

Department of Legislative Services  
 Maryland General Assembly  
 2013 Session

FISCAL AND POLICY NOTE

House Bill 1138 (Delegate Carter, *et al.*)  
 Judiciary

Correctional Services - Inmate Welfare Fund - Telephone Financial Assistance

This bill requires the Department of Public Safety and Correctional Services (DPSCS) to adopt regulations that require a portion of the profits derived from telephone commissions that accrue to the inmate welfare funds to be used for telephone calls that take place between an inmate and the minor child of an inmate. The bill specifies that distributions must be made according to the financial need of an inmate. DPSCS must report to the General Assembly by December 31 of each year on the nature and dollar amount of any expenditure from each fund. The Legislative Auditor is required to audit the accounts, transactions, and expenditures of the inmate welfare fund in each State correctional facility.

Fiscal Summary

**State Effect:** Special fund revenues to the inmate welfare funds decrease by \$866,600 in FY 2014 and by \$1.2 million annually thereafter. The bill’s reporting requirements can be handled with existing resources.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
SF Revenue	(\$866,600)	(\$1,155,500)	(\$1,155,500)	(\$1,155,500)	(\$1,155,500)
Expenditure	0	0	0	0	0
Net Effect	(\$866,600)	(\$1,155,500)	(\$1,155,500)	(\$1,155,500)	(\$1,155,500)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None. Local correctional facilities are not affected.

**Small Business Effect:** None.

## Analysis

**Current Law/Background:** Generally, State agencies do not contract directly with telephone service providers. The Department of Budget and Management is responsible for the contracts relating to the use of telephones at all State facilities, including State correctional facilities. However, the inmate payphone contract is considered an Information Technology procurement. As such, the procurement is handled by DPSCS via a competitive sealed proposal procurement, which takes into consideration both technical and financial aspects of each proposal. The selected proposal must be reviewed and approved by the Department of Information Technology and the Board of Public Works (BPW). DPSCS facilities are allowed to retain commissions to support inmate services.

The contract governing inmate calls from DPSCS facilities is structured to be a revenue-producing instrument for the agency. The funds are deposited into the inmate welfare funds, special funds in each State correctional facility that are used by DPSCS for items benefiting the inmate population, including education and vocational training, hygienic supplies for indigent inmates, salaries relating to clergy and medical staff, special recreational equipment and supplies, support of the inmate grievance process, and inmate legal support. Inmate telephone commissions deposited into the funds totaled nearly \$5.0 million in fiscal 2012. The inmate welfare funds also receive about \$2.0 million annually from commissary activities, vending machines, and other nontelephone-related sources; in fiscal 2012, the total was \$2.3 million.

The inmate welfare funds are already subject to audit by the Office of Legislative Audits.

**State Fiscal Effect:** In fiscal 2012, the inmate welfare funds received \$4,958,265 from commissions on inmate telephone calls. DPSCS assumes that 4,938 qualifying inmates, with one minor child, make two calls per month, lasting 15 minutes each. Based on that information, and assuming a collect call local rate of 65 cents per minute, the bill reduces deposits to the funds by \$96,291 per month, and by \$1,155,492 per year. In fiscal 2014, due to the bill's October 1, 2013 effective date, special fund revenues decrease by \$866,619. Actual decreases may vary depending on the number of eligible inmates, the number and duration of calls, and the departmental methodology used to determine financial need.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** Although SB 778 (Senator Pugh - Judicial Proceedings) is identified as a cross file, it is different.

**Information Source(s):** Department of Public Safety and Correctional Services,  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2013  
ncs/lgc

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