

OFFICE OF FISCAL ANALYSIS

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SB-972

AN ACT CONCERNING THE COST OF TELECOMMUNICATIONS SERVICES IN CORRECTIONAL FACILITIES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Correction, Dept.	GF - Cost	None	3.5-4.5 million
Department of Emergency Services and Public Protection; Correction, Dept.; Judicial Dept.	Technical Services Revolving Fund - Revenue Loss	None	4.5-5.5 million
Correction, Dept.	GF - Potential Cost	None	See Below
Correction, Dept.	GF - Potential Revenue Loss	None	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Correction (DOC) to provide telephone services for inmates free of charge beginning October 1, 2022 and results in various costs and revenue losses to the state. Currently, inmates pay for each call and a portion of that money compensates the vendor for providing the service and the remainder goes to the state to fund various programs.

Cost Impact:

- It will cost DOC approximately \$3.5 to \$4.5 million to compensate the vendor for the telephone services beginning

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in FY 23¹. The exact cost will depend on the inmate call volume which could potentially increase due to the fees being removed, inmate population which has been decreasing in recent years, and any future adjustments to the contract between the State and the vendor.

- There is a potential cost to the extent the Commissioner of DOC adds video communication and electronic mail services for inmates because the bill dictates that these services shall be free of charge².

Revenue Impact:

- The bill results in an approximate \$4.5 to \$5.5 million revenue loss to the state in FY 23³. This money goes to DOC for expanding inmate educational services and reentry program initiatives, and the remainder pays for criminal justice information system (in DESPP) and for probation staffing in the Judicial Department.
- There is a potential revenue loss to the extent the Commissioner of DOC adds video communication and electronic mail services for inmates because the bill prohibits the DOC from receiving revenue for phone or telecommunications services.

The Out Years

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$	FY 26 \$
Correction, Dept. (DOC88000)	GF - Cost	4.5-5.5 million	4.5-5.5 million	4.5-5.5 million
Department of Emergency Services and	Technical Services Revolving Fund - Revenue Loss	6-7 million	6-7 million	6-7 million

¹ The FY 23 cost reflects 9 months due to the October 1, 2022 start date.

² Tablets are currently provided to a limited number of inmates. Some of the services on the tablets are provided free of charge while others have a cost.

³ The FY 23 revenue loss reflects 9 months due to the October 1, 2022 start date.

Public Protection (DPS32000); Correction, Dept. (DOC88000); Judicial Dept. (JUD95000)				
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Note: GF=General Fund

Municipal Impact: None

The annualized cost for paying the vendor for telephone services is approximately \$4.5 to \$5.5 million per year and the annualized revenue loss is \$6 to \$7 million per year. The exact cost and revenue loss will depend on the inmate call volume which could potentially increase due to the fees being removed, inmate population which has been decreasing in recent years, and any future adjustments to the contract between the State and the vendor.