

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 705** HLS 24RS 743

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|  |                                 |
|--|---------------------------------|
| <b>Date:</b> March 30, 2024 4:23 PM                              | <b>Author:</b> JORDAN           |
| <b>Dept./Agy.:</b> Corrections                                   | <b>Analyst:</b> Daniel Druilhet |
| <b>Subject:</b> Telecommunications Services for the Incarcerated |                                 |

CORRECTIONS/PRISONERS OR -\$5,300,000 SG RV See Note Page 1 of 1  
Provides relative to payphones and communications for incarcerated individuals

Proposed law would remove all charges assessed for calls made by incarcerated persons or calls to persons accepting communications from an incarcerated person in custody of the Department of Public Safety & Corrections (DPS&C). Proposed law would mandate that any negotiations for procurement of telecommunications services by the DPS&C be conducted in accordance with and subject to provisions of the Louisiana Procurement Code.

Proposed law would mandate that no contract for telecommunications services provided to a person incarcerated and in the custody of the DPS&C include any provisions which authorize charges to the incarcerated person or to the person accepting communications from the incarcerated person. Proposed law also provides the definition of telecommunication service.

| EXPENDITURES        | 2024-25              | 2025-26              | 2026-27              | 2027-28              | 2028-29              | 5 -YEAR TOTAL         |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| State Gen. Fd.      | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| Agy. Self-Gen.      | <b>SEE BELOW</b>     | <b>SEE BELOW</b>     | <b>SEE BELOW</b>     | <b>SEE BELOW</b>     | <b>SEE BELOW</b>     |                       |
| Ded./Other          | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| Federal Funds       | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| Local Funds         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| <b>Annual Total</b> |                      |                      |                      |                      |                      |                       |
| REVENUES            | 2024-25              | 2025-26              | 2026-27              | 2027-28              | 2028-29              | 5 -YEAR TOTAL         |
| State Gen. Fd.      | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| Agy. Self-Gen.      | <b>(\$5,300,000)</b> | <b>(\$5,300,000)</b> | <b>(\$5,300,000)</b> | <b>(\$5,300,000)</b> | <b>(\$5,300,000)</b> | <b>(\$26,500,000)</b> |
| Ded./Other          | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| Federal Funds       | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| Local Funds         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| <b>Annual Total</b> | <b>(\$5,300,000)</b> | <b>(\$5,300,000)</b> | <b>(\$5,300,000)</b> | <b>(\$5,300,000)</b> | <b>(\$5,300,000)</b> | <b>(\$26,500,000)</b> |

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

Proposed law would have no effect on expenditures associated with securing a system of telecommunications services for incarcerated persons and persons accepting communications from incarcerated persons. The current system of telecommunications services provided by DPS&C is one that is administered by Securis Technologies, a private corporation which has an existing contract with DPS&C-CS that is slated to end March 8, 2024, if not renewed. DPS&C advises that a new contract with Securis Technologies is currently being negotiated, but it has not yet been finalized. According to the DPS&C - CS, it estimates costs to administer any new system of telecommunications services at \$1.5 M, which is equivalent to the existing amount it already contracts with Securis Technologies to provide the service. Considering this, there would be no impact on governmental expenditures with enactment of proposed law.

Note: While proposed law does not directly impact state governmental expenditures, it does eliminate self-generated revenues used to support certain functions within the DPS&C-CS. The total loss of revenues to support these expenditures is indeterminable (see Revenue Explanation). To the extent that the legislature continues to fund activities in DPS&C-CS supported by these revenues at the same or a diminished level in subsequent fiscal years, the funding sources supporting the base expenditures must be replaced by SGF or another revenue source to supplant the loss of SGR expenditures. These activities would compete for annual SGF resources along with other significant SGF supported services and activities of the state.

**REVENUE EXPLANATION**

Proposed law will likely result in an annual decrease of \$5.3 M in SGR to the Department of Safety & Corrections - Corrections Services (DPS&C-CS). This estimate was based on an average of the last five years of telephone commissions generated by the DPS&C-CS using the existing system. The system of telecommunications services provided by Securis Technologies is one in which variable rates are assessed for collect, debit, and prepaid calls made by incarcerated persons to persons accepting communications from an incarcerated person. The resulting collections are SGR, in the form of telephone commissions, 70% of which is allocated to Securis Technologies, while 30% is allocated to DPS&C-CS. The exact fiscal impact of proposed law to SGR is indeterminable because there is no way to determine the number of calls that will be placed by inmates during any year, the length of those calls, the resulting telephone commissions that will be generated, and how much SGR will be lost by DPS&C-CS by eliminating telephone commissions from calls made by incarcerated persons or calls to persons accepting communications from an incarcerated person. For informational purposes only, for the last five years, telephone commissions have varied from \$5.8 M in FY 20, \$6 M in FY 21, \$5.4 M in FY 22, and \$4.1 M in FY 23.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**