



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0303

Title: Generally revise laws related to telecommunications contracts with state prisons

Primary Sponsor: McGillvray, Tom

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2022 <u>Difference</u>	FY 2023 <u>Difference</u>	FY 2024 <u>Difference</u>	FY 2025 <u>Difference</u>
Expenditures:				
General Fund	Undeterminable	Undeterminable	Undeterminable	Undeterminable
Revenue:				
General Fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Impact-General Fund Balance:	<u>Undeterminable</u>	<u>Undeterminable</u>	<u>Undeterminable</u>	<u>Undeterminable</u>

Description of fiscal impact: This bill has a potential fiscal impact to the state, but the cost cannot be determined at this time. The proposed language revises 53-30-153, MCA, which authorizes the Department of Corrections' (DOC) state prisons to contract with telecommunications service providers to provide communications services for inmates and provides for certain contractual conditions. This bill would require the state's prisons to provide such communications services without charging more than \$0.05 per minute for intrastate fees. The law places greater restrictions on contracts with telecommunication service providers and expands applicability to all state prisons.

FISCAL ANALYSIS

Assumptions:

- SB 303 includes language that prohibits additional charges, including tax. Telephone service providers do not control interstate and intrastate taxes on telephone services. The cost cannot be determined at this time.
- There would be a significant fiscal impact to the general fund because constitutionally the department must provide telecommunications services to offenders. It is likely that there would not be providers able to provide services at the rate proposed so services would be provided through the general fund. The DOC is unaware of any other state that provides this service internally and is unable to determine that cost.
- The bill removes language of the exception "to the extent feasible" from current statute. The DOC relied upon that exception in its current contract with the provider when it reached a final agreement for telecommunication services at the intrastate fee rate of \$0.115 per minute, which exceeded the previous

limitation of \$0.10 per minute. No vendor provided a bid lower than \$0.115 per minute to provide state prison telecommunication services.

4. The DOC is not budgeted to provide these telecommunication services. Passage of this bill may result in a procurement process with no responsive bidders, leaving prison inmates without telecommunication services.

Technical Issues:

1. The bill proposes a total per minute rate of \$0.05, which cannot sustain the level of services provided in the current contract. The current contract rate of \$.115 cents per minute for inmate communication services covers building and maintaining the infrastructure, investigative services to monitor inmate calls for public safety purposes, electronic commissary ordering, video visitation and email capabilities, online grievances, and an education-based inmate tablet system that includes access to legal research materials.
2. Because prisoners have a constitutionally recognized right to some level of telecommunication services, the state would have to provide this service through general fund or face litigation.

NO SPONSOR SIGNATURE

Sponsor's Initials

2/27

Date

KA

Budget Director's Initials

2/26/21

Date