

**Department of Planning and Budget
2013 Fiscal Impact Statement**

1. Bill Number: HB 1854

House of Origin Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. Patron: Hope

3. Committee: Militia, Police and Public Safety

4. Title: Inmate telephone services

5. Summary:

The proposed legislation would limit commission payments to the Commonwealth from companies that provide inmate telephone service to 10 percent of the net revenue realized by the provider. Furthermore, the legislation would require that all revenue collected from such commissions be deposited into a special fund and used for independent pre-release and post-release reentry and transition services.

6. Budget Amendment Necessary: Yes. Front page—revenue.

7. Fiscal Impact Estimates: Preliminary. See Item 8 below.

Revenue Impact:

Fiscal Year	Dollars	Fund	Dollars	Fund
2013	\$0			
2014	(\$3,280,000)	General	\$1,100,000	0200
2015	(\$3,000,000)	General	\$1,100,000	0200
2016	(\$3,000,000)	General	\$1,100,000	0200
2017	(\$3,000,000)	General	\$1,100,000	0200
2018	(\$3,000,000)	General	\$1,100,000	0200
2019	(\$3,000,000)	General	\$1,100,000	0200

8. Fiscal Implications:

Under the contract that the Commonwealth currently has with a vendor to provide telephone service for inmates in state correctional facilities, the vendor pays a commission of 35 percent of net revenue, which is deposited directly into the state’s general fund. The general fund revenue estimate in the budget bill proposed by the Governor includes revenue of \$3.3 million for each year of the biennium from inmate telephone services. If the

proposed legislation were enacted, that revenue would no longer be available for the general fund.

There would be an increase in nongeneral fund revenue. Based on commission payments in FY 2012, the total revenue for the vendor was approximately \$1.1 million. Under the provisions of the proposed legislation, the Department of Corrections could receive a commission of up to 10 percent of that amount. The funds received would be required to be spent on independent reentry programs or services.

9. Specific Agency or Political Subdivisions Affected:

All state agencies which depend on general fund appropriations.
Department of Corrections
Department of Juvenile Justice

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/14/2013

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