

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 23, 2011

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2072 by Martinez, "Mando" (Relating to the authority of a county to contract with a private organization for the operation of a detention facility.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to prohibit a commissioners court in a county in which Chapter 174 of the Local Government Code is adopted from contracting with a private organization to place inmates in a detention facility operated by the organization unless the county is granted the authority through a collective bargaining agreement entered into between the county and the employees of the sheriff's department.

Local Government Impact

According to Bexar County, which operates under Chapter 174, the county has 24 inmates that are held in a privately run facility. These 24 inmates are at no cost to the county. If the county had to absorb the cost of housing the inmates because no contract was agreed upon, the cost would be \$438,000. Operational costs would increase by \$18,250 for each inmate added to the current 24. If an increase in that inmate population is projected and an agreement to contract with private organizations is not reached, Bexar County anticipates having to absorb costs as indicated at a minimum of \$438,000 or having to build an additional facility to remain in compliance with current jail standards. The construction cost of a 200-bed facility could range from a cost of \$22 million to \$27 million to the county.

Based on the information provided by Bexar County, it is assumed that a county would experience a significant negative fiscal impact as a result of implementing provisions of the bill if the collective bargaining agreement does not authorize the county to place inmates in a facility operated by an organization.

Source Agencies:

LBB Staff: JOB, KKR, TP