

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 17, 2007

TO: Honorable Jerry Madden, Chair, House Committee on Corrections

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1888 by Haggerty (Relating to the provision of pay telephone service to inmates confined in facilities operated by the Texas Department of Criminal Justice.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1888, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>CRIME VICTIMS COMP ACCT</i> 469
2008	\$0	\$7,517,073
2009	\$0	\$7,517,073
2010	\$0	\$7,517,073
2011	\$0	\$7,517,073
2012	\$0	\$7,517,073

Fiscal Analysis

The bill would amend the Government Code by requiring the Texas Department of Criminal Justice (TDCJ) to contract for seven years with a private vendor for all services related to installing, operating and maintaining a pay telephone service for eligible inmates confined in TDCJ operated facilities. The bill requires the vendor selected for the service to pay not less than 40 percent of gross service revenues to TDCJ as commission. The bill requires of the TDCJ commission, to transfer annually, the first \$10.0 million to the Compensation to Victims of Crime account. Of the remaining commission, TDCJ would then transfer half of the account to the Compensation to Victims of Crime account and the remaining half to General Revenue Fund. The bill requires TDCJ to adopt policies governing inmate usage of the pay telephones and must allow for an average monthly call usage rate of eight calls, with each call having an average duration of not less than 10 minutes, per eligible inmate. Only eligible inmates would be allowed phone privileges to a pre-approved call list. TDCJ would be required to record and preserve for a reasonable period of time inmate telephone conversations, except for attorney-client communications.

Methodology

In order to determine the fiscal impact of the bill, assumptions must be made regarding the number of calls that will be made and the duration of the calls made, by eligible offenders. Since TDCJ has had a restricted policy regarding inmate calls (eligible inmates are allowed one five-minute phone call every 90 days for institutional division offenders and one five-minute phone call every 30 days for offenders in state jail facilities), information for making the fiscal impact determination assumptions is not available. However, it is assumed that the provision of the bill requiring an average of eight calls, with each call having an average duration of not less than 10 minutes, would change TDCJ's inmate telephone usage policy. Policies for inmates in a privately run parole program facility allow more phone privileges compared to current policies for inmates in the TDCJ operated institutional division. Actual revenue based on three months of telephone usage from a privately operated 2,100-bed parole program facility totaled \$32,195. The average number of telephone calls for the three month time period was 2,416 calls. Based on these numbers, a parole program inmate will average a phone usage cost of \$61.32 per year. Therefore, it is assumed that if all of TDCJ's 122,580 offenders eligible for phone usage utilized the phone system under a phone usage policy that would be changed to reflect what is currently practiced at the parole facility, there would be approximately \$7,517,073 in revenues generated per year. The actual revenue generated would depend on the contract agreement, the number of inmates using the phone service, and duration of the phone calls.

According to the Comptroller of Public Accounts, the effect on the state's cash flow cannot be estimated. The Office of the Attorney General anticipates an increase in inmate law suits; however, the additional work resulting from implementation of the bill would be absorbed with current resources. The State Auditor's Office estimates that the fiscal impact would not be significant to their agency.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 696 Department of Criminal Justice

LBB Staff: JOB, ES, GG, SDO