



**LEGISLATIVE FISCAL ESTIMATE:**

Yes 4-21-16  
6-24-16  
3-31-16

**VETO MESSAGE:**

No

**GOVERNOR'S PRESS RELEASE ON SIGNING:**

No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

LAW/KR

P.L.2016, CHAPTER 37, *approved August 31, 2016*  
Senate, No. 1880 (*Third Reprint*)

1 AN ACT concerning inmate telephone charges and supplementing  
2 Title 30 of the Revised Statutes.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. For the purposes of this act, “private correctional facility”  
8 means any private facility detaining persons pursuant to any  
9 intergovernmental service agreement or other contract with any  
10 federal, State, or county agency, including but not limited to United  
11 States Immigration and Customs Enforcement, and including any  
12 private facility authorized under the provisions of P.L.1999, c.243  
13 (C.30:4-91.9 et seq.).

14  
15 2. a. All telephone service contracts for inmates in State or  
16 county correctional facilities shall be subject to the procurement  
17 provisions set forth in chapter 34 of Title 52 of the Revised Statutes  
18 and chapter 11 of Title 40A of the New Jersey Statutes; provided,  
19 however, the State Treasurer or appropriate person on behalf of the  
20 county or private correctional facility shall contract with the  
21 qualified vendor <sup>2</sup>**[who proposes the lowest per minute]** whose<sup>2</sup>  
22 rate <sup>2</sup>shall<sup>2</sup> not <sup>2</sup>[exceeding the maximum rate allowed by the  
23 Federal Communications Commission <sup>1</sup>[Order for state prisons, as  
24 specified in In the Matter of Rates for Interstate Inmate Calling  
25 Services, Second Report and Order and Third Further Notice of  
26 Proposed Rulemaking, WC Docket 12-375, FCC 15-136 (adopted  
27 Oct. 22, 2015) or successor order] pursuant to 47 C.F.R. s.64.6000  
28 et seq.<sup>1</sup>] exceed 11 cents per minute<sup>2</sup> for <sup>2</sup>domestic<sup>2</sup> debit, prepaid,  
29 and collect calls and who does not bill to any party any service  
30 charge or additional fee exceeding the per minute rate, including,  
31 but not limited to, any per call surcharge, account set up fee, bill  
32 statement fee, monthly account maintenance charge, or refund fee.

33 b. A State, county, or private correctional facility shall not  
34 accept or receive a commission or <sup>1</sup>**[any other payment from]**  
35 impose a surcharge for telephone usage by inmates in addition to  
36 the charges imposed by<sup>1</sup> the telephone service provider <sup>1</sup>[based

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SLP committee amendments adopted May 23, 2016.

<sup>2</sup>Senate SBA committee amendments adopted June 6, 2016.

<sup>3</sup>Senate floor amendments adopted June 23, 2016.

1 upon an amount the provider billed for telephone calls made by  
2 inmates in the correctional facility]. For the purposes of this  
3 section, “commission” means any form of monetary payment, in-  
4 kind payment requirement, gift, exchange of services or goods, fee,  
5 <sup>3</sup>or<sup>3</sup> technology allowance <sup>3</sup>[.]. A commission or surcharge shall  
6 not include any<sup>3</sup> product or the like that is <sup>3</sup>[not]<sup>3</sup> related to the  
7 completion of voice-only calls, inmate telephone service  
8 maintenance, the analysis of telephone records and related financial  
9 data for investigative or other purposes, or security enhancements,  
10 including, but not limited to, voice recognition software, text  
11 analytics, or <sup>2</sup>[data IQ<sup>1</sup>] aggregate data analytical software<sup>2</sup>.

12 c. Telephone services made available through a prepaid or  
13 collect call system established pursuant to section 3 of this act may  
14 include international calls; provided however, that if international  
15 calls are included in the telephone services made available for  
16 inmates, those calls shall be made available at reasonable rates  
17 subject to Federal Communications Commission rules and  
18 regulations, but not to exceed 25 cents per minute.

19

20 3. a. The Department of Corrections, each county correctional  
21 facility, and each private correctional facility shall make available  
22 either a prepaid or collect call system, or a combination thereof, for  
23 telephone services for inmates.

24 b. Under a prepaid system, funds may be deposited into an  
25 inmate account in order to pay for telephone calls, provided that  
26 nothing in this section shall require the department, county, or  
27 private correctional facility to provide or administer a prepaid  
28 system.

29 c. The provider of the inmate telephone service, as an  
30 additional means of payment, shall permit the recipient of inmate  
31 collect calls to establish an account with that provider in order to  
32 deposit funds for advance payment of those collect calls.

33 d. For the purposes of this section, a “collect call system”  
34 <sup>1</sup>[shall mean] means<sup>1</sup> a call system pursuant to which recipients are  
35 billed for the cost of an accepted telephone call initiated by an  
36 inmate.

37

38 4. The department shall establish rules and regulations or  
39 departmental procedures to ensure that any inmate telephone call  
40 system established by this act provides reasonable security  
41 measures to preserve the safety and security of each State and  
42 county correctional facility, staff member, and person outside a  
43 facility who may receive inmate telephone calls.

44

45 5. <sup>1</sup>[Sections 1, 2, and 4 of this] This<sup>1</sup> act shall take effect  
46 immediately and section 2 shall apply to any new or renewal  
47 contract for inmate telephone services in effect on or after <sup>2</sup>[April  
48 10, 2015] the date of enactment<sup>2</sup>; <sup>1</sup>provided however that<sup>1</sup> section 3

**S1880 [3R]**

3

1 of this act shall **1**~~take effect on~~**1** remain inoperative until**1** the first  
2 day of the fourth month after the date of**1** enactment.

3

4

5

6

7 Imposes certain requirements on telephone service contracts for  
8 inmates in certain correctional facilities.

**SENATE, No. 1880**

**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

INTRODUCED MARCH 10, 2016

**Sponsored by:**

**Senator SHIRLEY K. TURNER**

**District 15 (Hunterdon and Mercer)**

**SYNOPSIS**

Requires lowest possible price not exceeding certain cap for inmate telephone calls.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning inmate telephone charges and supplementing  
2 Title 30 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. For the purposes of this act, “private correctional facility”  
8 means any private facility detaining persons pursuant to any  
9 intergovernmental service agreement or other contract with any  
10 federal, State, or county agency, including but not limited to United  
11 States Immigration and Customs Enforcement, and including any  
12 private facility authorized under the provisions of P.L.1999, c.243  
13 (C.30:4-91.9 et seq.).

14

15 2. a. All telephone service contracts for inmates in State or  
16 county correctional facilities shall be subject to the procurement  
17 provisions set forth in chapter 34 of Title 52 of the Revised Statutes  
18 and chapter 11 of Title 40A of the New Jersey Statutes; provided,  
19 however, the State Treasurer or appropriate person on behalf of the  
20 county or private correctional facility shall contract with the  
21 qualified vendor who proposes the lowest per minute rate not  
22 exceeding the maximum rate allowed by the Federal  
23 Communications Commission Order for state prisons, as specified  
24 in In the Matter of Rates for Interstate Inmate Calling Services,  
25 Second Report and Order and Third Further Notice of Proposed  
26 Rulemaking, WC Docket 12-375, FCC 15-136 (adopted Oct. 22,  
27 2015) or successor order for debit, prepaid, and collect calls and  
28 who does not bill to any party any service charge or additional fee  
29 exceeding the per minute rate, including, but not limited to, any per  
30 call surcharge, account set up fee, bill statement fee, monthly  
31 account maintenance charge, or refund fee.

32

33 b. A State, county, or private correctional facility shall not  
34 accept or receive a commission or any other payment from the  
35 telephone service provider based upon an amount the provider  
36 billed for telephone calls made by inmates in the correctional  
37 facility.

38

39 c. Telephone services made available through a prepaid or  
40 collect call system established pursuant to section 3 of this act may  
41 include international calls; provided however, that if international  
42 calls are included in the telephone services made available for  
43 inmates, those calls shall be made available at reasonable rates  
44 subject to Federal Communications Commission rules and  
45 regulations, but not to exceed 25 cents per minute.

46

47 3. a. The Department of Corrections, each county correctional  
48 facility, and each private correctional facility shall make available  
either a prepaid or collect call system, or a combination thereof, for  
telephone services for inmates.





1 per call surcharge, account set up fee, bill statement fee, monthly  
2 account maintenance charge, or refund fee.

3 The bill prohibits the State, counties, and private correctional  
4 facilities from accepting or receiving a commission or any other  
5 payment from the telephone service provider based upon an amount  
6 the provider billed for telephone calls made by inmates in the  
7 correctional facility. The bill also requires telephone services made  
8 available to inmates in accordance with this bill to include  
9 international calls at reasonable rates subject to Federal  
10 Communications Commission rules and regulations, but not to exceed  
11 25 cents per minute.

12 Inmate Call Systems. The bill requires the Department of  
13 Corrections, each county correctional facility, and each private  
14 correctional facility to make available a prepaid or collect call system,  
15 or a combination of the two, for telephone services for inmates. Under  
16 a prepaid call system, the bill provides that funds may be deposited  
17 into an inmate account to pay for telephone calls, as long as the  
18 department, county, or private correctional facility is not required to  
19 provide for or administer that prepaid system. The bill requires the  
20 provider of the inmate telephone service, as an additional means of  
21 payment, to permit the recipient of inmate collect calls to establish an  
22 account with that provider to deposit funds for advance payment of  
23 those collect calls.

24 Rules and Regulations. The bill requires the Department of  
25 Corrections to establish rules and regulations or departmental  
26 procedures to ensure that any inmate telephone call system established  
27 by the bill provides reasonable security measures to preserve the safety  
28 and security of State and county correctional facilities, staff members,  
29 and those outside a facility who may receive inmate telephone calls.

30 Effective Date. The provisions of the bill that impose  
31 requirements on telephone service contracts for inmates in State or  
32 county correctional facilities take effect immediately and apply to any  
33 new or renewal contract for inmate telephone services in effect on or  
34 after April 10, 2015. The provisions of the bill that require the State,  
35 counties, and private correctional facilities to make certain call  
36 systems available for telephone services for inmates take effect on the  
37 first day of the fourth month after enactment. The provisions of the  
38 bill that direct the Department of Corrections to establish rules and  
39 regulations to ensure the safety and security of inmate telephone call  
40 systems take effect immediately upon enactment.

# SENATE LAW AND PUBLIC SAFETY COMMITTEE

## STATEMENT TO

### **SENATE, No. 1880**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 23, 2016

The Senate Law and Public Safety Committee reports favorably and with committee amendments Senate Bill No. 1880.

As amended, this bill requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities.

Under the amended bill, the maximum per minute rate for these calls may not exceed the maximum rate allowed by order of the Federal Communications Commission (FCC) for out-of-State calls. Furthermore, a bidder is not authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The amended bill also allows international calls to be made available; if they are made available, they are to be at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.

The amended bill also prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for the telephone service. The amended bill defines a “commission” as any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, technology allowance, product, or the like that is not related to the completion of voice-only calls, inmate telephone service maintenance, or the analysis of telephone records and related financial data for investigative or other purposes, or security enhancements, including, but not limited, to voice recognition software, text analytics, or data IQ. A “private correctional facility” is defined as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including, but not limited, to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

Also under the amended bill, the Department of Corrections (DOC), the counties, and private correctional facilities are to make available a prepaid or collect call system, or a combination of the

two, for telephone services. Under a prepaid or “debit” system, funds may be deposited into an inmate account in order to pay for telephone calls, as long as the department, county, or private correctional facility is not required to provide for or administer that prepaid system. The provider of the inmate telephone service, as an additional means of payment, is to permit the recipient of inmate collect calls to establish an account with that provider in order to deposit funds for advance payment of those collect calls.

The amended bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) add the definition of “commission” to better align the language of the bill with the recent FCC rules governing inmate phone calls and commission income, and clarifying that a commission does not include payment for security enhancements, including voice recognition software, text analytics, or data IQ; and

(2) make technical amendments to the definition of “collect call system” and to the effective date.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **SENATE, No. 1880**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 6, 2016

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1880 (1R), with committee amendments.

As amended, this bill imposes certain requirements on telephone service contracts for inmates in State and county correctional facilities.

The bill requires the State Treasurer or other appropriate person on behalf of the county or private correctional facility to contract with the bidder whose rate for inmate telephone calls does not exceed 11 cents per minute for domestic debit, prepaid, and collect calls. Further, a bidder who is contracted with to provide services is not authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also allows international calls to be made available. If international calls are made available to inmates, they are required to be made available at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.

The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for telephone usage by inmates. The bill defines a “commission” as any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, technology allowance, product, or the like that is not related to the completion of voice-only calls, inmate telephone service maintenance, or the analysis of telephone records and related financial data for investigative or other purposes, or security enhancements, including, but not limited, to voice recognition software, text analytics, or aggregate data analytical software.

A “private correctional facility” is defined by the bill as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including, but not limited, to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

The bill requires the Department of Corrections (DOC), counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services for inmates. Under a prepaid or “debit” system, funds may be deposited into an inmate account to pay for telephone calls, as long as the DOC, county, or private correctional facility is not required to provide for or administer that prepaid system. The bill requires the provider of the inmate telephone service, as an additional means of payment, to permit the recipient of inmate collect calls to establish an account with that provider to deposit funds for advance payment of those calls.

The bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

The bill takes effect immediately, but provides for section 2 of the bill (concerning telephone service contracts for inmates) to apply to any new or renewal contract for inmate telephone services in effect on or after the date of the bill’s enactment and for section 3 of the bill (regarding the availability of a prepaid or collect call system) to remain inoperative until the first day of the fourth month after the date of enactment.

#### COMMITTEE AMENDMENTS:

The amendments clarify in section 2 of the bill (concerning telephone service contracts for inmates) that the maximum per minute rate for inmate telephone calls is not to exceed 11 cents per minute for domestic debit, prepaid, and collect calls pursuant to federal regulations.

The amendments modify the definition of “commission” in section 2 of the bill to better specify the security enhancements that are excluded from the enumerated list of payments prohibited from being accepted by a State, county, or private correctional facility.

The amendments change the effective date of the bill to provide for section 2 of the bill to apply to any new or renewal contract for inmate telephone services in effect on or after the date of the bill’s enactment.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that under an existing contract the DOC currently conforms to the per minute rate caps enumerated by the bill for domestic calls. International calls, including those within the North American dialing plan are not authorized. If such calls are allowed, depending upon the rate to be negotiated with the telephone service provider, the DOC may incur an undetermined additional cost to provide international service.

In addition, the OLS notes that the DOC does not regulate telephone rates at the Residential Community Release Programs

(RCHP—Halfway Houses), and does not regulate telephone rates at the county jails and private correctional facilities. Rather, those entities enter into their own individual contracts with their respective telephone vendors. The OLS does not have information concerning the telephone rates charged within these entities. As a result, the OLS notes that depending upon the negotiated rates governing these phone calls, if their current rates are higher than the rate specified by the bill, they may incur additional costs to fund the cost of telephone calls above the current cap. These costs could then be passed on to the DOC in the form of higher per-diem rates for inmates.

STATEMENT TO  
[Second Reprint]  
**SENATE, No. 1880**

with Assembly Floor Amendments  
(Proposed by Senator TURNER)

ADOPTED: JUNE 23, 2016

Senate Bill No. 1880 (2R) imposes certain requirements on telephone service contracts for inmates in State and county correctional facilities. A provision of the bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for telephone usage by inmates. The bill currently defines a “commission” as any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, technology allowance, product, or the like that is not related to the completion of voice-only calls, inmate telephone service maintenance, or the analysis of telephone records and related financial data for investigative or other purposes, or security enhancements, including, but not limited, to voice recognition software, text analytics, or aggregate data analytical software.

These Senate amendments make clarifications to the definition of “commission” by distinguishing between the monetary payments, in-kind payment requirements, gifts, exchanges of services or goods, fees and technology allowances, which are prohibited, and those products or services which are not considered a commission or surcharge under the provisions of the bill that are related to the completion of voice-only calls, inmate telephone service maintenance, the analysis of telephone records and related financial data, or security enhancements.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 1880 STATE OF NEW JERSEY 217th LEGISLATURE

DATED: JUNE 6, 2016

### SUMMARY

- Synopsis:** Requires lowest possible price not exceeding certain cap for inmate telephone calls.
- Type of Impact:** Indeterminate State and Local fiscal impact.
- Agencies Affected:** Department of Corrections, county correctional facilities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Indeterminate – See comments below		
<b>State Revenue</b>	Indeterminate – See comments below		

- The Office of Legislative Services (OLS) states that the Department of Corrections (DOC) currently conforms with the rate caps enumerated in the bill for domestic calls. International calls, including those within the North American dialing plan are not authorized. If such calls are allowed, depending upon the rate to be negotiated with the telephone service provider, the DOC may incur an undetermined additional cost to provide international service.
- The OLS also notes that the DOC does not regulate telephone rates at the Residential Community Release Programs (RCHP—Halfway Houses), nor does it regulate telephone rates at the county jails and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities. As a result, the OLS notes that depending upon the negotiated rates governing these phone calls, if their current rates are higher than the rate specified within the bill, they may incur additional costs to fund the cost of telephone calls above the current cap. These costs could then be passed on to the DOC in the form of higher per diem rates.
- The bill requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities. The



maximum per minute rate for calls may not exceed the maximum rate allowed by order of the Federal Communications Commission (FCC) for out-of-State calls.

- Under the bill, a bidder would not be authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also allows international calls to be made available, but they must be provided at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.
- The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for the telephone service.
- The bill requires the DOC, the counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services.

### **BILL DESCRIPTION**

Senate Bill No. 1880 (1R) of 2016 requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities.

Under the bill, the maximum per minute rate for these calls may not exceed the maximum rate allowed by order of the FCC for out-of-State calls. Furthermore, a bidder is not authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also allows international calls to be made available; if they are made available, they are to be at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.

The bill also prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for the telephone service. The bill defines a “commission” as any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, technology allowance, product, or the like that is not related to the completion of voice-only calls, inmate telephone service maintenance, or the analysis of telephone records and related financial data for investigative or other purposes, or security enhancements, including, but not limited, to voice recognition software, text analytics, or data IQ. A “private correctional facility” is defined as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including, but not limited, to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

Also under the bill, the DOC, the counties, and private correctional facilities are to make available a prepaid or collect call system, or a combination of the two, for telephone services. Under a prepaid or “debit” system, funds may be deposited into an inmate account in order to pay for telephone calls, as long as the department, county, or private correctional facility is not required to provide for or administer that prepaid system. The provider of the inmate telephone service, as an additional means of payment, is to permit the recipient of inmate collect calls to establish an account with that provider in order to deposit funds for advance payment of those collect calls.

The bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

Information provided informally by the DOC on this bill in the prior legislative session indicates that the State of New Jersey, Department of Treasury, Division of Purchase and Property on behalf of the DOC negotiated the Inmate/Resident Telephone Control Services contract with Global Tel\*Link Corporation (GTL) (T-1934). The bill's required prepaid or collect call system is already incorporated into the contract and, therefore, there is no additional cost.

The DOC notes that the State no longer receives a commission, and there are no surcharges on calls. The data IQ, voice recognition software and the text analytics provides security measures to preserve the safety and security of individuals who would receive an inmate telephone call. The DOC does not regulate the telephone rates at the Residential Community Release Programs (RCRP), nor is it an item that is negotiated in the RCRP contracts.

If the DOC were required to negotiate the telephone rates with the RCRP in the future, any additional cost could be passed on to the department in terms of higher per diem rates.

### *OFFICE OF LEGISLATIVE SERVICES*

The OLS states that the DOC's current Inmate/Resident Telephone Control Services contract (T-1934), which runs through April 30, 2022, already conforms with the rate caps enumerated in the bill for domestic calls as well as the bill's prepaid or collect call system requirements. The DOC, however, has no contract for international calls. As a result, depending upon the terms to be negotiated with the telephone service provider, the DOC may incur an indeterminate additional cost to provide international service if international calls are provided.

The OLS also notes that the DOC does not regulate telephone rates at the RCRP-Halfway Houses, county jails, and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities relative to the requirements of the substitute. As a result, the OLS notes that if the bill causes changes to future inmate telephone service contract terms, these entities may incur additional costs. These costs could then be passed on to the DOC in the form of higher per diem rates.

*Section:           Judiciary*

*Analyst:          Anne Raughley  
Principal Fiscal Analyst*

*Approved:       Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 1880**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: MARCH 31, 2016

**SUMMARY**

**Synopsis:** Requires lowest possible price not exceeding certain cap for inmate telephone calls

**Type of Impact:** Indeterminate State and local fiscal impact.

**Agencies Affected:** Department of Corrections, county correctional facilities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>State Cost</b>	Indeterminate- See comments below		
<b>Local Cost</b>	Indeterminate- See comments below		

- The Office of Legislative Services (OLS) states that the Department of Corrections (DOC) currently conforms with the rate caps enumerated in the bill for domestic calls. International calls, including those within the North American dialing plan are not authorized. As a result, depending upon the rate to be negotiated with the telephone service provider, the DOC may incur an undetermined additional cost to provide international service.
- The OLS also notes that the DOC does not regulate telephone rates at the Residential Community Release Programs (RCHP—Halfway Houses), nor does it regulate telephone rates at the county jails and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities. As a result, the OLS notes that depending upon the negotiated rates governing these phone calls, if their current rates are higher than the rate specified within the bill, they may incur additional costs to fund the cost of telephone calls above the current cap. These costs could then be passed on to the DOC in the form of higher per diem rates.
- The bill requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities. The maximum per minute rate for calls may not exceed the maximum rate allowed by order of the Federal Communications Commission (FCC) for out-of-State calls.

- Under the bill, a bidder would not be authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also requires international calls to be made available at reasonable rates subject to Federal Communications Commission rules and regulations, but not to exceed 25 cents per minute.
- The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or any other payment from the telephone service provider based upon an amount the provider billed for telephone calls made by inmates in the correctional facility.
- The bill requires the DOC, the counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services.

### **BILL DESCRIPTION**

Senate Bill No. 1880 of 2016 requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities.

Under the bill, the maximum per minute rate for calls may not exceed the maximum rate allowed by order of the FCC for out-of-State calls. Furthermore, a bidder would not be authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also requires international calls to be made available at reasonable rates subject to Federal Communications Commission rules and regulations, but not to exceed 25 cents per minute.

The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or any other payment from the telephone service provider based upon an amount the provider billed for telephone calls made by inmates in the correctional facility. A “private correctional facility” is defined in the bill as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including but not limited to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

The bill requires the DOC, the counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services. Under a prepaid or “debit” system, funds may be deposited into an inmate account in order to pay for telephone calls, as long as the department, county, or private correctional facility is not required to provide for or administer that prepaid system. The provider of the inmate telephone service, as an additional means of payment, is to permit the recipient of inmate collect calls to establish an account with that provider in order to deposit funds for advance payment of those collect calls.

Finally, the bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system established by the bill provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

Information provided informally by the DOC on this bill in the prior legislative session indicates that the State of New Jersey, Department of Treasury, Division of Purchase and Property on behalf of the DOC negotiated the Inmate/Resident Telephone Control Services contract with Global Tel\*Link Corporation (GTL) (T-1934). The bill's required prepaid or collect call system is already incorporated into the contract and, therefore, there is no additional cost.

The DOC notes that the State no longer receives a commission, and there are no surcharges on calls. The data IQ, voice recognition software and the text analytics provides security measures to preserve the safety and security of individuals who would receive an inmate telephone call. The DOC does not regulate the telephone rates at the Residential Community Release Programs (RCRP), nor is it an item that is negotiated in the RCRP contracts.

If the DOC were required to negotiate the telephone rates with the RCRP in the future, any additional cost could be passed on to the department in terms of higher per diem rates.

### *OFFICE OF LEGISLATIVE SERVICES*

The OLS states that the DOC's current Inmate/Resident Telephone Control Services contract (T-1934), which runs through April 30, 2022, already conforms with the rate caps enumerated in the bill for domestic calls as well as the bill's prepaid or collect call system requirements. The DOC, however, has no contract for international calls. As a result, depending upon the terms to be negotiated with the telephone service provider, the DOC may incur an indeterminate additional cost to provide international service.

The OLS also notes that the DOC does not regulate telephone rates at the RCRP-Halfway Houses, county jails, and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities relative to the requirements of the substitute. As a result, the OLS notes that if the bill causes changes to future inmate telephone service contract terms, these entities may incur additional costs. These costs could then be passed on to the DOC in the form of higher per diem rates.

*Section: Judiciary*

*Analyst: Anne Raughley  
Principal Fiscal Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

**SENATE, No. 1880**

## **STATE OF NEW JERSEY 217th LEGISLATURE**

DATED: JUNE 20, 2016

### SUMMARY

- Synopsis:** Imposes certain requirements on telephone service contracts for inmates in certain correctional facilities.
- Type of Impact:** Indeterminate State and Local fiscal impact.
- Agencies Affected:** Department of Corrections, county correctional facilities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Indeterminate – See comments below		
<b>State Revenue</b>	Indeterminate – See comments below		
<b>Local Cost</b>	Indeterminate – See comments below		

- The Office of Legislative Services (OLS) states that the Department of Corrections (DOC) currently conforms with the rate caps enumerated in the bill for domestic calls. International calls, including those within the North American dialing plan are not authorized. If such calls are allowed, depending upon the rate to be negotiated with the telephone service provider, the DOC may incur an undetermined additional cost to provide international service.
- The OLS also notes that the DOC does not regulate telephone rates at the Residential Community Release Programs (RCHP—Halfway Houses), nor does it regulate telephone rates at the county jails and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities. As a result, the OLS notes that depending upon the negotiated rates governing these phone calls, if their current rates are higher than the rate specified within the bill, they may incur additional costs to fund the cost of telephone calls above the current cap. These costs could then be passed on to the DOC in the form of higher per diem rates.

- The bill requires the State Treasurer or other appropriate person on behalf of the county or private correctional facility to contract with the bidder whose rate for inmate telephone calls does not exceed 11 cents per minute for domestic debit, prepaid, and collect calls.
- A bidder who is contracted with to provide services is not authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee.
- The bill allows international calls to be made available. If international calls are made available to inmates, they are required to be made available at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.
- The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for telephone usage by inmates.
- The bill requires the DOC, counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services for inmates.

## **BILL DESCRIPTION**

Senate Bill No. 1880 (2R) of 2016 imposes certain requirements on telephone service contracts for inmates in State and county correctional facilities.

The bill requires the State Treasurer or other appropriate person on behalf of the county or private correctional facility to contract with the bidder whose rate for inmate telephone calls does not exceed 11 cents per minute for domestic debit, prepaid, and collect calls. Further, a bidder who is contracted with to provide services is not authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also allows international calls to be made available. If international calls are made available to inmates, they are required to be made available at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.

The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for telephone usage by inmates. The bill defines a “commission” as any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, technology allowance, product, or the like that is not related to the completion of voice-only calls, inmate telephone service maintenance, or the analysis of telephone records and related financial data for investigative or other purposes, or security enhancements, including, but not limited, to voice recognition software, text analytics, or aggregate data analytical software.

A “private correctional facility” is defined by the bill as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including, but not limited, to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

The bill requires the DOC, counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services for inmates. Under a prepaid or “debit” system, funds may be deposited into an inmate account to pay for

telephone calls, as long as the DOC, county, or private correctional facility is not required to provide for or administer that prepaid system. The bill requires the provider of the inmate telephone service, as an additional means of payment, to permit the recipient of inmate collect calls to establish an account with that provider to deposit funds for advance payment of those calls.

The bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

The bill takes effect immediately, but provides for section 2 of the bill (concerning telephone service contracts for inmates) to apply to any new or renewal contract for inmate telephone services in effect on or after the date of the bill's enactment and for section 3 of the bill (regarding the availability of a prepaid or collect call system) to remain inoperative until the first day of the fourth month after the date of enactment.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

Information provided informally by the DOC on this bill in the prior legislative session indicates that the State of New Jersey, Department of Treasury, Division of Purchase and Property on behalf of the DOC negotiated the Inmate/Resident Telephone Control Services contract with Global Tel\*Link Corporation (GTL) (T-1934). The bill's required prepaid or collect call system is already incorporated into the contract and, therefore, there is no additional cost.

The DOC notes that the State no longer receives a commission, and there are no surcharges on calls. The data IQ, voice recognition software and the text analytics provides security measures to preserve the safety and security of individuals who would receive an inmate telephone call. The DOC does not regulate the telephone rates at the Residential Community Release Programs (RCRP), nor is it an item that is negotiated in the RCRP contracts.

If the DOC were required to negotiate the telephone rates with the RCRP in the future, any additional cost could be passed on to the department in terms of higher per diem rates.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS states that the DOC's current Inmate/Resident Telephone Control Services contract (T-1934), which runs through April 30, 2022, already conforms with the rate caps enumerated in the bill for domestic calls as well as the bill's prepaid or collect call system requirements. The DOC, however, has no contract for international calls. As a result, depending upon the terms to be negotiated with the telephone service provider, the DOC may incur an indeterminate additional cost to provide international service if international calls are provided.

The OLS also notes that the DOC does not regulate telephone rates at the RCRP-Halfway Houses, county jails, and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities relative to the requirements of the bill. As a result, the OLS notes that if the bill causes changes to future inmate telephone service



contract terms, these entities may incur additional costs. These costs could then be passed on to the DOC in the form of higher per diem rates.

*Section: Judiciary*

*Analyst: Anne Raughley  
Principal Fiscal Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# ASSEMBLY, No. 1419

## STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

**Sponsored by:**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Co-Sponsored by:**

**Assemblywoman Mosquera**

**SYNOPSIS**

Requires lowest possible price not exceeding certain cap for inmate telephone calls.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 4/5/2016)**

1 AN ACT concerning inmate telephone charges and supplementing  
2 Title 30 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. For the purposes of this act, “private correctional facility”  
8 means any private facility detaining persons pursuant to any  
9 intergovernmental service agreement or other contract with any  
10 federal, State, or county agency, including but not limited to United  
11 States Immigration and Customs Enforcement, and including any  
12 private facility authorized under the provisions of P.L.1999, c.243  
13 (C.30:4-91.9 et seq.).

14

15 2. a. All telephone service contracts for inmates in State or  
16 county correctional facilities shall be subject to the procurement  
17 provisions set forth in chapter 34 of Title 52 of the Revised Statutes  
18 and chapter 11 of Title 40A of the New Jersey Statutes; provided,  
19 however, the State Treasurer or appropriate person on behalf of the  
20 county or private correctional facility shall contract with the  
21 qualified vendor who proposes the lowest per minute rate not  
22 exceeding the maximum rate allowed by the Federal  
23 Communications Commission Order for state prisons, as specified  
24 in In the Matter of Rates for Interstate Inmate Calling Services,  
25 Second Report and Order and Third Further Notice of Proposed  
26 Rulemaking, WC Docket 12-375, FCC 15-136 (adopted Oct. 22,  
27 2015) or successor order for debit, prepaid, and collect calls and  
28 who does not bill to any party any service charge or additional fee  
29 exceeding the per minute rate, including, but not limited to, any per  
30 call surcharge, account set up fee, bill statement fee, monthly  
31 account maintenance charge, or refund fee.

32

33 b. A State, county, or private correctional facility shall not  
34 accept or receive a commission or any other payment from the  
35 telephone service provider based upon an amount the provider  
36 billed for telephone calls made by inmates in the correctional  
37 facility.

38

39 c. Telephone services made available through a prepaid or  
40 collect call system established pursuant to section 3 of this act shall  
41 include international calls at reasonable rates subject to Federal  
42 Communications Commission rules and regulations, but not to  
43 exceed 25 cents per minute.

44

45 3. a. The Department of Corrections, each county correctional  
46 facility, and each private correctional facility shall make available  
47 either a prepaid or collect call system, or a combination thereof, for  
48 telephone services for inmates.

49

50 b. Under a prepaid system, funds may be deposited into an  
51 inmate account in order to pay for telephone calls, provided that

1 nothing in this section shall require the department, county, or  
2 private correctional facility to provide or administer a prepaid  
3 system.

4 c. The provider of the inmate telephone service, as an  
5 additional means of payment, shall permit the recipient of inmate  
6 collect calls to establish an account with that provider in order to  
7 deposit funds for advance payment of those collect calls.

8 d. For the purposes of this section, a “collect call system” shall  
9 mean a call system pursuant to which recipients are billed for the  
10 cost of an accepted telephone call initiated by an inmate.

11  
12 4. The department shall establish rules and regulations or  
13 departmental procedures to ensure that any inmate telephone call  
14 system established by this act provides reasonable security  
15 measures to preserve the safety and security of each State and  
16 county correctional facility, staff member, and person outside a  
17 facility who may receive inmate telephone calls.

18  
19 5. Sections 1, 2, and 4 of this act shall take effect immediately  
20 and section 2 shall apply to any new or renewal contract for inmate  
21 telephone services in effect on or after April 10, 2015; section 3 of  
22 this act shall take effect on the first day of the fourth month after  
23 enactment.

24  
25

26 STATEMENT

27

28 This bill requires the State and counties to contract with the  
29 lowest bidder for intrastate telephone service contracts for inmates  
30 in State and county correctional facilities.

31 Under the bill, the maximum per minute rate for calls may not  
32 exceed the maximum rate allowed by order of the Federal  
33 Communications Commission (FCC) for out-of-State calls.  
34 Furthermore, a bidder would not be authorized to impose a service  
35 charge or additional fee exceeding the per minute rate, including a  
36 per call surcharge, account set up fee, bill statement fee, monthly  
37 account maintenance charge, or refund fee. The bill also requires  
38 international calls to be made available at reasonable rates subject  
39 to Federal Communications Commission rules and regulations, but  
40 not to exceed 25 cents per minute.

41 This bill prohibits a State department, county, or private  
42 correctional facility from accepting or receiving a commission or  
43 any other payment from the telephone service provider based upon  
44 an amount the provider billed for telephone calls made by inmates  
45 in the correctional facility. A “private correctional facility” is  
46 defined in the bill as a private facility detaining persons pursuant to  
47 any intergovernmental service agreement or other contract with any  
48 federal, State, or county agency, including but not limited to United

A1419 JOHNSON, WIMBERLY 4

1 States Immigration and Customs Enforcement and residential  
2 community release programs (halfway houses).

3 This bill requires the Department of Corrections (DOC), the  
4 counties, and private correctional facilities to make available a  
5 prepaid or collect call system, or a combination of the two, for  
6 telephone services. Under a prepaid or “debit” system, funds may  
7 be deposited into an inmate account in order to pay for telephone  
8 calls, as long as the department, county, or private correctional  
9 facility is not required to provide for or administer that prepaid  
10 system. The provider of the inmate telephone service, as an  
11 additional means of payment, is to permit the recipient of inmate  
12 collect calls to establish an account with 2 that provider in order to  
13 deposit funds for advance payment of those collect calls.

14 Finally, the bill requires the DOC to establish rules and  
15 regulations or departmental procedures to ensure that any inmate  
16 telephone call system established by the substitute provides  
17 reasonable security measures to preserve the safety and security of  
18 State and county correctional facilities, staff members, and those  
19 outside a facility who may receive inmate telephone calls.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 1419**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: APRIL 4, 2016

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1419, with committee amendments.

As amended, this bill requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities.

The bill forbids the maximum per minute rate for calls to exceed the maximum rate allowed by order of the Federal Communications Commission (FCC) for out-of-State calls. Furthermore, a bidder would not be authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also allows international calls to be made available; if they are made available they must at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.

This bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for the telephone service. The bill defines a “commission” as any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, technology allowance, product or the like that is not related to the completion of voice-only calls, inmate telephone service maintenance, or the analysis of telephone records and related financial data for investigative or other purposes. The bill defines a “private correctional facility” as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including but not limited to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

This bill requires the Department of Corrections (DOC), the counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services. Under a prepaid or “debit” system, funds may be deposited into an inmate account in order to pay for telephone calls, as long as the department, county, or private correctional

facility is not required to provide for or administer that prepaid system. The provider of the inmate telephone service, as an additional means of payment, is to permit the recipient of inmate collect calls to establish an account with that provider in order to deposit funds for advance payment of those collect calls.

The bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system established by the substitute provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

This bill was pre-filed for introduction in the 2016-2017 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that the DOC currently conforms to the rate caps enumerated in the committee substitute for domestic calls. International calls, including those within the North American dialing plan are not currently authorized.

The OLS also notes that the DOC does not regulate telephone rates at the Residential Community Release Programs (RCHP—Halfway Houses), nor does it regulate telephone rates at the county jails and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities. As a result, the OLS notes that, depending upon the negotiated rates governing these phone calls, if these entities current rates are higher than the rate specified by the bill, they may incur additional costs to fund the cost of telephone calls above the current cap. These costs could then be passed on to the DOC in the form of higher per-diem rates.

#### COMMITTEE AMENDMENTS:

The amendments make the inclusion of international calls in the telephone services that are to be provided to inmates permissive rather than mandatory.

The amendments add the definition of “commission” to better align the language of the bill with the recent FCC rules governing inmate phone calls and commission income.

The amendments also make technical amendments to the form of the definition of “collect call system” and to the effective date.

STATEMENT TO  
[First Reprint]  
**ASSEMBLY, No. 1419**

with Assembly Floor Amendments

ADOPTED: MAY 2, 2016

This floor amendment expands the definition of “commission” to better align the language of the bill with the recent FCC rules governing inmate phone calls and commission income, and clarifying that a commission does not include payment for security enhancements, including voice recognition software, text analytics, or aggregate data analytical software; and makes technical amendments to the effective date, to make the terminology consistent throughout the bill, and to reflect the promulgation of a federal regulation instead of the predecessor FCC order.



STATEMENT TO  
[Second Reprint]  
**ASSEMBLY, No. 1419**

with Assembly Floor Amendments  
(Proposed by Assemblyman JOHNSON)

ADOPTED: JUNE 16, 2016

This floor amendment conforms this bill to the text of Senate Bill No. 1880 (2R) and also clarifies the definition of “commission” by distinguishing between the monetary payments, in-kind payment requirements, gifts, exchanges of services or goods, fees and technology allowances, which are prohibited, and those products or services, which are not considered a commission or surcharge under the provisions of the bill, that are related to the completion of voice-only calls, inmate telephone service maintenance, the analysis of telephone records and related financial data, or security enhancements.

The amendments clarify in section 2 of the bill (concerning telephone service contracts for inmates) that the maximum per minute rate for inmate telephone calls is not to exceed 11 cents per minute for domestic debit, prepaid, and collect calls. The amendments change the effective date of the bill to provide for section 2 of the bill to apply to any new or renewal contract for inmate telephone services in effect on or after the date of the bill’s enactment.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 1419

### STATE OF NEW JERSEY 217th LEGISLATURE

DATED: APRIL 21, 2016

#### SUMMARY

- Synopsis:** Requires lowest possible price not exceeding certain cap for inmate telephone calls.
- Type of Impact:** Indeterminate State and Local fiscal impact.
- Agencies Affected:** Department of Corrections, county correctional facilities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Indeterminate – See comments below		
<b>State Revenue</b>	Indeterminate – See comments below		

- The Office of Legislative Services (OLS) states that the Department of Corrections (DOC) currently conforms with the rate caps enumerated in the bill for domestic calls. International calls, including those within the North American dialing plan are not authorized. If such calls are allowed, depending upon the rate to be negotiated with the telephone service provider, the DOC may incur an undetermined additional cost to provide international service.
- The OLS also notes that the DOC does not regulate telephone rates at the Residential Community Release Programs (RCHP—Halfway Houses), nor does it regulate telephone rates at the county jails and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities. As a result, the OLS notes that depending upon the negotiated rates governing these phone calls, if their current rates are higher than the rate specified within the bill, they may incur additional costs to fund the cost of telephone calls above the current cap. These costs could then be passed on to the DOC in the form of higher per diem rates.
- The bill requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities. The

maximum per minute rate for calls may not exceed the maximum rate allowed by order of the Federal Communications Commission (FCC) for out-of-State calls.

- Under the bill, a bidder would not be authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also allows international calls to be made available, but they must be provided at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.
- The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or any other payment from the telephone service provider based upon an amount the provider billed for telephone calls made by inmates in the correctional facility.
- The bill requires the DOC, the counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services.

## **BILL DESCRIPTION**

Assembly Bill No. 1419 (1R) of 2016 requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities.

The bill forbids the maximum per minute rate for calls to exceed the maximum rate allowed by order of the FCC for out-of-State calls. Furthermore, a bidder would not be authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also allows international calls to be made available; if they are made available they must at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.

This bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for the telephone service. The bill defines a “commission” as any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, technology allowance, product or the like that is not related to the completion of voice-only calls, inmate telephone service maintenance, or the analysis of telephone records and related financial data for investigative or other purposes. The bill defines a “private correctional facility” as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including but not limited to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

This bill requires the DOC, the counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services. Under a prepaid or “debit” system, funds may be deposited into an inmate account in order to pay for telephone calls, as long as the department, county, or private correctional facility is not required to provide for or administer that prepaid system. The provider of the inmate telephone service, as an additional means of payment, is to permit the recipient of inmate collect calls to establish an account with that provider in order to deposit funds for advance payment of those collect calls.

The bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system established by the bill provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

Information provided informally by the DOC on this bill in the prior legislative session indicates that the State of New Jersey, Department of Treasury, Division of Purchase and Property on behalf of the DOC negotiated the Inmate/Resident Telephone Control Services contract with Global Tel\*Link Corporation (GTL) (T-1934). The bill's required prepaid or collect call system is already incorporated into the contract and, therefore, there is no additional cost.

The DOC notes that the State no longer receives a commission, and there are no surcharges on calls. The data IQ, voice recognition software and the text analytics provides security measures to preserve the safety and security of individuals who would receive an inmate telephone call. The DOC does not regulate the telephone rates at the Residential Community Release Programs (RCRP), nor is it an item that is negotiated in the RCRP contracts.

If the DOC were required to negotiate the telephone rates with the RCRP in the future, any additional cost could be passed on to the department in terms of higher per diem rates.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS states that the DOC's current Inmate/Resident Telephone Control Services contract (T-1934), which runs through April 30, 2022, already conforms with the rate caps enumerated in the bill for domestic calls as well as the bill's prepaid or collect call system requirements. The DOC, however, has no contract for international calls. As a result, depending upon the terms to be negotiated with the telephone service provider, the DOC may incur an indeterminate additional cost to provide international service if international calls are provided.

The OLS also notes that the DOC does not regulate telephone rates at the RCRP-Halfway Houses, county jails, and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities relative to the requirements of the bill. As a result, the OLS notes that if the bill causes changes to future inmate telephone service contract terms, these entities may incur additional costs. These costs could then be passed on to the DOC in the form of higher per diem rates.

*Section:           Judiciary*

*Analyst:          Anne Raughley  
                      Principal Fiscal Analyst*

*Approved:       Frank W. Haines III  
                      Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

## ASSEMBLY, No. 1419

### STATE OF NEW JERSEY 217th LEGISLATURE

DATED: JUNE 24, 2016

#### SUMMARY

- Synopsis:** Imposes certain requirements on telephone service contracts for inmates in certain correctional facilities.
- Type of Impact:** Indeterminate State and Local fiscal impact.
- Agencies Affected:** Department of Corrections, county correctional facilities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Indeterminate – See comments below		
<b>State Revenue</b>	Indeterminate – See comments below		
<b>Local Cost</b>	Indeterminate – See comments below		

- The Office of Legislative Services (OLS) states that the Department of Corrections (DOC) currently conforms with the rate caps enumerated in the bill for domestic calls. International calls, including those within the North American dialing plan are not authorized. If such calls are allowed, depending upon the rate to be negotiated with the telephone service provider, the DOC may incur an undetermined additional cost to provide international service.
- The OLS also notes that the DOC does not regulate telephone rates at the Residential Community Release Programs (RCHP—Halfway Houses), nor does it regulate telephone rates at the county jails and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities. As a result, the OLS notes that depending upon the negotiated rates governing these phone calls, if their current rates are higher than the rate specified within the bill, they may incur additional costs to fund the cost of telephone calls above the current cap. These costs could then be passed on to the DOC in the form of higher per diem rates.

- The bill requires the State Treasurer or other appropriate person on behalf of the county or private correctional facility to contract with the bidder whose rate for inmate telephone calls does not exceed 11 cents per minute for domestic debit, prepaid, and collect calls.
- A bidder who is contracted with to provide services is not authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee.
- The bill allows international calls to be made available. If international calls are made available to inmates, they are required to be made available at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.
- The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for telephone usage by inmates.
- The bill requires the DOC, counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services for inmates.

## **BILL DESCRIPTION**

Assembly Bill No. 1419 (3R) of 2016 imposes certain requirements on telephone service contracts for inmates in State and county correctional facilities.

The bill requires the State Treasurer or other appropriate person on behalf of the county or private correctional facility to contract with the bidder whose rate for inmate telephone calls does not exceed 11 cents per minute for domestic debit, prepaid, and collect calls. Further, a bidder who is contracted with to provide services is not authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also allows international calls to be made available. If international calls are made available to inmates, they are required to be made available at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.

The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or imposing a surcharge for telephone usage by inmates. The bill defines a “commission” as any form of monetary payment, in-kind payment requirement, gift, exchange of services or goods, fee, technology allowance. A commission shall not include any product, or service that is related to the completion of voice-only calls, inmate telephone service maintenance, the analysis of telephone records and related financial data for investigative or other purposes, or security enhancements, including, but not limited, to voice recognition software, text analytics, or aggregate data analytical software.

A “private correctional facility” is defined by the bill as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including, but not limited, to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

The bill requires the DOC, counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services for inmates. Under a prepaid or “debit” system, funds may be deposited into an inmate account to pay for

telephone calls, as long as the DOC, county, or private correctional facility is not required to provide for or administer that prepaid system. The bill requires the provider of the inmate telephone service, as an additional means of payment, to permit the recipient of inmate collect calls to establish an account with that provider to deposit funds for advance payment of those calls.

The bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

The bill takes effect immediately, but provides for section 2 of the bill (concerning telephone service contracts for inmates) to apply to any new or renewal contract for inmate telephone services in effect on or after the date of the bill's enactment and for section 3 of the bill (regarding the availability of a prepaid or collect call system) to remain inoperative until the first day of the fourth month after the date of enactment.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

Information provided informally by the DOC on this bill in the prior legislative session indicates that the State of New Jersey, Department of Treasury, Division of Purchase and Property on behalf of the DOC negotiated the Inmate/Resident Telephone Control Services contract with Global Tel\*Link Corporation (GTL) (T-1934). The bill's required prepaid or collect call system is already incorporated into the contract and, therefore, there is no additional cost.

The DOC notes that the State no longer receives a commission, and there are no surcharges on calls. The data IQ, voice recognition software and the text analytics provides security measures to preserve the safety and security of individuals who would receive an inmate telephone call. The DOC does not regulate the telephone rates at the Residential Community Release Programs (RCRP), nor is it an item that is negotiated in the RCRP contracts.

If the DOC were required to negotiate the telephone rates with the RCRP in the future, any additional cost could be passed on to the department in terms of higher per diem rates.

### ***FFICE OF LEGISLATIVE SERVICES***

The OLS states that the DOC's current Inmate/Resident Telephone Control Services contract (T-1934), which runs through April 30, 2022, already conforms with the rate caps enumerated in the bill for domestic calls as well as the bill's prepaid or collect call system requirements. The DOC, however, has no contract for international calls. As a result, depending upon the terms to be negotiated with the telephone service provider, the DOC may incur an indeterminate additional cost to provide international service if international calls are provided.

The OLS also notes that the DOC does not regulate telephone rates at the RCRP-Halfway Houses, county jails, and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities relative to the requirements of the bill. As a result, the OLS notes that if the bill causes changes to future inmate telephone service contract terms, these entities may incur additional costs. These costs could then be passed on to the DOC in the form of higher per diem rates.

*Section: Judiciary*

*Analyst: Anne Raughley  
Principal Fiscal Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).



**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 1419**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: MARCH 31, 2016

**SUMMARY**

**Synopsis:** Requires lowest possible price not exceeding certain cap for inmate telephone calls

**Type of Impact:** Indeterminate State and local fiscal impact.

**Agencies Affected:** Department of Corrections, county correctional facilities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>State Cost</b>	Indeterminate- See comments below		
<b>Local Cost</b>	Indeterminate- See comments below		

- The Office of Legislative Services (OLS) states that the Department of Corrections (DOC) currently conforms with the rate caps enumerated in the bill for domestic calls. International calls, including those within the North American dialing plan are not authorized. As a result, depending upon the rate to be negotiated with the telephone service provider, the DOC may incur an undetermined additional cost to provide international service.
- The OLS also notes that the DOC does not regulate telephone rates at the Residential Community Release Programs (RCHP—Halfway Houses), nor does it regulate telephone rates at the county jails and private correctional facilities. Rather, these entities all enter into individual contracts with their respective telephone vendors. The OLS has no information concerning the telephone rates charged within these entities. As a result, the OLS notes that depending upon the negotiated rates governing these phone calls, if their current rates are higher than the rate specified within the bill, they may incur additional costs to fund the cost of telephone calls above the current cap. These costs could then be passed on to the DOC in the form of higher per diem rates.
- The bill requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities. The maximum per minute rate for calls may not exceed the maximum rate allowed by order of the Federal Communications Commission (FCC) for out-of-State calls.

- Under the bill, a bidder would not be authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also requires international calls to be made available at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.
- The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or any other payment from the telephone service provider based upon an amount the provider billed for telephone calls made by inmates in the correctional facility.
- The bill requires the DOC, the counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services.

### **BILL DESCRIPTION**

Assembly Bill No. 1419 of 2016 requires the State and counties to contract with the lowest bidder for intrastate telephone service contracts for inmates in State and county correctional facilities.

Under the bill, the maximum per minute rate for calls may not exceed the maximum rate allowed by order of the FCC for out-of-State calls. Furthermore, a bidder would not be authorized to impose a service charge or additional fee exceeding the per minute rate, including a per call surcharge, account set up fee, bill statement fee, monthly account maintenance charge, or refund fee. The bill also requires international calls to be made available at reasonable rates subject to FCC rules and regulations, but not to exceed 25 cents per minute.

The bill prohibits a State department, county, or private correctional facility from accepting or receiving a commission or any other payment from the telephone service provider based upon an amount the provider billed for telephone calls made by inmates in the correctional facility. A “private correctional facility” is defined in the bill as a private facility detaining persons pursuant to any intergovernmental service agreement or other contract with any federal, State, or county agency, including but not limited to United States Immigration and Customs Enforcement and residential community release programs (halfway houses).

The bill requires the DOC, the counties, and private correctional facilities to make available a prepaid or collect call system, or a combination of the two, for telephone services. Under a prepaid or “debit” system, funds may be deposited into an inmate account in order to pay for telephone calls, as long as the department, county, or private correctional facility is not required to provide for or administer that prepaid system. The provider of the inmate telephone service, as an additional means of payment, is to permit the recipient of inmate collect calls to establish an account with that provider in order to deposit funds for advance payment of those collect calls.

Finally, the bill requires the DOC to establish rules and regulations or departmental procedures to ensure that any inmate telephone call system established by the bill provides reasonable security measures to preserve the safety and security of State and county correctional facilities, staff members, and those outside a facility who may receive inmate telephone calls.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

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If the DOC were required to negotiate the telephone rates with the RCRP in the future, any additional cost could be passed on to the department in terms of higher per diem rates.

### *OFFICE OF LEGISLATIVE SERVICES*

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*Section:           Judiciary*

*Analyst:          Anne Raughley*  
*Principal Fiscal Analyst*

*Approved:       Frank W. Haines III*  
*Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).