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Shawn Sullivan, Director of the Budget

Sam Brownback, Governor

January 30, 2018

The Honorable Russell Jennings, Chairperson House Committee on Corrections and Juvenile Justice Statehouse, Room 151-S Topeka, Kansas 66612

Dear Representative Jennings:

SUBJECT: Fiscal Note for HB 2551 by Representative Deere, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2551 is respectfully submitted to your committee.

HB 2551 would prohibit any state agency from entering into any agreement or taking any action to outsource or privatize any operations or facilities of any correctional institution or juvenile correctional facility that is operated by a state agency without prior authorization from the Legislature. The bill would allow the Department of Corrections to renew agreements for services at a correctional facility or juvenile correctional facility that are substantially the same as existing agreements prior to March 1, 2018. HB 2551 would allow the Department of Corrections to enter into an agreement for services at a correctional facility or juvenile correctional facility with a different provider if the agreement is substantially similar to an agreement for services in existence prior to March 1, 2018. The bill would take effect upon its publication in the *Kansas Register*.

The Department of Corrections states enactment of HB 2551 would affect all aspects of facility operations, including support and ancillary services. The agency indicates language, which requires future contract renewals to be "substantially similar" to contracts entered into prior to March 1, 2018, would restrict the agency's ability to modify the scope of contracted services to account for changes in federal requirements, improvements in technology, changing correctional standards, and changes to inmate programs and health care. Any fiscal effect associated with HB 2551 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

Shawn Sullivan,

Director of the Budget