

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**  
Revision 1

**March 18, 2003**

**TO:** Honorable Ray Allen, Chair, House Committee on Corrections

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB1711** by Hodge (Relating to the provision of telephone service to inmates and defendants confined in facilities operated by the Texas Department of Criminal Justice.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1711, As Introduced: a positive impact of \$2,117,334 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$1,058,667
2005	\$1,058,667
2006	\$1,058,667
2007	\$1,058,667
2008	\$1,058,667

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2004	\$1,058,667
2005	\$1,058,667
2006	\$1,058,667
2007	\$1,058,667
2008	\$1,058,667

**Fiscal Analysis**

The bill would amend the Government Code to direct the Department of Criminal Justice to request proposals from private vendors for contracts to provide pay telephone service to inmates confined in the department's facilities. The department may award one or more contracts to private vendors to provide pay telephone service to inmates. The bill does not specify a rate of commission to be paid to the department.

**Methodology**

The department's current policies allow eligible inmates (determined by security and classification levels) within the institutional division to make one phone call every 90 days and inmates within the

state jail division and substance abuse felony punishment facilities are allowed to make one phone call every 30 days. The agency's current policies limit each phone call to 5 minutes. The department indicates that one vendor has proposed a rate of \$0.86 per minute. This analysis assumes that any contract entered into by the department would provide access to telephone services to every eligible inmate. The actual level of revenue would depend on the number of inmates affected by the services and the commission paid to the department.

Assuming a rate of \$0.86 per minute and that all 95,175 eligible inmates within the institutional division make the 4 allowed phone calls per year for the maximum duration allowed, \$1,637,010 in phone charges would be incurred. Assuming the same rate of \$0.86 per minute and that all 19,567 inmates within the state jail system and substance abuse felony punishment facilities make the allowed 12 phone calls per year for the maximum duration allowed, \$1,009,657 in phone charges would be incurred. The total amount of phone charges per year would be \$2,646,667. Further assuming that the department receives a commission rate of 40 percent, \$1,058,667 in revenue to the state would be generated system-wide each year.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 696 Department Of Criminal Justice

**LBB Staff:** JK, GO, WK, VDS, AB, KG