

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB621

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

2. Patron: Kory

3. Committee: Public Safety

4. Title: Communication systems within state correctional facilities; free telephone calls and communication.

5. Summary: Under current law, the Department of Corrections (DOC) is required to offer debit or prepaid telephone systems, in addition to any existing collect calling systems, which allow telephone calls to be placed to the telephone number or numbers on an approved call list. Such telephone systems may be established with the lowest available rates. Current law also authorizes the Director of DOC to prescribe reasonable rules regarding electronic visitation systems or electronic messaging systems, including Voice-over-Internet Protocol technology and web-based communication systems, for communication between prisoners and third parties and to collect a fee for the system.

This bill requires DOC to provide telephone systems and web-based or electronic communications systems free of charge to any person, whether such person is initiating or receiving the communication.

6. Budget Amendment Necessary: Yes, Item 404.

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

8. Fiscal Implications: This bill requires DOC to provide inmate telephone services, electronic (video) visitation, and messaging services to DOC inmates at no cost.

Inmate Telephone Services

According to DOC, under the current contract for inmate telephone services, the vendor provides all telephone and network equipment and manages all inmate telephone services including administrative equipment and supplies. The vendor collects fees for telephone calls directly from inmates through deductions from inmate accounts and from individuals calling into facilities through internet and telephone transactions. DOC reports that under the current contract for telephone services, calls are charged at \$0.0409 per minute; this rate has remained constant since 2015. In FY 2021, the total amount collected by the vendor for telephone services was \$11.4 million. DOC does not receive any revenue or commissions related to inmate telephone service.

Under the current contract, DOC is responsible for paying \$250,000 per quarter to cover software licensing for the telephone system. DOC's budget includes \$1.0 million from the general fund each year for this expenditure.

DOC reports that its current contract for telephone services will expire in June 2022 and that an RFP process to replace the contract is planned. Any future fiscal impact would depend on the terms of a new telephone service contract, including the cost for new equipment, the cost charged per call, and the volume of calls placed and received by inmates.

Video Visitation

Video visitation service is provided through a partnership with the non-profit organization Assisting Families of Inmates (AFOI). AFOI contracts with a service provider to provide the video visitation service, which is available to inmates housed in all DOC facilities. Video visitation fees are paid by the person calling the inmate at a rate of \$.40 per minute. The fees collected go directly to the cost of operating the service. AFOI collected \$1.6 million in usage charges during FY 2021 from inmate family members. DOC does not receive any revenue or commissions related to video visitation service.

DOC's budget includes \$250,000 from the general fund each year to expand and subsidize video visitation in state correctional facilities. The Introduced budget (HB30/SB30) includes one-time funding of \$3.0 million from the American Rescue Plan Act (ARPA) to purchase new video visitation equipment, which will help address the increased volume of usage experienced as a result of the COVID-19 pandemic.

Inmate Messaging Services

Secure messaging services for inmates are provided through a vendor contract. Initiators of the message pay the vendor directly and are charged between \$0.25 to \$0.39 depending on the size and number of attachments included in a message. The vendor collected \$2.9 million in FY 2021 from inmates and individuals to support the inmate messaging service. DOC receives a commission from the vendor, which is used to support post-secondary education programs for inmates. DOC reports that commissions received in FY 2021 totaled \$89,000.

In total, DOC estimates that the cost for the services required in this bill total approximately \$15.9 million annually, which would have to be replaced by a corresponding general fund appropriation. DOC expects that providing these services to inmates at no cost would increase the demand for the services. DOC's estimate does not account for any increase in volume that may occur as a result of providing the services at no cost.

State Responsible Inmates in Local Jails

The proposed legislation requires DOC to provide free of charge to "any persons" receiving or initiating telephone calls. According to DOC, there are approximately 7,251 state responsible (SR) offenders in local and regional jails. This fiscal impact statement assumes that the provisions of the bill apply only to SR offenders in state correctional facilities. To the

extent the bill includes SR offenders held in local jails, the impact is expected to be higher; however, at this time information related to such potential cost is not available.

9. Specific Agency or Political Subdivisions Affected: Department of Corrections

10. Technical Amendment Necessary: No

11. Other Comments: None