

BILL ANALYSIS

H.B. 51
By: Allen
Government Reform
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, Section 495.007, Government Code, restricts the Texas Board of Criminal Justice from entering into contracts with private vendors or counties for more than 4,580 beds.

During the 77th regular session, an informal working group of state officials and interested stakeholders examined the feasibility of expanding privatization in Texas' criminal justice system. The consensus of most participants in the working group was that more information is necessary to examine the public policy issues regarding privatization of prisons.

HB 51 creates a select committee on prison privatization to gather information and compile a report on the impact of potential expanded contracting with private vendors.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 51 creates the select committee on prison privatization. The composition of the select committee is composed of: one member appointed by the governor; three members appointed by the lieutenant governor; three members appointed by the speaker of the house; one member employed by the Legislative Budget Board and appointed by the executive director of that board; one member employed by and appointed by the comptroller; and one member employed by and appointed by the state auditor. The appointments to this select committee must be made by November 15, 2003.

The select committee on prison privatization is charged to analyze and report on the following issues:

1. the best possible methods and processes for administering and monitoring contracts for prison privatization;
2. whether an existing agency of the state or a new agency should administer future prison privatization contracts;
3. the probable cost savings associated with increased private prison contracts;
4. the standards that should be used to compare program effectiveness and the best methods for comparing costs for provision of programs by the Texas Department of Criminal Justice (TDCJ) and costs for provision of programs by contractors;
5. the history of prison privatization efforts in Texas and other states, with special emphasis on certain subissues;
6. the backgrounds and past achievements of private contractors;
7. which facilities or services provided by TDCJ could best be performed by a contractor;
8. whether ethical standards could be adopted to protect the state from corruption or ethical conflicts.

The report must also analyze the impact that privatization would have on the neighboring community, including economic impact, workforce impact, employee turnover rates, and impact on community facilities and services.

Further, the report must contain a qualitative and quantitative comparison of the performance of private vendor facilities and the performance of TDCJ facilities that provide the same level of programs and services. The comparison must contain information about treatment programs, numbers of escapes, major disciplinary events, and other matters determined by the select committee.

The select committee is required to hold at least four public hearings, and present the report not later than November 1, 2004.

HB 51 requires TDCJ to provide the select committee with at least \$200,000 from TDCJ's biennial budget ending August 31, 2005. By November 15, 2003, TDCJ and the select committee must enter into a memorandum of understanding regarding the transfer of these funds. The select committee is directed to use these funds to hire unbiased, professional technical assistance to assist the committee. The select committee is abolished and this Act expires November 30, 2004.

EFFECTIVE DATE

Upon passage, if the Act receives the necessary vote. If the Act does not receive the necessary vote, the Act takes effect on the 91st day after the last day of the legislative session.