

By: Allen

H.B. No. 51

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of a select committee to study prison  
3 privatization.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. CREATION. The select committee on prison  
6 privatization is created.

7 SECTION 2. COMPOSITION. (a) The select committee is  
8 composed of:

9 (1) one member appointed by the governor;

10 (2) three members appointed by the lieutenant  
11 governor;

12 (3) three members appointed by the speaker of the  
13 house of representatives;

14 (4) one member employed by the Legislative Budget  
15 Board and appointed by the executive director of that board;

16 (5) one member employed by and appointed by the  
17 comptroller; and

18 (6) one member employed by and appointed by the state  
19 auditor.

20 (b) Each individual required to make an appointment under  
21 Subsection (a) of this section shall make the appointment as soon as  
22 possible after the effective date of this Act, but not later than  
23 November 15, 2003.

24 SECTION 3. DUTIES. (a) The select committee shall prepare

1 a report that, for the purposes of comparing cost-effectiveness and  
2 program effectiveness of prison facilities operated by the Texas  
3 Department of Criminal Justice and prison facilities operated by or  
4 potentially operated by private contractors, analyzes the  
5 following issues:

6 (1) the best possible methods and processes for  
7 administering and monitoring contracts for prison privatization;

8 (2) whether an existing agency of the state or a new  
9 agency should administer future prison privatization contracts;

10 (3) the probable cost savings to the state if prison  
11 privatization is increased;

12 (4) the standards that should be used to compare  
13 program effectiveness and the best methods for comparing costs for  
14 provision of programs by the Texas Department of Criminal Justice  
15 and costs for provision of programs by contractors;

16 (5) the history of prison privatization efforts in  
17 this state and in other populous states, with special emphasis on  
18 subissues related to program effectiveness, performance records,  
19 cost savings, ethical concerns, and impact on relevant communities;

20 (6) as to potential contractors, the backgrounds and  
21 past achievements of those contractors;

22 (7) which facilities or services currently primarily  
23 provided by the Texas Department of Criminal Justice could best be  
24 performed by a contractor; and

25 (8) whether ethical standards could be adopted to  
26 protect the state from corruption or ethical conflicts.

27 (b) In addition to the issues described by Subsection (a) of

1 this section, the report must analyze the impact that the  
2 privatization of a Texas Department of Criminal Justice facility or  
3 function would have on the community in which the function is  
4 performed or the facility is located, including economic impact,  
5 workforce impact, impact caused by higher employee turnover rates,  
6 and impact on community facilities and services.

7 (c) In addition to the information required by Subsections  
8 (a) and (b) of this section, the report must contain a qualitative  
9 and quantitative comparison of the performance of vendors operating  
10 facilities under Subtitle G, Title 4, Government Code, and the  
11 performance of facilities operated by the Texas Department of  
12 Criminal Justice that provide the same level of programs and  
13 services. The comparison must provide information on the  
14 operations of each vendor and comparable department programs and  
15 facilities, including information about treatment programs  
16 implemented, numbers of escapes, major disciplinary events, and  
17 other matters determined to be important by the select committee.

18 (d) The select committee shall present copies of the report  
19 not later than November 1, 2004, to the governor, the lieutenant  
20 governor, and the speaker of the house of representatives.

21 SECTION 4. HEARINGS. The select committee, for the purpose  
22 of gathering information necessary for the preparation of the  
23 report required by Section 3 of this Act, shall hold at least four  
24 public hearings. At least one of the hearings must be held in a  
25 municipality with a population greater than one million and at  
26 least two of the hearings must be held in a municipality or county  
27 in which more than one division of the Texas Department of Criminal

1 Justice operates a facility or performs a function.

2 SECTION 5. FUNDS TRANSFER. The Texas Department of  
3 Criminal Justice shall enter into a memorandum of understanding  
4 with the select committee to provide the committee with not less  
5 than \$200,000 from the department's budget for the biennium ending  
6 August 31, 2005. The select committee shall use funds received from  
7 the department under this section to hire technical assistance that  
8 is professional and unbiased and that will assist the committee in  
9 performing its duties under this Act. The department and the select  
10 committee shall enter into the memorandum of understanding not  
11 later than November 15, 2003. The memorandum must specify that the  
12 funds will be transferred to the select committee according to a  
13 schedule established by the select committee.

14 SECTION 6. EXPIRATION. The select committee is abolished  
15 and this Act expires November 30, 2004.

16 SECTION 7. EFFECTIVE DATE. This Act takes effect  
17 immediately if it receives a vote of two-thirds of all the members  
18 elected to each house, as provided by Section 39, Article III, Texas  
19 Constitution. If this Act does not receive the vote necessary for  
20 immediate effect, this Act takes effect on the 91st day after the  
21 last day of the legislative session.