan and submit the plan to the Courts, Corrections and Justice Committee, the Legislative Finance Committee and the Department of Finance and Administration no later than November 1 of each even-numbered year;
- Improve its ICIP process by quantifying capital needs based on fixed criteria and requesting funds for those projects with the highest need. Examples of criteria that NMCD could use to prioritize projects include a facility's condition, the safety risk of the deficiency, the cost-benefit of addressing the need, and the project's shovel readiness; and
- Adopt a policy requiring each facility to obtain professional design services for drawings and specifications for all upgrade projects, additions and changes made to security systems.

Overview

The Corrections Department Act, Sections 9-3-1 through 9-3-13 NMSA 1978, created a single, unified department to administer all laws and exercise all functions formerly administered and exercised by the Corrections and Criminal Rehabilitation Department and to ensure a comprehensive criminal justice system in New Mexico.

NMCD's purpose is to provide a balanced approach to corrections, from incarceration to community-based supervision, with training, education, rehabilitation programs, and services that provide opportunities for offenders to successfully transition to communities.

The FY15 LFC budget recommendation concluded that NMCD's aging correctional facilities are in need of repair. The department estimates the cost of addressing deferred maintenance at all facilities, excluding the Springer Correctional Center (SCC), at \$236 million. Additionally, a 2013 security study commissioned by the General Services Department (GSD) identified \$40.8 million in needs. LFC stated the department should invest in a master plan that evaluates all existing facilities and addresses the needs of corrections from a statewide perspective. For FY15, the department requested capital outlay appropriations of \$25.6 million for heating and cooling systems, security upgrades, repairs and renovations to facilities, and water and wastewater upgrades.

The U.S. Department of Justice (DOJ) reports that, between 2002 and 2010, spending on institutional capital outlay was 0.9 percent of NMCD's overall budget. This was a decline of nearly two percent from the previous decade and down from 14.4 percent of the department's spending from 1982 to 1991, the decade following the riot at PNM. However, this DOJ report used projected numbers for 2009 and 2010. A review of NMCD operating budgets and capital outlay bills from 2002 to 2010 shows \$29.3 million, or 1.3 percent, of a total of \$2.25 billion appropriated for NMCD was for capital projects. A large portion of this decrease is likely due to the shift toward private prisons beginning in the 1990s, which was funded through NMCD's operating budget rather than capital outlay. This reduction in capital spending puts NMCD in line with the national trend as state corrections departments' spending on capital projects as a percentage of total spending declined from nearly 12 percent from 1982 to 1991 to 7 percent from 1992 to 2001, and to 3.5 percent from 2002 to 2010. In the last decade, New Mexico spent less than one-half of the national average on capital projects as a percentage of corrections department spending. According to the DOJ report, the percentage of New Mexico corrections expenditures on institutional capital outlay is lower than all states except for Maine and Vermont.

FAST FACTS

Inmate Population and Growth – The NMCD inmate population has increased 2.2 percent for men and 4.3 percent for women since the beginning of FY14. Forecasted inmate population growth for FY14 was 1.8 percent for men and 0.8 percent for women, significantly less than the actual growth. The inmate population may be growing from efforts to arrest high risk absconders, the lack of community programs for parolees, and inmates eligible for release but without approved parole plans. Additionally, the New Mexico Sentencing Commission reports an increase in the length of sentences for offenders. Nearly 5 percent of inmates in public correctional facilities, 172 of 3,508, were eligible for release as of March 2014.

Funding – The department's FY14 general fund operating budget was \$270.6 million with FY15 appropriations totaling \$277 million, a 2.5 percent increase. NMCD received \$2 million for facility repairs and renovations statewide and an additional \$2 million to address deferred maintenance in FY15. In April 2014, NMCD reported an anticipated operating budget shortfall of \$4.5 million in the Inmate Management and Control Program for FY14.

Prison Facilities – The department operates six public facilities and contracts with five private prisons (**Appendix B**). Approximately 51 percent of state prisoners are housed in public prisons whereas 49 percent are in private prisons. Nationally, about 8 percent of state inmates are housed in private prisons.

Table 1. Public Correctional Facilities' Capacity and Population as of May 1, 2014

| | Facility | Capacity | Population | Security Levels |
|---------|--|--------------|--------------|--|
| Public | Central New Mexico Correctional Facility (CNMCF) | 1,300 | 1104 | I, II, III, IV, V, VI, LTCU, MHTCU, Geriatric, RDC |
| | Penitentiary of New Mexico (PNM) | 864 | 811 | II, IV, V, VI |
| | Roswell Correctional Center (RCC) | 340 | 327 | II |
| | Springer Correctional Center (SCC) | 296 | 252 | I, II |
| | Southern New Mexico Correctional Facility (SNMCF) | 768 | 692 | II, III, IV, VI |
| | Western New Mexico Correctional Facility (WNMCF) | 440 | 342 | II, III, IV, VI |
| | Public Facilities Totals | 4,008 | 3,528 | |
| Private | Guadalupe County Correctional Facility (GCCF) | 601 | 591 | III & Segregation |
| | Lea County Correctional Facility (LCCF) | 1,259 | 1,205 | III & Segregation |
| | New Mexico Women's Correctional Facility (NMWCF) | 706 | 662 | III & Segregation |
| | Northeastern New Mexico Correctional Facility (NENMCF) | 626 | 541 | III & Segregation |
| | Otero County Prison Facility (OCPF) | 342 | 326 | III & Segregation |
| | Private Facilities Totals | 3,534 | 3,325 | |

Source: NMCD

HISTORY OF MAJOR EVENTS

| | |
|-----------|--|
| 1854 | The Territorial Legislature authorized the construction of a Territorial Penitentiary on the site of the current federal courthouse in Santa Fe. The construction was halted due to citizen opposition to its location and a lack of funds. |
| 1885 | Penitentiary of New Mexico (PNM) was completed at a cost of \$150,000 and included 104 cells. PNM was located in Santa Fe at Cordova and Penn Roads. |
| 1897 | Prison overcrowding required inmates to be housed in yard buildings. |
| 1912 | New cell house completed at PNM, but the state still faced overcrowding. |
| 1939 | The property for the Honor Farm was donated, an unrestricted minimum security facility in Los Lunas, was built as a satellite of PNM and produced all inmate food. Pattern of overcrowding continues through the 1950s. |
| 1953 | Riot erupts at PNM, the fourth major violent incident in a year and prompted public outcry for a new penitentiary. |
| 1956 | A new Penitentiary of New Mexico opened ten miles south of Santa Fe. At the time, the "new" PNM was considered one of the nation's finest corrections structures and cost \$8 million to construct. The state closed the Main unit in 1998. |
| 1958 | PNM faced overcrowding. Between 1956 and 1969 eleven inmates escaped. |
| 1969 | Department of Corrections and Police Academy formed, combining PNM, the New Mexico Boys School, the Girls Welfare Home and the Board of Adult Probation and Parole into one organization. |
| 1977 | Inmate Dwight Duran filed a federal class action lawsuit on behalf of other inmates claiming unconstitutional living conditions. The state accepted a federal consent decree in 1979 that would govern much of the department's operations for two decades. |
| 1980 | Riot at the Penitentiary of New Mexico resulted in the death of 33 inmates and injury to another 200. Fourteen correctional officers taken hostage survive. |
| 1989 | Female inmates were transferred from Western New Mexico Correctional Facility to a newly constructed private Women's prison in Grants. Youth facilities were transferred to the Children, Youth and Families Department. |
| 1980-2000 | The state built three new correctional facilities in Los Lunas, Las Cruces and Grants, and expanded PNM. Private facilities were constructed in the 1990s in Torrance, Santa Fe, Lea and Guadalupe counties and the private women's facility in Grants was expanded. |
| 2001-2007 | The department takes over juvenile facilities at Springer and Albuquerque from the Children, Youth and Families Department. |
| 2008 | The department contracts with a privately operated facility in Clayton. |
| 2013 | The department contracted to house prisoners at an existing private facility in Otero County for more focused programming for special populations. |

FINDINGS AND RECOMMENDATIONS

PUBLIC PRISONS HAVE \$277 MILLION IN CAPITAL OUTLAY NEEDS, BUT INVESTING IN EXISTING MEDIUM SECURITY HOUSING MAY NOT PROVE COST BENEFICIAL

New Mexico has aging public prisons that will require significant capital investment and are expensive to operate. NMCD reported most facilities have exceeded their 25-year life expectancy and are in poor condition. Four of the six facilities are at least 30 years old. While NMCD's Infrastructure Capital Improvement Plan (ICIP) identifies the useful life of the facilities at 25 years, the General Services Department's Facilities Management Division (FMD) reports the infrastructure 'systems' are more prone to age than the facilities themselves. Those systems include roofs, electrical, security, lighting, plumbing, parking lots, roadways, sewer, and water supply.

Table 2. Corrections Facilities Square Footage and Age of Buildings

| Facility | Sum of Building Square Footage | Age of Bldg |
|---|--------------------------------|-------------|
| Penitentiary of New Mexico | 601,515 | 27 |
| Central New Mexico Correctional Facility | 582,724 | 34 |
| Honor Farm Central New Mexico Correctional Facility | 6,465 | 47 |
| Southern New Mexico Correctional Facility | 371,731 | 30 |
| Springer Correctional Center | 185,905 | 51 |
| Western New Mexico Correctional Facility | 159,527 | 29 |
| Roswell Correctional Center | 87,503 | 49 |
| Total / Average | 1,995,370 | 38 |

Source: GSD

Investing in current infrastructure will be costly, with estimates for deferred maintenance and security needs exceeding \$277 million. New Mexico's state-owned prison facilities have a significant maintenance backlog. In 2005, NMCD reported the total cost estimate for statewide maintenance and repairs for NMCD prisons was determined to be just over \$181 million.

Table 3. Corrections Department Deferred Maintenance Estimate

| Facility | 2005 NMCD Deferred Maintenance (in thousands) |
|-------------------------|---|
| WNMCF | \$32,617 |
| SNMCF | \$69,756 |
| RCC | \$4,077 |
| PNM | \$37,440 |
| CNMCF "the farm" | \$32,760 |
| CNMCF | \$4,634 |
| Total | \$181,286 |

Source: NMCD

Making the assumption of a three percent annual increase, as NMCD does, estimated deferred maintenance is now \$236 million. These figures do not consider recent appropriations made to address the needs in New Mexico's prisons or issues that may have arisen since the 2005 assessment. Additionally, a GSD contracted study identified a need of \$40.8 million to address security issues at all facilities as of 2013. New Mexico has made investments in state-owned correctional facilities in the past decade. From FY06 to FY14, the Legislature appropriated \$54.9 million in capital outlay for HVAC, security upgrades, kitchen renovations, building maintenance, and infrastructure improvements.

**Table 4. NMCD Deferred Maintenance and Capital Outlay
Requests and Appropriations Since 2005**
(in thousands)

| Year | Estimated Deferred Maintenance (w/ 3% inflation) | Requested in ICIP | Appropriated |
|------|---|----------------------|--------------|
| 2005 | \$181,286 | | \$4,500 |
| 2006 | \$186,724 | \$39,139 | \$3,800 |
| 2007 | \$192,326 | \$49,060 | \$4,500 |
| 2008 | \$198,096 | \$20,000 | \$3,000 |
| 2009 | \$204,039 | \$98,700 | \$5,800 |
| 2010 | \$210,160 | \$5,100 | \$2,000 |
| 2011 | \$216,465 | \$31,255 | \$16,600 |
| 2012 | \$222,959 | \$28,797 | \$3,900 |
| 2013 | \$229,647 | \$25,200 | \$10,800 |
| 2014 | \$236,537 | \$25,850 | \$2,000 |

Source: NMCD, LFC Files

Continuing to defer capital spending could increase costs, for example in FY14 NMCD and GSD have issued \$549 thousand in sole source contracts for public prison repairs. NMCD requested \$25.6 million during the 2014 legislative session for capital outlay appropriations, but, due to limited funding and priorities for statewide projects, \$2 million of the request was allocated. The General Appropriation Act of 2014 included an additional \$2 million for deferred maintenance in correctional facilities statewide. In FY14 alone, NMCD and GSD have issued \$549 thousand in sole source contracts for repairs in public prisons. Other repairs have been made with NMCD monies not funded through GSD. For example, NMCD plans to use Corrections Industries enterprise funds to repair the roof at PNM's Old Main before opening it for public tours.

**Table 5. FY14 Sole Source Contracts for Repairs to
NM Public Prisons**

| Facility | Repair | Cost |
|---|-------------------------------|--------------------|
| Southern New Mexico Correctional Facility | Generator Transfer Switch | \$147,507 |
| Roswell Corrections Center | Drilling of Water Well | \$145,696 |
| Southern New Mexico Correctional Facility | Access Control System Upgrade | \$93,768 |
| Central New Mexico Correctional Facility | Generator | \$70,000 |
| Central New Mexico Correctional Facility | Mold Abatement | \$33,000 |
| Southern New Mexico Correctional Facility | Generator | \$32,000 Per Month |
| Penitentiary of New Mexico | X-ray Machine Repair | \$14,559 |
| Penitentiary of New Mexico | Boiler | \$6,347 |
| Central New Mexico Correctional Facility | Security System Failure | \$5,555 |
| Central New Mexico Correctional Facility | Kitchen | \$260 |
| Total | | \$548,692 |

Source: GSD

Western New Mexico Correctional Facility's hard water supply causes pipes to corrode and leads to higher maintenance costs than are expected. During the LFC visit to Western New Mexico Correctional Facility (WNMCF) staff and inmates were working to find and repair at least seven leaks on the main campus. This is a continuing issue previously identified in a 2007 LFC report on prison facilities.

Figure 1. Water Leak Repair and Corroded Pipe at WNMCF



During a recent site visit, LFC staff observed prison staff and inmates working to locate and repair at least seven leaks.

Security issues, estimated at \$40.8 million, exist at many prisons and are a potential threat to inmate and officer safety. NMCD has operated facilities in a relatively safe manner with only two escape attempts in the last five years. In 2013, GSD contracted to have a security system upgrades assessment conducted on all public prisons. The security assessment found some security upgrades are necessary. The assessments identified approximately \$40.8 million in security issues. GSD and NMCD are working together to enhance security at all facilities as funds become available. Some security issues identified are particularly concerning and should be addressed immediately. These issues will not be reported in this document as those are considered confidential.

Changing missions of public prisons and expansion of private prison use for medium security inmates have driven up operational costs. Unlike private prisons, public prisons house high security inmates and have become increasingly specialized, resulting in increased per prisoner costs. For example Central New Mexico Correctional Facility (CNMCF) includes the mental health and long-term care treatment units. Inmates at the private prison in Otero County in need of specialty medical care, such as eye examinations, are transported to Southern New Mexico Correctional Facility (SNMCF) because the contract with Otero County does not cover specialty treatment. Additionally, the high security and specialized units in public prisons are more staff intensive or require additional, higher cost, professional personnel, which contributes to higher operational costs. For example, in FY13 the average public prison cost \$112 per inmate per day whereas the average state expenditure on inmates at private prisons was around \$80 per day. The public prisons housing higher security inmates cost an average of \$120 per inmate per day, showing that public prisons' costs are driven by a higher security population.

**Table 6. New Mexico Corrections Department Average Daily Costs of Inmates
Based on Actual Expenditures**

| Institution / Program | Security Levels | Cumulative Average Population/Caseload | Cost Per Day |
|---|--|---|---------------------|
| Penitentiary of New Mexico | II, IV, V, VI | 852 | \$127.05 |
| Western New Mexico Correctional Facility | II, III, & VI | 348 | \$128.80 |
| Southern New Mexico Correctional Facility | II, III, IV & VI | 686 | \$111.32 |
| | I, II, III, IV, V, VI, Long Term Care, Geriatric Unit, Reception & Diagnostic Center | | |
| Central New Mexico Correctional Facility | | 1,185 | \$116.11 |
| Roswell Correctional Center | II | 322 | \$ 64.15 |
| Springer Correctional Center | I & II | 278 | \$ 86.03 |
| Total Department Operated Facilities | | 3,671 | \$ 112.14 |
| Private Prisons (Females) | I, II, III, IV, V, VI | 636 | \$ 80.90 |
| Private Prisons (Males) | III and Segregation | 2,438 | \$ 80.11 |
| Total Privately Operated Facilities | | 3,074 | \$ 80.28 |
| Public and Private Institution Total | | 6,745 | \$ 97.62 |

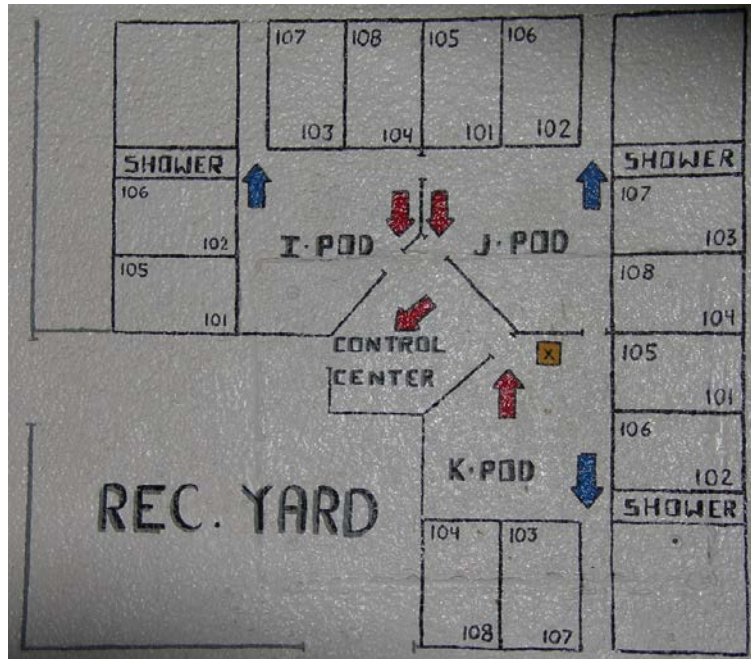
Source: NMCD

Some New Mexico public prisons were designed to fulfill functions which have changed over the years. For example, WNMCF was designed to house female inmates and did until 1989 when the female inmates were transferred to the New Mexico Women's Correctional Facility. WNMCF also served as the state's Reception and Diagnostic Center until this function was transferred to CNMCF in July of 1999.

The Springer Correctional Center (SCC) was formerly the New Mexico Boys' School serving juveniles. In November 2005, the Children, Youth and Families Department decided to close the juvenile facility. NMCD determined it would be suitable to house Level I and Level II inmates, and requested and received funding to operate the facility from the Legislature in 2006. SCC officially opened on January 1, 2007.

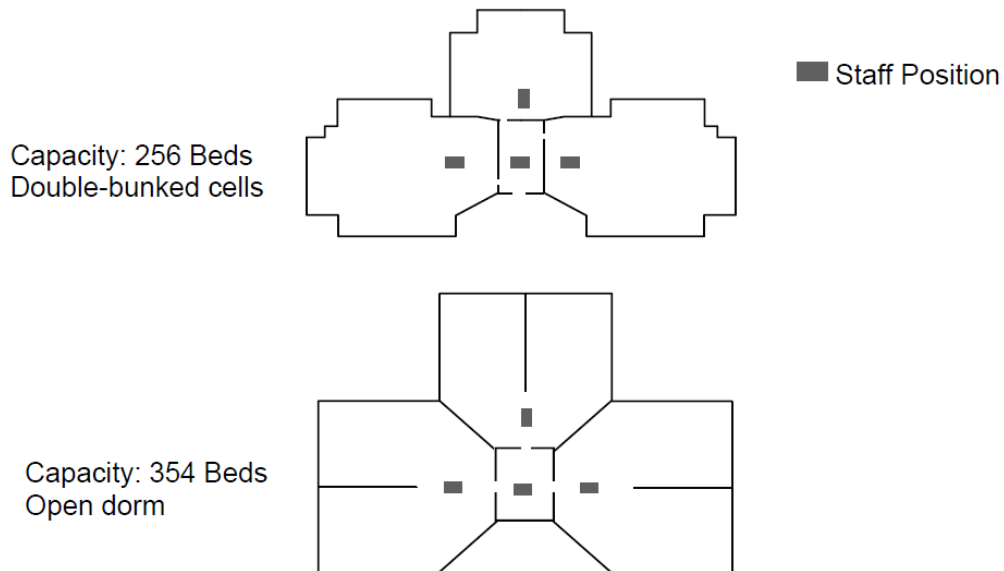
Inefficient design makes operating many public prisons expensive. Two key factors contribute to inefficient designs of New Mexico's public prisons. First, the 1980 riot at PNM demonstrated inmates could quickly overtake an entire facility. According to the department, the state's response to increased need for inmate control was to design smaller 48-cell housing units spread across a campus separate from programming and central control complexes. Second, the *Duran* consent decree required the state to house all non-minimum security inmates in existing facilities, the bulk of the prison population at the time, in single man cells. At the time of prison construction these designs and agreements made sense, but over time have proved to be extremely costly.

**Figure 2. Diagram of a 48-Cell Housing Unit at WNMCF
(2 floors, each floor is 24 cells as shown in diagram)**



New construction and benchmarks for efficiency for new prisons could provide the state with cost savings. The state of Idaho has housing benchmarks for medium custody prisons. Additionally, an evaluation of Idaho's prison system found the modern design and layout of the state's privately-operated prisons allows the facilities to run more efficiently than many of the state-operated prisons. These benchmarks are similar to the design of New Mexico's private prisons. Developing and following such benchmarks could allow New Mexico to realize cost savings through new construction to improve the location and reduce the number of security posts required to provide direct supervision.

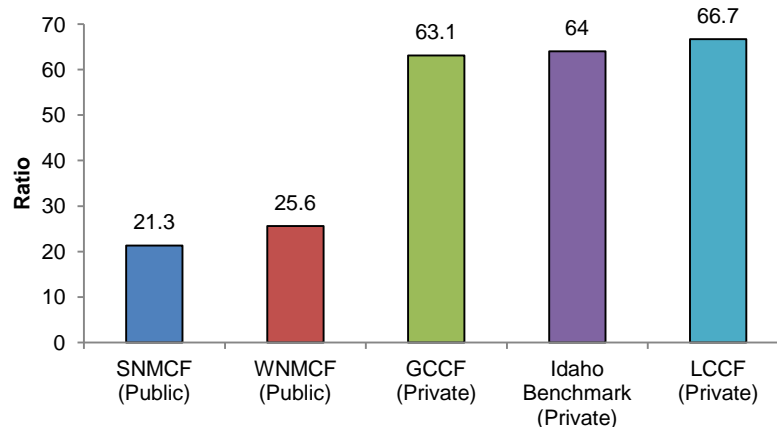
Figure 3. State of Idaho Medium Custody Benchmarks For Efficiency



Source: Idaho Office of Performance Evaluations

Medium security housing units in public prisons have higher inmate to officer ratios than more recently constructed prisons. The small pods used for medium security in public prisons have a lower inmate to officer ratio whereas more recently constructed medium security facilities such as the Lea County Correctional Facility (LCCF), the Guadalupe County Correctional Facility (GCCF), and those in some other states are more efficiently designed and require fewer direct supervision staff.

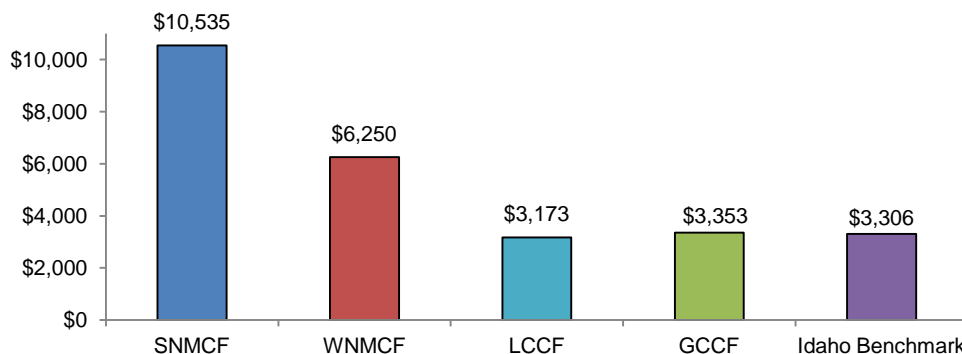
Chart 1. Medium Security Inmate to Officer Ratios



Source: NMCD, Private Prison Contracts, Idaho Office of Performance Evaluations
 Note: Assumes average salaries are the same across facilities.

The cost of security staffing is higher for medium security inmates in public prisons compared to more efficiently designed private prisons. LFC staff estimated staff costs for direct security for medium security inmates in WNMCF, SNMCF, LCCF, and GCCF, based on staffing patterns provided by NMCD. Staff costs for direct security staff were also estimated for the medium custody benchmarks for efficiency used by the state of Idaho. Salaries for sergeants and correctional officers were assumed to be the same across facilities, and are based on average salary figures provided by NMCD. In comparing annual cost per medium security inmate based on staffing, the Idaho benchmarks, LCCF, and GCCF have very similar costs. The public prisons have significantly higher security staffing costs, particularly in the Level III or medium security housing units, with WNMCF costing twice as much per year and SNMCF costing over three times as much as the estimates for LCCF, GCCF, and the Idaho benchmark. More detailed data on staffing patterns and costs based on mandatory security posts are available in Table 7.

Chart 2. Direct Security Staffing Annual Cost Per Medium Security Housing Unit Inmate (Level III)



Source: NMCD, Private Prison Contracts, Idaho Office of Performance Evaluations

Table 7. Mandatory Security Staffing and Cost Detail – Medium Security Housing Units

| | WNMCF (Public) | SNMCF (Public) | LCCF (Private) | GCCF (Private) | Idaho Benchmark (Private) |
|--|-------------------|-------------------|-------------------|-------------------|------------------------------|
| Level III Capacity | 128 | 192 | 1267 | 568 | 256 |
| Inmate:Officer | 25.6 | 21.3 | 66.7 | 63.1 | 64.0 |
| Average Salary of Sgts & Correctional Officers | \$43,836 | \$43,836 | \$43,836 | \$43,836 | \$43,836 |
| Mandatory Sgts & Correctional Officers FTE | 18.25 | 46.14 | 91.71 | 43.44 | 19.31 |
| Total Salaries (Some Posts Include Multiple Shifts) | \$799,963 | \$2,022,725 | \$4,020,331 | \$1,904,367 | \$846,385 |
| Avg. Cost per Inmate Per Year Based on Security Staffing Alone | \$6,250 | \$10,535 | \$3,173 | \$3,353 | \$3,306.19 |
| Avg. Cost Per Inmate Per Day Based on Security Staffing Alone | \$17.12 | \$28.86 | \$8.69 | \$9.19 | \$9.06 |

Source: NMCD, Private Prison Contracts, Idaho Office of Performance Evaluations

Benchmarking of the average cost of building (financed) new facilities ranges from \$83 thousand per bed to \$142 thousand per bed. According to Pew’s Public Safety Performance Project report, state reported construction costs for new prisons range from \$25 thousand for a minimum-security bed to more than \$100,000 for a maximum-security cell. Pew states the best approximation of the cost of a “typical” medium security bed, which covers the largest custody level of most prison systems, is \$65 thousand in 2006 dollars, excluding financing costs. NMCD’s 2003 ten-year master plan estimated a per bed construction cost of \$55 thousand, or \$71 thousand in 2014 dollars, for double bunked housing units.

Table 8. Projected Cost of New Medium Security Prison (Per Bed)

| | Avg. Cost Per Bed | Avg. Cost Per Bed 2014 Dollars | Avg. Financed Cost Per Bed |
|--|-------------------|--------------------------------|----------------------------|
| Avg. Low/Med. Security Federal Prisons (2002) | \$92,000 | \$120,839 | \$141,850 |
| GAO Avg. of Fed. & State Prisons (1992) | \$56,374 | \$95,258 | \$111,370 |
| Benner State Correctional Facility, PA Medium Security (2010) | \$87,000 | \$94,276 | \$110,200 |
| Pew’s Public Safety Performance Project “Typical Medium Security Bed” (2007) | \$65,000 | \$75,320 | \$87,920 |
| NMCD 2003 Master Plan | \$55,000 | \$70,864 | \$83,230 |

Source: LFC

Increased capacity may present an opportunity for additional savings by allowing inmates to be transferred from other state or privately operated prisons where per prisoner costs may be higher. Newer housing units would likely be more energy efficient than the existing units at SNMCF, resulting in additional cost savings.

Replacement of housing units at some public prisons may prove more cost beneficial than the current situation. Much of the variable costs in public prisons can be found in medium security staffing. Over the last decade, New Mexico has outsourced much of these prisoners to private facilities. The majority of the private prison population of over 3,000 inmates is made up of Level III medium security inmates. Private facilities have more efficient designs allowing them to operate more cheaply than public prisons, whereas the Level III populations held in public prisons are mostly held in small pod style housing in SNMCF, WNMCF and CNMCF. However, housing inmates in private facilities costs taxpayers over \$80 dollars a day per inmate, or approximately

\$80 million a year. Replacing medium security units in public prisons could save on these variable security staffing costs, provide additional operational efficiencies, and serve to drive down high private prison costs.

New facility condition assessments would benefit from identification of facilities that should be razed or replaced. There is a need for more current facility condition assessments as the most recent figures for corrections facilities are five years old and were not calculated for all public corrections buildings. An updated analysis would help identify priority order for razing or replacing housing facilities.

A cost-benefit analysis of medium security facilities. The cost of doing nothing (Table 9) is not a viable option given the potential safety threat the declining condition of infrastructure and security needs present to prison staff, prisoners, and the general public. Option 1, which is most like the current situation and approach, assumes all 2005 deferred maintenance costs identified by the 3D/I study (prorated for a 192 bed medium security facility) will be addressed within the next 20 years at a cost of \$15 million. This is a conservative estimate as maintenance costs will likely grow over that period of time. Maintenance and utility costs were also prorated, resulting in a total cost of \$50 million for likely variable costs of mandatory staff and maintenance and utilities.

The option of building a new housing unit (Option 2) presents potential cost savings for mandatory staff and maintenance and utility costs. This option assumes a new housing unit could save 25 percent in maintenance and utility costs, a conservative assumption provided some new correctional facilities in New Mexico, such as the San Juan County Adult Detention Center, operate up to 87 percent more cheaply on utilities than SNMCF on a per prisoner basis. NMCD recognizes the benefit of, and is already making efforts to take advantage of, the savings provided by increased energy efficiency. For example, the recent heating and cooling system upgrades at SNMCF reduced electricity costs by \$10 thousand from 2012 to 2013.

**Table 9. Cost Benefit Analysis of
SNMCF Level III**

Baseline: Cost of Doing Nothing

| | Twenty Year Cost |
|-----------------------------|---------------------|
| Operating (Mandatory Staff) | \$15,999,263 |
| Maint & Util | \$18,591,500 |
| Total | \$34,590,763 |

Option 1: Cost of Current Approach

| | Twenty Year Cost |
|-----------------------------|---------------------|
| Operating (Mandatory Staff) | \$15,999,263 |
| Maint & Util | \$18,591,500 |
| Deferred Maint/Upgrades | \$15,081,717 |
| Total | \$49,672,480 |

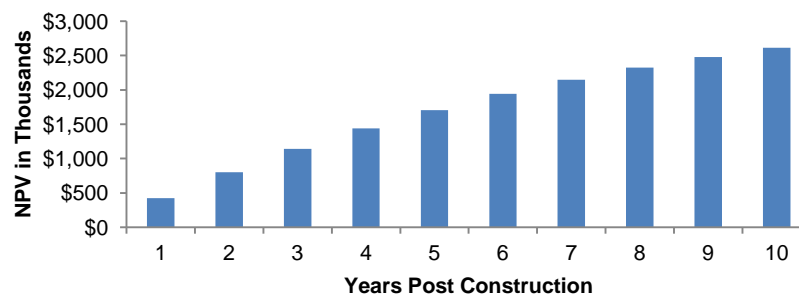
**Option 2: New Construction of 192 Bed
Housing Level III**

| | Twenty Year Cost |
|-----------------------------|---------------------|
| Operating (Mandatory Staff) | \$12,184,320 |
| Maint & Util | \$13,943,625 |
| Construction Costs | \$16,953,000 |
| Total | \$43,080,945 |

Source: LFC analysis of NMCD data

A new 192 bed medium security housing unit will provide cost savings of \$2.6 million over 10 years based on cost-benefit analysis. Provided the options above, a new 192 bed housing unit (Option 2) would provide operational, utility, and maintenance cost savings. Cost benefit analysis shows that financing a 192 bed prison through severance tax bonds at the current interest rates provides a net cost savings of \$2.6 million at the end of ten years.¹ These calculations assume a relatively high cost per prisoner. Costs may fluctuate as a function of transportation and staffing costs for construction depending on the chosen location. The capacity of such a facility could potentially be larger if population allowed, however expanding capacity is likely unwarranted and is not recommended in this report. Instead, NMCD should consider replacing existing medium security housing units and continue pursuing recidivism reduction efforts and other cost savings measures such as those identified in previous LFC reports on NMCD and Results First analysis.

Chart 3. Net Present Value of 192 Bed New Construction (Medium Security)



Recommendations:

The General Services Department and the Corrections Department should consider replacing medium security housing units based on LFC cost benefit analysis.

The Corrections Department should:

- Continue to work with the Legislature to acquire resources to address serious security issues identified in the Security Systems Upgrades Assessment;
- Consider expanding the amount of medium security housing capacity to take inmates back from private facilities; and
- Develop and implement a 10-year facility strategic plan and submit the plan to the Courts, Corrections and Justice Committee, the Legislative Finance Committee and the Department of Finance and Administration no later than November 1 of each even-numbered year.

¹ Using a discount rate of 7 percent as recommended by the Office of Management and Budget the discount factor is calculated in the results as $1/(1+i)^t$ where i is the interest rate from the discount rate (.07) and t is the year.

INADEQUATE PLANNING AND OVERSIGHT OF CAPITAL OUTLAY PROJECTS HAS LED TO DEFICIENT OUTCOMES

State law requires agencies to engage in 5-year capital planning and prioritization processes. Long-term capital planning through project prioritization is a best practice allowing for prioritization of needs and helping guide allocation of limited resources. This is recognized in statute, Section 6-4-1 NMSA 1978, which requires departments and agencies to annually provide a statement of all capital projects proposed for the ensuing four years to the Department of Finance and Administration (DFA). Similarly, Executive Order 2012-023 directs agencies to annually develop or update a five-year facilities master plan describing all proposed capital projects. Requiring departments to look forward and to re-evaluate the priority of needs annually is a first step.

DFA's 2015-2019 ICIP memo asked state agencies to identify their highest-priority projects for consideration and directs the agencies to a prioritization process. DFA's recommendation for project prioritization asks the following questions: (1) is the project critical, necessary, or desirable and why; (2) what is the total project cost; (3) what is the minimum amount needed to complete a usable part of the project; (4) when will the project begin; and (5) what amount and sources of secured funding is available. Some agencies have formalized this process into a scoring system, rather than this series of questions, to increase objectivity. Although it is positive that DFA provides some guidance to agencies in how to prioritize projects, the third question may encourage piecemealing by focusing on a "usable part" of a project rather than project completion.

New Mexico appropriated nearly \$55 million in public prison capital outlay between 2005 and 2013. Capital outlay appropriations to NMCD totaled \$54.9 million between FY05 and FY14. This amount does not include NMCD operating budget that has been spent on projects internally, and does not include emergency requests made by NMCD or by GSD on behalf of NMCD for immediate needs. Over the same period, NMCD also received \$7.5 million in special appropriations for equipment and building renovations and repairs at public correctional facilities and \$3.5 million for the Corrections Department Building Fund, see **Appendix C**.

NMCD and GSD play important roles in planning and oversight of capital outlay projects for public prisons. Beginning in FY14, GSD merged the Property Control and the Building Services Divisions into the Facilities Management Division (FMD) to improve efficiencies for facilities management and customer service. FMD provides oversight for property acquisition, property asset management, building maintenance, property management, project management, policy development, safety and security planning and implementation, and space planning. FMD also oversees and assists with all construction projects funded with state and federal dollars. The Design and Construction Management Section provides architectural, engineering, construction, and project oversight. This section shares responsibility for capital projects and oversight for NMCD prison facilities.

Currently, the NMCD capital planning process begins when the administrative office requests information on conditions and needs from state-owned facilities. These requests should address safety, security, health, or completion of an ongoing project. Next, the Corrections Department collaborates with GSD-FMD, and NMCD's administrative office prioritizes facilities' requests and prepares the annual Infrastructure Capital Improvement Plan (ICIP). NMCD then submits its ICIP to DFA by July 1. Based on this submission and hearings in October where state agencies present capital requests, DFA finalizes the ICIP. DFA rarely adjusts Corrections' submitted priorities because it, along with GSD, works closely with NMCD on its ICIP.

The process to prioritize projects could be improved through master planning, use of facilities condition assessments, and using best practices in the ICIP process. Although NMCD currently complies with ICIP requirements in statute, there is opportunity for improvement in how determinations are made regarding which projects to prioritize. A long-term facility master plan, use of facilities condition assessment data, along with use of best practices seen in other state agencies and cited by GAO would improve the ICIP process.

A long-term and comprehensive facility master plan is needed. The department's most recent 10 year plan from 2003 recommended building three 400-bed NMCD correctional centers, and recognized the female inmate population would grow at a "much faster rate" than the male population. Additionally the plan called for 80 percent of the population in NMCD facilities and 20 percent in private facilities. Approximately 51 percent of state prisoners are housed in public prisons whereas 49 percent are in private prisons, and since the beginning of FY14 the private prison population has grown by 6.4 percent while the public prison population has decreased by 1 percent. Nationally, about 8 percent of state inmates are housed in private prisons. This plan has not been updated since 2003. In 2009, the LFC recommended the department develop and implement a 10-year facility strategic plan.

At a minimum, such a plan should forecast projected growth in the inmate population; provide information, in coordination with the New Mexico Sentencing Commission, concerning impacts on the inmate population caused by changes in sentencing and law enforcement policies; prioritize projects to repair or replace existing correctional facilities, including analyzing the need for future construction of additional correctional facilities, and estimated costs; if necessary, prepare proposed legislation to further the implementation of cost-effective correctional facilities; and ensure recommendations consider public safety concerns. This would also assist with long-term planning of public and private facilities. NMCD recognizes the importance of long-term master planning, and sought to follow up on the 2003 plan in the past two years. However, NMCD officials stated that limited funds, a large number of infrastructure issues in FY13, and a budget shortfall in FY14 prevented developing an updated master plan. According to NMCD a master plan remains a priority.

GSD has not made the most recent facilities condition assessment available to NMCD. GSD indicated the most recent facility condition assessment from 2009 was not incorporated into the department's database although this was required by contract. GSD did not receive fulfillment of the contract for uploading of deficiency data into the FacilityMax CMMS system, the condition assessment database. With GSD preparing to release a request for proposals for a new facility condition assessment, the opportunity to use the 2009 data has seemingly passed. GSD granted LFC staff access to hard copies of the 2009 reports regarding NMCD facilities, and LFC staff recorded the data in a spreadsheet to compare to recent capital requests, see **Appendix D**. GSD is preparing to release a request for proposals in which requirements will be identified and deficiency data will be uploaded into the database.

Approximately every five years, GSD contracts with third party service providers to perform facility condition assessments of state-owned properties. Typically, not all state-owned properties are included in the study. Since 2003, the state has spent nearly \$1.2 million on facility condition assessments and planning. Two of these studies were specific to NMCD facilities, namely the department's 2003 ten-year plan and roof assessments in 2010. GSD is preparing to release a request for proposals for an updated facility conditions assessment. The department expects to spend approximately \$1.4 million on this assessment, but indicated the current database needs a \$100 thousand dollar upgrade before incorporating this new data.

Table 10. GSD Facility Assessment Contract Costs

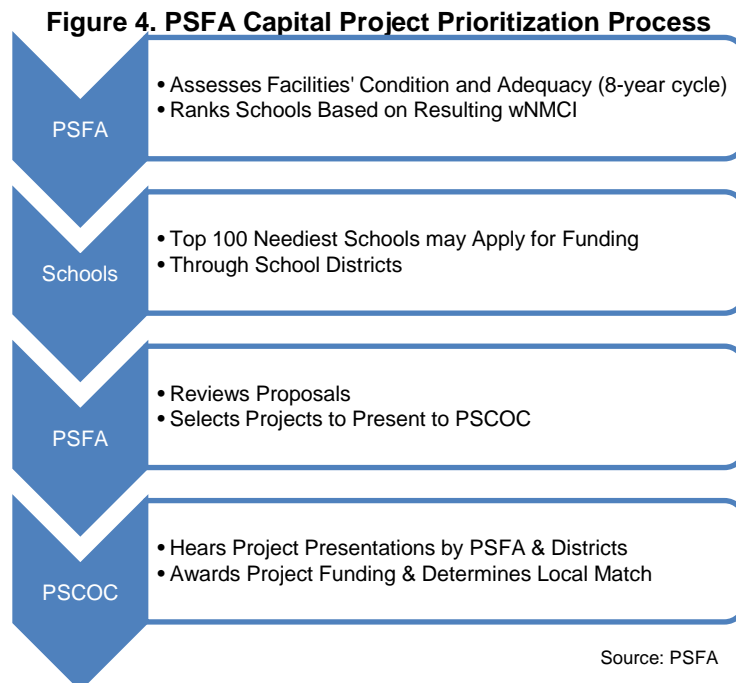
| Year | Contractor | Contract # | Description | Amount |
|------|----------------------|------------------|-------------------------------|--------------------|
| 2003 | Rosser International | 02157 | NMCD 10 year facility plan | \$116,000 |
| 2005 | 3D International | 04-350-0050-0039 | Statewide Facility Assessment | \$537,703 |
| 2009 | ISES Corporation | 09-350-0050-0023 | Statewide Facility Assessment | \$472,800 |
| 2010 | George Butler | | NMCD roof assessments | \$47,250 |
| | Total Cost | | | \$1,173,753 |

Source: GSD and Vendors

The FCI is a benchmark measure of a building's condition derived by dividing the cost of repairs by the replacement cost. This is the measure used by the Public Schools Finance Authority in its determination of a school's condition before considering the school's adequacy to support educational functions, and that VFA, Inc. used in assessing maintenance backlogs in Idaho's public prisons. A lower percentage is better, and the rule of thumb is that an FCI above 70 percent suggests replacement would be more cost-effective than repair.

Although these assessments quantify the capital needs of state properties with a well established measurement, this data is not used in the ICIP process. This raises two concerns: (1) the prioritization of projects is potentially highly subjective and disregards an objective measure of facility needs; and (2) the resources spent on these assessments by GSD are not being used in a productive manner.

Some agencies have identified processes to assess and rank projects based on clear criteria, aiding prioritization of capital outlay funding. The Public Schools Facilities Authority's (PSFA) targets capital funds and limits awards based on facility condition and other adequacy standards. The PSFA assesses the condition and adequacy of public school facilities statewide on an eight-year cycle. A facility's adequacy is its ability to support educational functions. Based on these factors, the PSFA reaches a weighted New Mexico Condition Index score and ranks schools accordingly. The top 100 schools are then eligible to apply for funding through their school district; the PSFA also requires districts to have a master plan that is updated every five years. After reviewing districts' applications, the PSFA presents select projects to the Public Schools Capital Outlay Council which awards funding.








Looking to an executive agency, the Aging and Long-Term Services Department (ALTSD) recently released their 2015 Capital Outlay Project Prioritization Process. This process starts with a Project Review Team comprised of staff from the department's Capital Projects Bureau and the area agencies on aging. This team is to use an established system to rank and score each proposed project based on factors including: description and need; planning and justification; scope of work; feasibility and readiness to proceed; and cost benefit. ALTSD's process weights these factors differently, assigning a certain number of points to each. The team uses the final scores to rank and summarize the projects which are then presented to the Policy Advisory Committee (PAC).

In considering the team's recommendations, the PAC is tasked with determining: (1) whether the project is important to the overall needs of and services provided by the entity submitting the application; (2) whether the project fits within the department's statutory authority; and (3) whether the project is ready for immediate

commencement. While ALTSD's new approach rightly introduces a method to quantify need, this process retains a less than ideal level of subjectivity with the review team scoring projects and the PAC making the final determination on funding requests. That is, it is still up to the review team and the PAC to properly and objectively score and rank projects to maximize the efficacy of ALTSD's capital requests.

A best practice model that could be used for improving the ICIP process can be found from the Government Accountability Office. These best practices include: linking capital planning to an agency's goals and objectives; quantitatively and objectively assessing immediate and anticipated needs; evaluating alternatives to the capital project; and transparently reviewing, approving, and prioritizing projects based on established criteria. An agency should then develop an annual or biennial long-term capital plan, covering five years or more, as the final product of its capital planning process.

Figure 5. Leading Capital-Planning Practices, as Outlined in OMB and GAO Guidance

| Planning practices | Description |
|---|--|
| Strategic linkage  | Capital planning provides a long-range plan for the capital asset portfolio to meet an agency's goals and objectives. Strategic and annual performance plans should identify capital assets and define how they will help the agency achieve its goals and objectives. |
| Needs assessment and gap identification  | A needs assessment and gap identification identifies resources needed to fulfill immediate requirements and anticipated needs based on results-oriented goals and objectives that flow from an organization's mission. It considers the capability of existing resources and makes use of an accurate up-to-date inventory of capital assets and information such as asset condition and estimated cost. |
| Alternatives evaluation  | Agencies should determine how best to bridge performance gaps by identifying and evaluating alternatives, including options such as human capital. Before choosing to purchase or construct a capital asset, leading organizations carefully consider a wide range of alternatives. |
| Review and approval framework with established criteria for selecting capital investments  | Agencies should establish and follow a formal process for senior management to review and approve proposed capital assets. The cost of a proposed asset, the level of risk involved in acquiring the asset, and its importance to achieving the organization's mission should be considered when defining criteria for executive review. Proposed capital investments should be compared to one another to create a portfolio of major assets ranked in priority order. |
| Long-term capital investment plan  | The long-term capital plan should be the final and principal product resulting from an agency's capital planning process. The capital plan, covering 5 years or more, should result from an executive review process that has determined the proper mix of existing assets and new investments needed to fulfill the organization's mission, goals, and objectives, and should reflect decision makers' priorities for the future. Leading organizations update long-term capital plans annually or biennially. Agencies are encouraged to include certain elements in their capital plans, including a statement of the agency mission, strategic goals, and objectives; a description of the agency's planning process; baseline assessments and identification of performance gaps; and a risk management plan. |

Source: GAO

GSD oversight of NMCD projects needs improvement as GSD lacks policies and procedures. While the Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, provides guidance to departments in the purchasing process, it is a best practice to develop internal policies to promote consistent management and record keeping. In recognition of this importance, GSD-FMD reports it initiated a process re-engineering project in January of 2014 which will develop and implement processes and procedures directly related to project management, contracts, and procurement requirements for capital projects. GSD-FMD presented its plan to implement these by FY15 to the Legislative Finance Committee in May 2014. LFC staff requested draft copies of these documents in April of 2014, but GSD-FMD did not provide these.

GSD approved \$400 thousand in spending without adequate documentation. LFC staff reviewed \$8.8 million of NMCD capital projects overseen by FMD. The appropriation files were, upon first request, incomplete; however, FMD was able to locate most of the missing documents when notified. Still, 14 of 176 vouchers, or payment records, totaling over \$400 thousand were either missing or lacking supporting documentation. FMD's Business Process Re-Engineering effort aims to, among other things, optimize GSD resources by moving State Purchasing Division support into FMD. This will allow for more direct contact between project managers and department staff reviewing and tracking project spending.

Table 11. Summary of LFC Review of FMD Appropriation Files

| Project Description | Appropriated | Spent | Vouchers without Supporting Docs | Value of Vouchers without Supporting Docs |
|---|--------------------|--------------------|----------------------------------|---|
| Mechanical, piping, and infrastructure at SNMCF & CNMCF | \$5,800,000.00 | \$5,787,377.34 | 6 | \$195,500 |
| Kitchen Renovations at SNMCF, CNMCF, RCC | \$2,000,000.00 | \$1,994,148.10 | 7 | \$193,502 |
| Statewide Repairs: HVAC, roofs, wastewater | \$1,000,000.00 | \$988,766.16 | 1 | \$13,875 |
| Totals | \$8,800,000 | \$8,770,292 | 14 | \$402,877 |

Source: GSD-FMD

Some projects at public prisons have poor results, including unusable investments, and raise concerns over prioritization and purchasing practices. Some capital outlay investments in public prisons have gone unused, been rendered obsolete, or are in need of large scale repairs due to quality assurance issues. LFC staff found numerous examples of capital outlay issues posing immediate safety threats include holes in cell floors and walls (Figure 6). However, these projects sit idle while other capital outlay projects have taken priority. For example, the department has prioritized a project to repair the roof on the Old Main facility, which has not housed inmates in 16 years, with enterprise funds. Other examples follow.

Figure 6. Holes in SNMCF Level IV Facilities



The picture on the left shows a hole in an occupied cell looking into an adjacent occupied cell. The picture on the right shows a hole in the same occupied cell. According to prison staff, inmates can use holes in cell walls and floors to hide weapons and to pass contraband between cells.

Perimeter security is prioritized over other potential high need security issues such as holes in prison walls. NMCD stresses the need for new stun fences at prisons including SNMCF and has put multiple fence patrols on duty, but more immediate concerns such as holes in cell walls and floors are currently being neglected. For example, NMCD recently installed a stun fence at a modular housing unit at one of the public prisons that is currently vacant.

Figure 7. Stun Fencing at an NMCD Public Prison



The absence of stun fencing or other monitoring systems has not led to escape problems. NMCD has only experienced one attempted escape from a prison and one walk-away from the Honor Farm since 2009. NMCD credits low attempted escapes with perimeter defenses, including patrols.

Table 12. Number of Attempted Escapes from a Publicly Run Corrections Department Facility

| Year | Number of attempted escapes |
|--------------|---------------------------------|
| 2013 | 0 |
| 2012 | 1 walk away from Honor Farm |
| 2011 | 0 |
| 2010 | 1 attempted escape CNMCF (main) |
| 2009 | 0 |
| Total | 2 |

Source: NMCD

NMCD also recently issued a \$105 thousand sole source request to purchase cell phone detectors, even though the security study, completed in 2013, did not recommend the purchase of cell phone detectors. According to the department, at the time of the procurement, the prospective contractor, Cellsense, was believed to be the only company in the country that provided a technology that detected a cell phone when it was turned off because it detected ferromagnetic objects. NMCD also states this device will augment the detection of weapons before they get into an inmate's cell. LFC research indicates at least four other companies manufacture cell phone detection devices including BVS Systems Inc., CellBusters, Netline Technologies, and CEIA USA.

NMCD has a new recreation yard at PNM that is unusable. NMCD constructed a recreation area at PNM's Level V facility, at a cost of \$26,068, which is unusable because officers cannot properly observe the area. NMCD also purchased a \$3,000 portable watch tower for PNM, similar to the one pictured in Figure 8, which is sitting idle. This was purchased to observe inmates at locations across PNM's campus, but is now broken and unusable.

Figure 8. Unused Observation Unit and Recreation Yard at PNM



A new kitchen under construction at CNMCF is another example of capital spending on a project that does not seem to align with NMCD's deferred needs. The estimated cost of a new kitchen construction project at CNMCF is just over \$2.9 million. The new kitchen will have twice the capacity of existing kitchens. According to NMCD, CNMCF had to close the main kitchen because of environmental issues and has had to use a single kitchen for nearly seven years to feed over 500 inmates, which was designed for 103. Before the Level II kitchen reopened, the single kitchen was used to feed over 800 inmates. Although increased capacity does not offer much in terms of cost savings because the kitchen is staffed by inmates, NMCD indicated increased efficiency was also part of the rationale behind the project. This project is now off schedule due to a change in scope to add new security systems that will connect the kitchen with the rest of the facility.

Questionable quality control over capital outlay projects by GSD resulted in a need for repairs and upgrades in one of the more costly projects reviewed by LFC staff. The main kitchen at SNMCF was recently renovated for \$1.3 million. The kitchen was occupied for a few weeks before multiple issues forced food service to be relocated and the kitchen to be closed for warranty repairs. Issues include: standing water, rust, discolored sections, and too coarse a grit on the new floor; leaking pipes; faulty sinks; and problems with the new grease trap. The design capacity of the new grease trap was reduced from 2000+ gallons to 500 gallons resulting in clogs and sewage backups. LFC staff reviewed a GSD file of the appropriation used to pay for parts of this kitchen renovation. The file was missing supporting documentation for seven vouchers totaling \$193 thousand.

Figure 9. Main Kitchen at SNMCF

Leaking Sink



Standing Water



Rust on New Floor

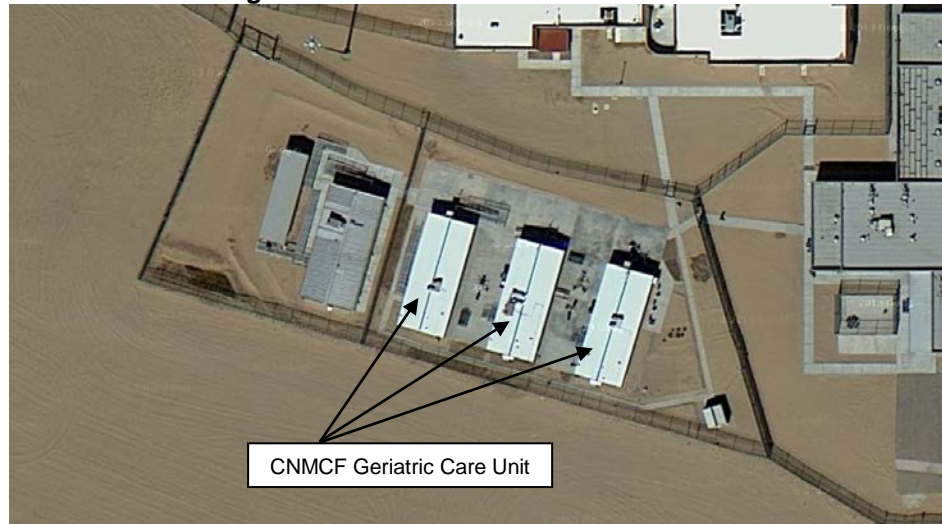


Discolored Sections of New Floor



The geriatric care unit, consisting of portable buildings at CNMCF, remains open despite poor living conditions and repeated recommendations from LFC staff to close the unit. There is a small geriatric population housed at CNMCF in three modular units, or trailers, with a total of 42 beds. The modular units consistently need repairs and other modifications as they are not designed to be permanent living facilities. A 2007 LFC report identified the geriatric housing unit at CNMCF as counter-therapeutic, and the facilities to be dilapidated and cramped, with barely enough room for wheelchairs to pass down the aisle. The LFC contractors reviewing medical care of inmates noted, “This situation needs to be remedied as soon as possible.” Likewise, a 2012 LFC evaluation noted that although the geriatric housing facilities had just been refurbished, they are not designed for long-term housing or care. The evaluation also cited the Vera Institute of Justice recognizing that releasing some elderly inmates before the end of their sentence has a low risk to the public and that the state of New Mexico Adult Parole Board has a medical and geriatric parole program for release of such individuals which if implemented could save over an estimated \$2 million a year. However, only one inmate was released under this program in FY11 while disabled and older inmates cost an estimated \$3.8 million in the same year.

Figure 10. Geriatric Care Unit at CNMCF



LFC staff visited CNMCF in March of 2014 and geriatric inmates were still housed in the units despite vacancies of between 80 and 90 beds in other areas of the facility. Even though geriatric inmates were still housed in the modular units during the LFC staff visit in March 2014, NMCD indicates it plans to move those inmates into prisons commensurate with their security level in FY15.

Recommendations:

The General Services Department should:

- Develop quality assurance tools with status updates on projects to ensure projects are completed to specifications; and
- Implement policies and procedures regarding capital outlay during FY15.

The Corrections Department should:

- Improve its ICIP process by quantifying capital needs based on fixed criteria and requesting funds for those projects with the highest need. Examples of criteria NMCD could use to prioritize projects include a facility's condition, the safety risk of the deficiency, the cost-benefit of addressing the need, and the project's shovel readiness;
- Adopt a policy requiring each facility to obtain professional design services for drawings and specifications for all upgrade projects, additions and changes made to security systems. Such a policy would ensure equipment is state of the art and meets established NMCD correctional facilities guidelines; and
- Close the geriatric housing facilities and relocate inmates to permanent housing.

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Gregg Marcantel
 Secretary 505.827.8884

Vacant
 Deputy Secretary of Administration
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Susana Martinez
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 Training Academy 505.827.8900

"We commit to the safety and well-being of the people of New Mexico by doing the right thing, always."

June 9, 2014

Chairman John Arthur Smith
 Vice Chair Luciano "Lucky" Varela
 Legislative Finance Committee
 325 Don Gaspar, Suite 101
 Santa Fe, NM 87501

Chairman Smith and Vice Chair Varela,

The New Mexico Corrections Department (NMCD) appreciates and values its collaboration with all partners to enhance our programming and create a greater number of opportunities to reflect and reassess its operations. Self-reflection is a key part of growth, and the insights and perspective of our government partners provide a valuable objective opinion. Accordingly, our dialog and discussions with the Legislative Finance Committee (LFC) relating to greater efficiency and effectiveness will always serve our organization as our most effective strategy for growth. Therefore, please accept this communication as the agency's earnest response to the Review of Capital Outlay Planning, Spending and Outcomes.

As experienced in all state government, the economic downturn hit the NMCD hard. As such, the department continues to work to overcome over two-hundred (200) million dollars in deferred maintenance for its public prison facilities. Exacerbating the deferral of necessary maintenance, staff compensations and retention issues, a climbing inmate population, and a system that for too far long centered on warehousing inmates instead of reducing recidivism, remain significant obstacles for the department's public safety mission.

In the recent aforementioned Capital Outlay report, the LFC questions the current need and effectiveness of private prisons. As it stands currently the department is paying less per day to house offenders in private prisons than those held in state institutions. Belief that the state may be better served if we were to invest in newly built state prisons is certainly not lost on our agency. On the other hand, to assure sustainable solutions for its prison operations and management, the department feels strongly that debate of the issue should center upon the outcomes of a new master plan built upon the intelligent study of not only an updated facility condition index (FCI) study, but also the analysis of the fiscal and public safety differences of current prison architectural designs and newer, less staff/labor intensive designs currently available.

While the department does agree with the goal to reassess those aging and long term care inmates who could be placed in an alternative living arrangements, we have also been committed to doing so without future burden to New Mexico's taxpayers. Accordingly, the department is intentionally and creatively examining what such an alternative environment may look like, as related to the recent medicaid expansion. Additionally one very important reality is the distinction between the New Mexico Adult Parole Board (Parole Board) and the NMCD. Accordingly, it should be noted that the Parole Board is an independent body that has ultimate authority on release of parole eligible inmates of any age, as well as what conditions and locations will be required. As such, we are working hard with our partners at the Parole Board to quickly and effectively assess

Courage Responsibility Ethics Dedication - CREDibly serving the public safety of New Mexico

future areas of growth and opportunity to ensure the department is doing what it can to lower costs and commit to public safety.

Based on New Mexico's rural complexion, a lack of community offender resources exists. As a compliment to our current efforts to address the strategic facility needs of the future, the department is also diligently working to create a more vigorous halfway house infrastructure to address a growing population of inmates who remain difficult to parole based on the existing lack of community resources, such as those negatively affecting our growing female inmate population. Though emphasis of incremental reinvestment of its existing resources, the department could redirect costs of approximately \$104 dollars a day for parole eligible inmates awaiting halfway housing toward creating more transitional housing and bed space. But let there be no doubt that while the department recognizes an opportunity to better steward public safety and tax dollars, addressing the current lack of community resources is a much larger and compelling community problem that will require far greater commitment by all.

In summary, the department recognizes that safe prisons are an essential function of a successful society. On the other hand, safe, efficient prisons are only one component of our public safety burden. Our collaboration with the LFC to address our aging prison infrastructure must also include how changes may enhance our greater mission requirement to reduce recidivism. It must be agreed upon by all stakeholders that reducing an inmates likelihood for re-offending once sentenced to prison is the truest measure of success for the department and our State moving forward.

In closing, our past performance is evidence that the department has sought diligently to identify areas for improvement, publicly disclosed and owned what we have learned, and committed to corrective action. Accordingly, the NMCD looks forward to future collaboration and partnership with the LFC so that the best interest of the people of New Mexico and public safety is kept in mind. We know that at the end of the day our goals are centered on the same public safety outcomes and when we work together, we believe these targets are achievable.

Sincerely,



Gregg Marcantel

Secretary of Corrections

cc: Joe Booker, Deputy Secretary of Operations

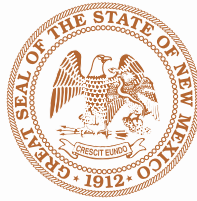
Mark Myers, Acting Deputy Secretary of Administration

Alex Tomlin, Director of Public Affairs

Courage Responsibility Ethics Dedication - **CRED**ibly serving the public safety of New Mexico

SUSANA MARTINEZ
GOVERNOR

ED BURCKLE
CABINET SECRETARY



State of New Mexico

General Services Department

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FACILITIES MANAGEMENT DIVISION
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TRANSPORTATION SERVICES DIVISION
(505) 827-1958

June 9, 2014

Luciano Varela, Chairman
Legislative Finance Committee
325 Don Gaspar, Suite 191
Santa Fe, NM 87501

Re: Legislative Finance Committee Report for the Review of Capital Outlay Planning, Spending and Outcomes;
General Services Department and New Mexico Corrections Department

Dear Representative Varela:

The Facilities Management Division (FMD) of General Services Department (GSD) appreciates the opportunity to respond to the recommendations outlined in the recent Legislative Finance Committee (LFC) Report regarding Capital Outlay Planning, Spending and Outcomes for the General Services Department and the New Mexico Corrections Department (NMCD).

GSD concurs that quality assurance tools need to be developed that display current and accurate project statuses. FMD is implementing new policies and procedures to achieve this goal. The administrative funds realized from the capital outlay projects have been used to hire a project planner/scheduler. This individual is using Microsoft Project to track the schedule of each and every project. GSD's Technical Support Services Bureau (TSSB) is working to link the project schedules to the project financials. TSSB is also working closely with FMD to generate custom reports for our clients. The State Purchasing Division of GSD has relocated three of their employees to the facility occupied by FMD. This move allows for greater efficiency and oversight of the procurement processes to ensure that purchases and contracts adhere to state procurement requirements and are completed in a timely manner.

The administrative funds mentioned above are also being used to augment the current FMD staff of project managers and their administrators. The addition of these individuals will allow for each project manager to spend more time in the field monitoring projects to ensure that specifications are met and that contractors adhere to their contract obligations.

As a means to document policies and procedures, FMD has hired a consultant to assemble and review all statutes and administrative codes that are applicable to FMD's capital outlay project process. This consultant is actively engaging in dialogue with project managers, administrative staff, procurement personnel and the staff at the Department of Finance Administration to completely understand the processes that must be followed. Process diagrams are being generated with the ultimate outcome resulting in a complete set of policies and procedures for all capital outlay projects. These documents will be shared with the Legislative Finance Committee and others as needed.

General Services Department, New Mexico Corrections Department
Capital Outlay Planning, Spending, and Outcomes
June 12, 2014, Report #14-07

FMD continues to be very concerned about the lack of current master plans for the facilities that NMCD occupies. GSD has requested funds in the past for master planning. Each time the funding has been denied. The statutes and executive order regarding the development and updating of 5-year master plans for state facilities is understood and appreciated; however, the funds to carry out this requirement have not been appropriated.

Facility condition assessments are a necessity in order to maintain state buildings for both employees and the public. Buildings that are not properly maintained result in higher costs over the life of the facility than would otherwise have occurred. After being turned down for funds to do facility condition assessments, FMD requested approval from the 2013 Legislature to use \$1.4 million from FMD's Public Building Repair Fund for facility condition assessments. FMD is in the process of generating a Request for Proposals for Facility Condition Assessments. Once a firm is selected and the assessments are complete, the data will be uploaded into a database that FMD is using to help make decisions regarding maintenance, lifecycle replacements, new construction and demolitions.

GSD appreciates the professionalism that LFC has demonstrated during this evaluation. The recommendations stated in the report will be reviewed in detail, and appropriate actions will be taken to ensure that the capital funds allocated to specific projects under FMD's jurisdiction will be used in a manner that results in the best value for the State of New Mexico.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ed Burckle".

Edwynn Burckle
General Services Department

Cc: George Morgan, Director Facilities Management Division

APPENDIX A: Evaluation Scope, Objectives, and Methodology

AUTHORITY.

Our work is conducted pursuant to LFC's broad statutory authority to examine and evaluate the finances and operation of all departments, agencies, and institutions of New Mexico and all of its political subdivisions (Section 2-5-3 NMSA 1978). State law also requires all departments, agencies, and institutions of New Mexico and all of its political subdivisions to make available information and materials requested by LFC staff that is not otherwise confidential by law (Section 2-5-7 NMSA 1978).

EVALUATION OBJECTIVES.

1. Assess capital outlay planning and spending on public prisons statewide.
2. Assess costs-benefits of capital spending on prison facilities and impact on operations.
3. Review oversight of capital spending, including compliance with laws, regulations, and policies

EVALUATION PROCEDURES.

1. Review ICIP planning process to determine if:
 - i) Plans are based on accurate estimates
 - ii) Appropriations are being used for the planned purpose
 - iii) Reviewed selected facilities with medium security inmates to determine if State funds are being used effectively: what is the cost to repair vs. cost to replace.
 - iv) Compared ICIP's against the FCI's to determine if FCI assessments are being used to determine priorities.
 - v) Reviewed the FCI for state-owned prison facilities (6).
 - vi) Reviewed operational efficiencies (inmate to staff ratios for example) to determine operational efficiencies, compared to national benchmarks.
2. Reviewed a sample of capital outlay appropriations to determine if projects were fairly bid, contracts included eligible deliverables, internal controls were followed, intent of appropriations and value to taxpayers was achieved. Compliance with law, rule and policies (procurement code).
3. Identified variable costs within public prisons as being in medium security and conducted cost benefit analysis on constructing new prison housing units.
4. Conducted site visits to CNMCF, PNM, SNMCF, and WNMCF.

Evaluation Team.

Jon R. Courtney, Program Evaluation Manager
Jonas Armstrong, Capital Outlay Program Evaluator

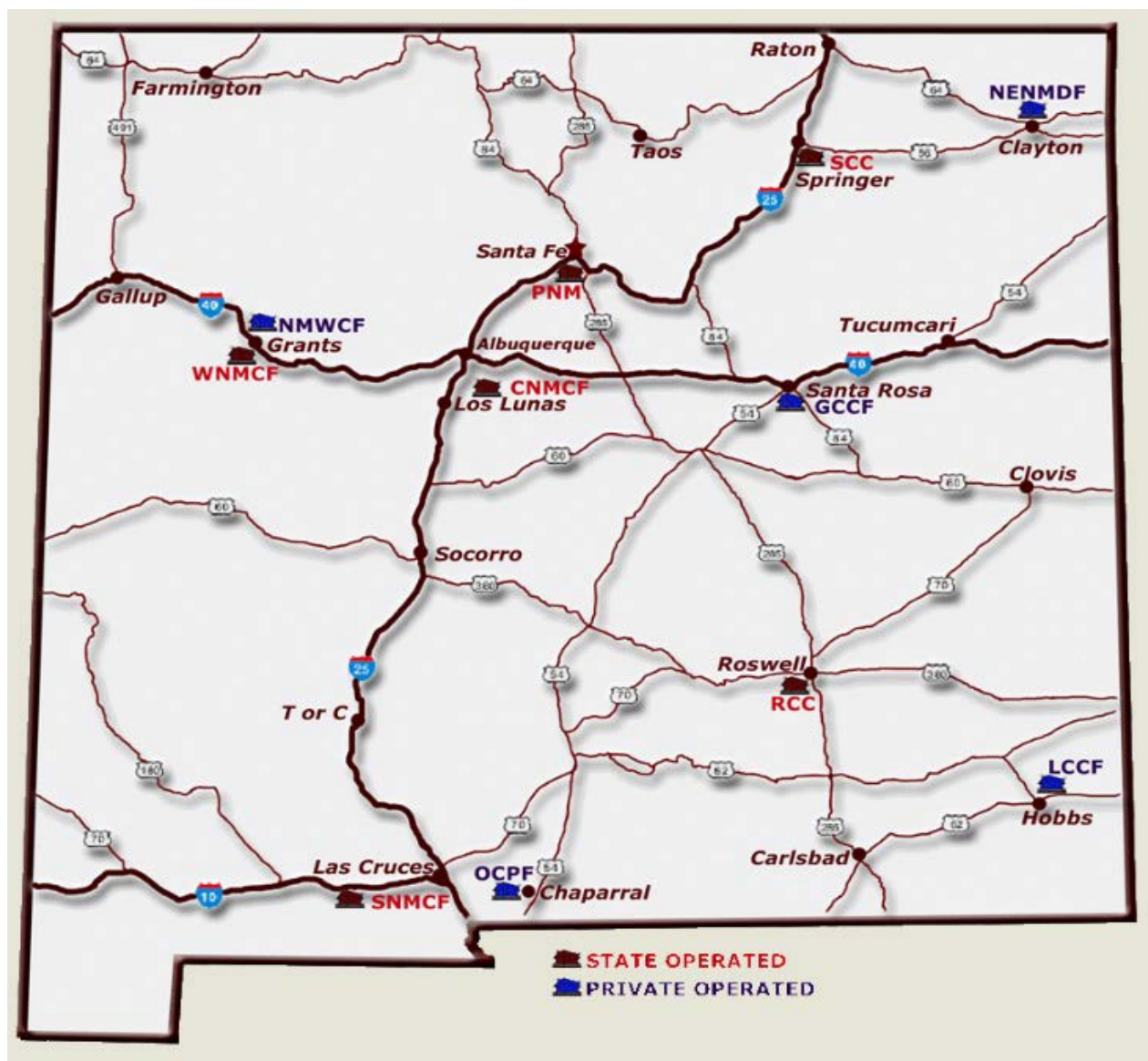
Exit Conferences. The contents of this report were discussed with GSD and NMCD on June 3, 2014.

Report Distribution. This report is intended for the information of the Office of the Governor; Corrections Department; General Services Department; Office of the State Auditor; and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Charles Sallee
Deputy Director for Program Evaluation

APPENDIX B: State Owned Prison Locations and Descriptions



State Owned Prisons:

WNMCF: Western New Mexico Correctional Facility is located in Cibola County, Grants, New Mexico, a community of approximately 11,000 residents. The facility, when originally opened, was designed to house male and female inmates. The facility served as the Reception and Diagnostic facility for the state. This mission changed again in July of 1999. After adding a minimum unit/outside work detail unit in 1985, and an additional one hundred twenty-five (125) beds by double-bunking the minimum restrict Level II division of the facility the design capacity increased to the current 440 beds. Western New Mexico Correctional Facility's mission includes: A strong commitment for a positive rehabilitative community through education programming and work opportunities. Western New Mexico Correctional Facility has an ethical workforce dedicated to the safety and well being of the people of New Mexico.

PNM: The Penitentiary of New Mexico is located along the old turquoise Trail, 14 miles south of Santa Fe. PNM is the Department's only super-max facility, housing the highest security classification of offenders in the state of New Mexico. The Penitentiary of New Mexico Complex is comprised of three facilities: Level-II a minimum-restrict unit, Level-IV/V and Level-VI housing the highest security classification of offenders. PNM maintains its national accredited status by the American Correctional Association and continues to intensify its efforts to achieve the mission of the Corrections Department by providing a balanced system approach to corrections from incarceration to community-based supervision with training, education, programs and services that provide opportunities for offenders to transition to communities. The "level system" within the New Mexico Corrections Department requires that an inmate or inmates who cannot be managed in general population, and/or cannot function in general population due to criteria established policy will be separated from the general population. Management of such inmates will be based upon behaviorally based step programs, in which increased privileges are granted for inmates who demonstrate appropriate behavior for a specified period of time.

CNMCF: Central New Mexico Correctional Facility is committed to ensuring the public and inmates' families have confidence that CNMCF is providing the best medical, mental health, education, vocational and security for all inmates confined to CNMCF. CNMCF not only meets this commitment by providing its employees with the proper training, tools and safe working environment, but also by encouraging ideas and collaboration between all departments promoting team. Central New Mexico Correctional Facility was originally built in 1980 as a 480 bed medium custody facility. Today Central New Mexico Correctional Facility has become a complex of Level I, Level II and Main Facility. Central New Mexico Correctional Facility has multiple functions that include: Reception and Diagnostic Center, Mental Health Treatment Center (MHTC), Long-Term Care Unit and Geriatric Unit.

SNMCF: As part of a dynamic organization Southern New Mexico Correctional Facility is dedicated to the highest attainable quality of excellence in corrections. It is our responsibility that every outcome produced contributes to the departmental mission of public safety. The employees of Southern New Mexico Correctional Facility are committed to serving the citizens of New Mexico with highest ethical standards.

Southern New Mexico Correctional Facility is located near Las Cruces, a community of approximately 80,000 in South-Central New Mexico. The facility was built on the west mesa overlooking the Mesilla Valley and Organ Mountains as a medium-security facility. In 1996, a minimum-restrict facility with a capacity of 330 opened, housing inmates now classified as Level II.

SCC: The Springer Correctional Center was formally the New Mexico Boys' School. This facility was established when territorial Governor George Curry issued a proclamation declaring it to be a territorial institution, which officially opened on October 1, 1909. The property consists of approximately 4,000 acres. In November 2005, the Children, Youth & Families Department decided to close the juvenile facility. The New Mexico Corrections Department determined it would be suitable to house Level 1 & 2 inmates. The NMCD requested and received funding to operate the facility from the 2006 legislature. Construction of a double perimeter fence, installation of lighting, security cameras and remodeling of the interior began in June 2006. SCC opened officially on January 1, 2007.

The main compound covers approximately 40 acres. Most of the current facility was built in the mid-1960's and is designed as an open campus with ten separate living units. The balance of the acreage is utilized for growing alfalfa to feed the facility cattle during the winter.

SCC has approximately 22 buildings. This includes eight dormitories, two segregation units, several multi-programs buildings, maintenance buildings, and kitchen, dining and warehouse facilities. The gym complex consists of a full basketball court and weight room

RCC: The Roswell Correctional Center is located in Hagerman, New Mexico, a small Southeast New Mexico community with an approximate population of 1,100. The Center was originally classified as a Minimum Facility (level I) when it opened in 1978, with an inmate capacity of 65. In January 2000, the Department determined that it was in need of additional level II beds, at which time the center's custody level increased from a Level I to a Level II facility with a capacity of 340 inmates. There are various programming and treatment opportunities at RCC including, education programs, welding program (with certification), substance abuse community and a volunteer fire department. There is a large volunteer base with over 100 volunteers providing religious support and other services.

APPENDIX C: FY06-14 Capital Outlay and Operational Budget Appropriations to NMCD for Public Prison Renovations, Repairs, and Upgrades

| Laws | Bill | Amount | Purpose |
|--------------|-------|---------------------|--|
| 2005 | HB885 | \$2,000,000 | Statewide facility repairs and equipment |
| 2005 | HB885 | \$2,000,000 | Statewide security upgrades |
| 2005 | HB2 | \$1,228,700 | Corrections department building fund |
| 2005 | HB2 | \$1,000,000 | Radios and vests for COs statewide |
| 2005 | HB885 | \$500,000 | Radios and vests for COs statewide |
| 2006 | HB622 | \$3,800,000 | Statewide roof replacement and equipment |
| 2006 | HB2 | \$1,264,100 | Corrections department building fund |
| 2006 | HB2 | \$61,000 | Video conferencing equipment, switches and routers for probation and parole hearings statewide |
| 2007 | SB827 | \$3,500,000 | Statewide correctional facility repairs, maintenance, and equipment |
| 2007 | HB2 | \$1,031,400 | Corrections department building fund |
| 2007 | SB827 | \$1,000,000 | Statewide correctional facility security upgrades and installation of electronic monitoring equipment |
| 2007 | HB2 | \$705,400 | Video conferencing telecommunications |
| 2008 | SB471 | \$2,000,000 | Kitchen renovations at CNMCF and SNMCF |
| 2008 | SB471 | \$1,000,000 | Statewide repairs, upgrades, and equipment, including roof replacement, wastewater systems, paving, structural renovations, and HVAC |
| 2008 | HB2 | \$500,000 | Equipment and security improvements at correctional facilities and probation and parole offices |
| 2008 | HB2 | \$445,000 | Emergency generator and vehicle service bay with storage unit |
| 2008 | HB2 | \$150,000 | Purchase of modular units |
| 2009 | HB154 | \$5,800,000 | Renovate and replace mechanical system equipment, piping and infrastructure at CNMCF and SNMCF |
| 2009 | HB2 | \$273,000 | Building maintenance and improvements at the administrative service complex |
| 2009 | HB2 | \$75,000 | Replace kitchen equipment |
| 2010/s | HB5 | \$2,000,000 | HVAC systems and infrastructure upgrades at SNMCF and CNMCF |
| 2010/s | HB2 | \$800,000 | Emergency repairs of state-owned correctional facilities |
| 2011 | SB10 | \$10,000,000 | HVAC systems and infrastructure upgrades at SNMCF, CNMCF, and WNMCF |
| 2011 | SB10 | \$2,900,000 | Kitchen renovations and equipment at SNMCF and CNMCF |
| 2011 | SB10 | \$2,000,000 | Statewide correctional facilities upgrades, repairs, and equipment |
| 2011 | SB10 | \$1,200,000 | Water and wastewater system at RCC |
| 2011 | SB10 | \$500,000 | Water, wastewater and erosion control improvements at WNMCF |
| 2012 | HB191 | \$3,400,000 | HVAC systems and infrastructure upgrades at CNMCF and WNMCF |
| 2012 | HB191 | \$500,000 | Statewide correctional facilities upgrades, repairs, and equipment |
| 2013 | SB60 | \$4,800,000 | HVAC systems and infrastructure upgrades at CNMCF and WNMCF |
| 2013 | SB60 | \$3,500,000 | Statewide renovations to correct security and safety hazards and address operational interruptions and facility deterioration |
| 2013 | SB60 | \$2,500,000 | Statewide security upgrades, including construction and the purchase and installation of equipment |
| 2013 | HB2 | \$2,000,000 | Prioritized infrastructure repair and replacement |
| Total | | \$64,433,600 | |

Source: NMSA

APPENDIX D: NMCD Facility Data from 2009 ISES Facility Condition Assessment

| Facility | Building | Repair Cost | Replacement Cost | FCI |
|----------|---------------------------------------|--------------|------------------|-----|
| PNM | Minimum Restricted Unit | \$4,121,453 | \$30,042,000 | 14% |
| PNM | HU 1-N | \$3,710,309 | \$15,473,000 | 24% |
| PNM | HU 1-S | \$3,689,848 | \$15,473,000 | 24% |
| PNM | HU 2-N | \$3,724,462 | \$15,473,000 | 24% |
| PNM | HU 2-S | \$3,689,848 | \$15,473,000 | 24% |
| PNM | HU 3-N | \$3,884,326 | \$16,518,000 | 24% |
| PNM | HU 3-S | \$3,880,085 | \$16,518,000 | 23% |
| PNM | Town Center N | \$6,870,077 | \$22,161,000 | 31% |
| PNM | Town Center S | \$7,212,573 | \$23,673,000 | 30% |
| PNM | Warehouse | \$2,021,222 | \$6,722,000 | 30% |
| SNMCF | HU L-1 | \$3,331,557 | \$6,289,000 | 53% |
| SNMCF | Administration | \$2,039,131 | \$5,117,000 | 40% |
| SNMCF | Education / Vocation | \$2,059,669 | \$6,325,000 | 33% |
| SNMCF | Gym | \$1,513,716 | \$4,483,000 | 34% |
| SNMCF | Support Services | \$2,277,944 | \$7,490,000 | 30% |
| SNMCF | 264 - BED | \$1,734,649 | \$29,836,000 | 6% |
| SCC | Administration - Ponderosa, Nee Aspen | \$3,361,905 | \$12,075,000 | 28% |
| SCC | Cafeteria / Warehouse | \$875,157 | \$4,487,000 | 20% |
| SCC | Campbell Gym | \$1,681,838 | \$4,987,000 | 34% |
| CNMCF | HU K-2 | \$1,950,020 | \$4,149,000 | 47% |
| CNMCF | Administration | \$919,327 | \$4,785,000 | 19% |
| CNMCF | Building #1 | \$286,310 | \$8,726,000 | 3% |
| CNMCF | Education / Vocation | \$2,327,112 | \$6,312,000 | 37% |
| CNMCF | Support | \$2,263,426 | \$7,245,442 | 31% |
| CNMCF | Min. Security - 264 Bed | \$12,227,250 | \$51,705,000 | 24% |
| CNMCF | Mental Health Treatment | \$799,329 | \$33,121,000 | 2% |
| WNMCF | B | \$2,795,977 | \$11,050,000 | 25% |
| WNMCF | F | \$3,845,224 | \$19,195,000 | 20% |
| WNMCF | H | \$2,006,959 | \$7,769,000 | 26% |
| WNMCF | Housing Unit | \$1,472,697 | \$5,529,000 | 27% |

Source: ISES Corp., GSD