



March 30, 2023

SUMMARY OF BILL: Requires a youth development center, local jails, and the Department of Correction (DOC), to provide persons in their custody with accessible, functional voice communication services free of charge to the person initiating and the person receiving the communication

FISCAL IMPACT:

Increase State Expenditures – \$8,128,000/FY23-24 and Subsequent Years

Increase Local Expenditures – Exceeds \$25,000/FY23-24 and Subsequent Years*

Assumptions:

- Based on information provided by the Department of Children's Services (DCS), the Department currently provides youth at development centers a minimum of three phones calls per week at no charge, and all incoming calls are free of charge; therefore, any fiscal impact to DCS resulting from the proposed legislation is estimated to be not significant.
- Based on information provided by the DOC, the Department has a revenue generating contract for telephone services provided to offenders in DOC facilities and relies on such commissions as part of their administrative budget.
- The current telephone rate is \$0.11 per minute.
- According to DOC, the revenue from telephone calls in FY22-23 was estimated to be \$8,128,000. DOC received approximately \$4,080,000 of such revenue as commission from this contract.
- Requiring the DOC to provide free telephone services will result in a decrease in telephone services revenue generated, and a decrease in DOC commissions.
- The total recurring increase in state expenditures is estimated to be \$8,128,000 in FY23-24 and subsequent years to offset the decrease in revenue to DOC and pay a telephone service provider the cost of telephone communications.
- This analysis assumes that most local jails enter into contracts to provide services for placing calls and charge inmates for phone services.
- Requiring local jails to provide free telephone services to inmates will require local jails to procure new service contracts for such services.
- The precise fiscal impact to local jails resulting from the proposed legislation is unknown; however, it is reasonable to estimate that requiring local jails to provide free

telephone services will result in a recurring mandatory increase in local expenditures in FY23-24 and subsequent years estimated to exceed \$25,000 statewide.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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