

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 137 <3rd Edition> (Proposed House Committee Substitute (CSRO-2)

SHORT TITLE: Private Correctional Officers

SPONSOR(S): Senator Ballance

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
REVENUES	\$24,271	\$18,198			
EXPENDITURES	\$24,271	\$18,198	0	0	0
NET IMPACT	-0-	-0-			
POSITIONS:	.5	.5	0	0	0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Correction					
EFFECTIVE DATE: When it becomes law					

BILL SUMMARY: Senate Bill 137 authorizes correctional officers in a private correctional facility run under contract with the Federal Bureau of Prisons to use necessary force and have the powers of arrest, to the extent allowed by law for the Department of Correction, under certain conditions; (1) the bill is limited to facilities constructed and contracted to be operated by the effective date of this act; (2) the correctional officers/security supervisors are either certified correctional officers under Chapter 17C (NC Criminal Justice Training and Standards Commission) or have completed a training course that Dept of Correction determines meets Criminal Justice Training and Standards Commission standards for correctional personnel; (3) the private corporation must

maintain liability insurance (minimum \$10 Million per occurrence) and shall indemnify and hold harmless the state. The bill sunsets 2 years after the effective date.

The 3rd edition adds Section 6 which specifies that a private corporation described in the act shall bear the Dept of Correction's costs, to be determined by the Secretary. The proposed PHCS continues the requirement for minimum liability insurance of \$10 million per occurrence, but adds the figure of \$25 million aggregate per occurrence. The PCS also states that the private correctional officers at the federal facility may not use force that exceeds the authority provided to DOC employees for the use of force.

ASSUMPTIONS AND METHODOLOGY:

Senate Bill 137 requires the Department of Correction (DOC) to do four things in regards to the private correctional facility; (1) determine that the employment policies meet the minimum standards they use in employing their own staff; (2) determine that the training curriculum meets or exceeds standards used by Criminal Justice Training and Standards Commission for correctional personnel; (3) determine the amount of liability insurance necessary for the facility; (4) adopt rules to implement the act. In addition, DOC *may* require notification by the company of names, positions, and changes in employment.

The practical impact of this bill would require DOC to review the employment policies and training curriculum of the Wackenhutt Corporation in its contract with the Federal Bureau of Prisons in Hertford County. The bill is ambiguous as to whether Department of Correction would merely review the general process and system established by the contract and Wackenhutt or whether they would review and maintain some paperwork on each of the correctional officers and supervisors. Because DOC has the option to review individual names and positions and because the bill asks DOC to adopt rules, the Fiscal Research Division is assuming they will choose the case-by-case review. This activity is comparable to what the Criminal Justice Training & Standards Division does to certify Department of Correction officers; DOC oversees the certification and training process but CJTS reviews and audits the applications and maintains files.

The Department of Correction estimated that they would need one fulltime Personnel Technician (Gr 63) to oversee this function. FRD agrees that DOC would need an additional position, primarily because this is a new function for them. However, because the number of private prison personnel involved is fairly small (around 350 at the beginning plus 50-100 per year depending on turnover) we do not think a fulltime position is justified. (1 personnel tech handles the DOC personnel at Criminal Justice Training & Standards. That involves an estimated 3,500 hires per year) since it is not practical to hire below the half-time level, this estimate is based on a half time position. The other functions required by this bill (e.g. rulemaking, determining level of liability insurance) would be handled by higher-level management but can be absorbed by the Department of Correction within existing resources. Since the bill sunsets after two years, the note reflects costs in 2001-2 and 2002-3 only and a time limited position would be appropriate. The first year costs includes \$ 7,145 in one-time equipment costs for the

new position with the assumption this equipment can be used for future DOC employees if the law is sunset and the position not renewed.

Section 6 specifies that the corporation to whom this bill applies will bear these costs as determined by the Secretary of the Department of Correction. These offsetting revenues are reflected in the box on page 1 and result in no fiscal impact to the State.

PHCS changes do not affect the fiscal impact.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Elisa Wolper

APPROVED BY: James D. Johnson

DATE: April 4, 2001



Signed Copy Located in the NCGA Principal Clerk's Offices