

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** SB 612

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**        Puckett

**3. Committee** Finance

**4. Title**            Inmate telephone systems; Prisoner Reentry Fund.

**5. Summary/Purpose:**

The Department of Corrections and the Department of Juvenile Justice have established systems whereby adult inmates or juveniles housed in state correctional facilities can make telephone calls to family members or other approved persons. The calls can be collect calls or they can be made using a debit or prepaid system. The telephone systems in both agencies are administered by a private company under contract to the Department of Corrections. The contract establishes both the prepaid rate schedule and the collect calling schedule. The contract provides for the company to pay the state a commission on the revenue earned on the calls. All revenue received from the commissions is deposited into the general fund.

The proposed legislation would establish the following conditions on any telephone system provided for inmates:

1. The rates are to be the lowest available, allowing for the security needs of the state.
2. The commission paid to the state would be limited to 10 percent.
3. All commission revenue would be paid into a Prisoner Reentry Fund, which the bill would establish. Any money in the fund could be used only for independent pre-release and post-release transition services programs.

**6. Fiscal Impact:** Estimates are preliminary.

**Revenue Impact:**

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Fund</i> |
|--------------------|----------------|-------------|
| 2006-07            | (\$6,620,000)  | General     |
| 2007-08            | (\$6,620,000)  | General     |
| 2008-09            | (\$6,620,000)  | General     |
| 2009-10            | (\$6,620,000)  | General     |
| 2010-11            | (\$6,620,000)  | General     |
| 2011-12            | (\$6,620,000)  | General     |

**7. Budget amendment necessary:** Yes. The front page—general fund revenues.

**8. Fiscal implications:**

Currently, it is estimated that the commissions from the revenue of the correctional telephone systems will result in \$6.6 million each year of the biennium for the general fund. This amount is included in the total revenue estimate for the general fund in the introduced budget. If the proposed legislation is enacted, this revenue will no longer be available to the general fund. Although the impact on the general fund in the fiscal years beyond FY 2008 is shown as the same as that for FY 2007 and FY 2008, under current conditions, it would likely be higher because prison populations are expected to increase. However, it is not feasible to project what those revenues might be.

**9. Specific agency or political subdivisions affected:**

Department of Corrections  
Department of Juvenile Justice

**10. Technical amendment necessary:** None.

**11. Other comments:** Identical to HB 221.

**Date:** 01/27/06 / rwh

**Document:** G:\LEGIS\Fis-06\Sb612.DOC Dick Hall-Sizemore

cc: Secretary of Finance