

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6917
BILL NUMBER: HB 1181

NOTE PREPARED: Feb 18, 2022
BILL AMENDED: Feb 15, 2022

SUBJECT: Youth Offender Boot Camps and Inmate Calling Services.

FIRST AUTHOR: Rep. DeVon
FIRST SPONSOR: Sen. Ford Jon

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that juvenile offenders may not be placed in Department of Correction (DOC) boot camps beginning July 1, 2022. It provides, for purposes of juvenile offenders who are already participating in the boot camp program on July 1, 2022, that the boot camp program expires December 31, 2023.

Telephone Rates: It provides that a rate for intrastate: (1) collect calling; (2) debit calling; (3) prepaid calling; or (4) prepaid collect calling; in connection with inmate calling services shall not exceed the rate cap for the comparable interstate service, as set by the Federal Communications Commission (FCC) and in effect at the time the call is initiated. It provides that this intrastate rate cap is subject to any distinctions in the comparable interstate rate cap set by the FCC that are based on: (1) the type or size of the correctional facility from which the inmate calling services call is placed; and (2) whether any site commission is sought to be recovered through the intrastate rate.

Waiver from Caps: It specifies that a provider that has been granted a waiver by the FCC from the interstate rate caps with respect to a particular: (1) correctional facility; or (2) contract for the provision of inmate calling services; is not subject to the intrastate rate caps for the comparable intrastate services provided to the same correctional facility or under the same contract.

Ancillary Services Charges: It prohibits a provider from charging an ancillary service charge for an intrastate inmate calling services call, other than those ancillary service charges permitted by the FCC for interstate or international inmate calling services calls at the time the call is initiated. It provides that a rate for a permitted ancillary service charge for an intrastate inmate calling services call shall not exceed the rate for the comparable ancillary service charge permitted by the FCC for interstate or international inmate calling

services calls at the time the call is initiated.

Waivers: It specifies that a provider that has been granted a waiver by the FCC from the ancillary service charge caps for interstate or international inmate calling services calls with respect to a particular: (1) correctional facility; or (2) contract for the provision of inmate calling services; is not subject to the intrastate caps for the comparable intrastate ancillary services provided to the same correctional facility or under the same contract.

Prohibitions: It prohibits a provider of inmate calling services from impeding the completion of, or otherwise degrading, intrastate collect calling based on the lack of a billing relationship with the called party's communications service provider. It prohibits a provider from charging any taxes or fees in connection with intrastate inmate calling services calls, except for: (1) authorized fees; and (2) mandatory taxes and fees. It provides that: (1) authorized fees; and (2) mandatory taxes and fees; may not include a markup, unless the markup is specifically authorized by a federal, state, or local statute, rule, or regulation. It prohibits a provider from: (1) imposing a per call or per connection charge for any intrastate inmate calling services call; or (2) offering flat rate calling for intrastate inmate calling services. It provides that after June 30, 2022, a provider shall not enter into or renew a contract for the provision of inmate calling services at a correctional facility in Indiana unless the terms of the contract comply with these provisions. It provides that any term, condition, or provision that: (1) is included in such a contract; and (2) violates these provisions; is void.

Deceptive Acts: It provides that a provider that violates these provisions: (1) commits a deceptive act that is actionable by the Attorney General or by a consumer under the Deceptive Consumer Sales Act; and (2) is subject to the remedies and penalties under the act.

Effective Date: July 1, 2022.

Explanation of State Expenditures: *Minor Decrease in Expenditures:* This boot camp is located on the grounds of the Pendleton Juvenile Correctional Facility in Madison County. It currently has 48 beds and houses juvenile males. The DOC would need to remove a fence that separates the boot camp from the Pendleton Juvenile Correctional Facility and integrate it into the Pendleton Juvenile Correctional Facility.

Currently, there are 13 juvenile offenders participating in the boot camp program. The boot camp housing unit will be utilized for other evidence-based treatment programs for incarcerated youth.

Explanation of State Revenues: *Summary* – DOC has negotiated its contract to be in compliance with FCC regulations in October, 2021. Consequently, this bill would have no new revenue effects. DOC notes that since the rates were reduced, the call volume by prisoners has increased.

There could also be an increase in court fees deposited in the state General Fund if additional civil actions occur for deceptive acts.

Additional Information – If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

In addition, some or all of the judicial salaries fee (\$20), public defense administration fee (\$5), court

administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. The proceeds from the automated record keeping fee (\$20) are deposited into the State User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Telephone Rates:* There could be an indeterminable impact to revenue because any revenue loss from the FCC rate cap could be offset by an increase in call volume from inmates using the telephone systems.

Most counties contract with a telecommunications provider for calls for confined inmates. For jails with average daily populations of less than 1,000 inmates, the rate cap is 21 cents per minute. Except for Marion County, all jails in Indiana have populations less than 1,000 inmates. For Marion County, the rate cap would be 14 cents per minute.

The following table summarizes the per minute rates for intrastate calls that were charged in 2019 by type of facility for criminal justice agencies that reported. [2019 is the most recent year available.]

Per Minute Call Rates Reported by Local Criminal Justice Agencies				
Facility	Number Reporting	Lowest	Average	Highest
Community Corrections	7	\$0.24	\$0.69	\$3.40
Jails/Work Release	60	\$0.22	\$1.16	\$4.70
Juvenile Facility	8	\$0.24	\$0.31	\$0.50

Information on ancillary services was not available.

Court Fee Revenue for Deceptive Acts: If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge, depending upon the particular type of case.

Persons filing a civil case are also required to pay the following fees that are deposited in local funds. The document storage fee (\$5) is deposited into the clerk record perpetuation fund.

The following fees are deposited into the general fund of the county in which the court is located:

- Document fees (\$1 per page) are charged for preparing transcripts or copies of record or certificate under seal.
- A civil garnishee defendant service fee (\$10) is collected from the filing party for each defendant beyond the first three garnishee defendants cited in the lawsuit.

State Agencies Affected: Department of Correction; Office of the Attorney General.

Local Agencies Affected: Trial courts, city and town courts, County sheriffs, Community correction agencies.

Information Sources: Department of Corrections; Pendleton Juvenile Correctional Facility, <https://www.in.gov/idoc/dys/pendleton-juvenile-correctional-facility/facility-history/>; Department of Correction Professional Services Contract with GLOBAL TEL LINK CORP EDS# D12-19-17055; 2019 Annual Reports as filed by providers of calling services for incarcerated persons; Auditor's Data Acct. No. 43912; Third Report and Order, Order on Reconsideration, and Fifth Further Notice of Proposed Rulemaking, Adopted May 20, 2021, Federal Communications Commission pp. 88.

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