

Multiple Agency Fiscal Note Summary

Bill Number: 6021 SB	Title: Correctional fees & expenses
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Corrections	0	0	(3,284,000)	0	0	(5,254,000)	0	0	(5,254,000)
Total \$	0	0	(3,284,000)	0	0	(5,254,000)	0	0	(5,254,000)

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Individual State Agency Fiscal Note

Bill Number: 6021 SB	Title: Correctional fees & expenses	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Kelsey-anne Fung	Phone: 360-786-7479	Date: 01/05/2024
Agency Preparation: Donald Jenson Jr	Phone: 360-902-6981	Date: 01/12/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/12/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/15/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 adds a new section to RCW 72.09, stipulating that:

Section 1(2) the Department of Corrections shall:

- (a) Provide tablets to all persons in its custody at no cost; and
- (b) Maintain the same number of voice communication devices, specifically wall phones, in each housing unit as it had on January 1, 2024.

Section 1(3) the Department of Corrections shall not receive revenue, including any commission or fee, from the provision of voice communication services or any other communication services to any person confined in a correctional facility.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None. The Department of Labor and Industries does not deposit these funds.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

According to the revenue estimate from the Department of Corrections, this bill would reduce the amount of revenue by \$1 million per year to the Crime Victims Compensation Account (01F), reducing the amount of 01F funding available for the Crime Victims Program. That \$1 million dollar reduction would likely increase the amount of funding needed from the General Fund-State. However, that is indeterminate at this time.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6021 SB	Title: Correctional fees & expenses	Agency: 310-Department of Corrections
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Crime Victims' Compensation Account-Non-Appropriated 01F-6	(164,000)	(657,000)	(821,000)	(1,314,000)	(1,314,000)
Institutional Welfare/Betterment Account-Non-Appropriated 800-6	(493,000)	(1,970,000)	(2,463,000)	(3,940,000)	(3,940,000)
Total \$	(657,000)	(2,627,000)	(3,284,000)	(5,254,000)	(5,254,000)

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 01/25/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

SB 6021 relates to reducing fees and expenses for services for individuals confined to correctional facilities and amends RCW 72.09.765.

Section 1 adds the Department of Corrections (DOC) shall provide persons in its custody and confined in a correctional facility with voice communication services. DOC may supplement voice communication service with other communication services including, but not limited to, video communication and electronic mail or messaging services.

To the extent such voice communication service or any other communication service is provided each such service shall be provided free of charge to the person initiating and the person receiving the communication. Tablets must be provided to all persons in its custody at no cost and DOC must maintain the same number of voice communication devices and services it provided as of January 1, 2024.

The DOC shall not receive revenue, including any commission or fee, from the provision of voice communication services or any other communication services to any person confined in a correctional facility.

Effective date is assumed 90 days after adjournment of the session in which this bill is passed.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The fiscal impact of this bill would create a loss of revenue to the Incarcerated Individual Betterment Fund (IIBF), which solely funds incarcerated individual betterment activities. Cash revenue from phone and communication service commissions represents 64 percent of all revenues deposited in the IIBF account. Examples of uses of the betterment fund include support for recreational activities, television, law library subscriptions, family friendly events, improvements to visiting areas and activities, and funding for our Kids United by Incarceration (KUBI) summer camp.

Based on FY 2024 actual collections through December 2023 and projections through July 2024, it is estimated that IIBF cash revenue from phone and communication service commissions would be reduced by an estimated \$2.63 million per fiscal year. The loss of the \$2.63 million in revenue would result in a net loss of \$1.97 million to IIBF account balance which retains 75 percent of deposited revenue and a net loss of \$657,000 to the Crime Victims Compensation account, which receives 25 percent of revenue deposited in IIBF per RCW 72.09.095.

The DOC assumes the following revenue reductions by Fiscal Year (rounded to nearest thousand):

- FY 2024: -\$657,000 total impact; -\$493,000 IIBF account net loss, -\$164,000 reduced Crime Victims Compensation account transfer.
- FY 2025: -\$2,627,000 total impact; -\$1,970,000 account IIBF net loss, -\$657,000 reduced Crime Victims Compensation account transfer
- FY 2026: -\$2,627,000 total impact; -\$1,970,000 IIBF account net loss, -\$657,000 reduced Crime Victims Compensation account transfer
- FY 2027: -\$2,627,000 total impact; -\$1,970,000 IIBF account net loss, -\$657,000 reduced Crime Victims Compensation account transfer
- FY 2028: -\$2,627,000 total impact; -\$1,970,000 IIBF account net loss, -\$657,000 reduced Crime Victims Compensation account transfer
- FY 2029: -\$2,627,000 total impact; -\$1,970,000 IIBF net account loss, -\$657,000 reduced Crime Victims Compensation account transfer

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The fiscal impact of this bill is indeterminate, assumed to be over \$50,000 per fiscal year. DOC will work with the current contracted vendor to acquire costs to implement this bill.

At this time DOC cannot reasonably estimate the additional costs for providing free phone calls, messaging and video visits. The department currently has a new multi-year contract with a vendor for these services that would need to be renegotiated. Additionally, the bill does not establish limits on the number, duration and/or frequency of calls, messages and video visits.

For illustrative purposes only. DOC has been in discussions with the current vendor to determinate fiscal impacts of providing free or further discounted telecommunication services. Estimated annual costs, based on current utilization rates include:

- \$5 million for phone calls, based on an estimate of rate of \$33.00 per month, per incarcerated individual (12,700 individuals * \$33.00 * 12 months)
- \$3 million for electronic mail messaging, based on an estimated cost of \$20.00 per month, per incarcerated individual (12,700 individuals * \$20.00 * 12 months). This preliminary estimate is based on a model that our current vendor has with another state, which caps electronic mail messages at 50 per month.

Under our current contract, incarcerated individuals receive two free phones calls for up to 20 minutes, 55 free electronic messages per month, and four free video visits per month. For this preliminary fiscal note, we are assuming no change to this current agreement, or volume of video visits.

The department assumes that free access to phone calls, messages and video visits would result in increased utilization of these services and increased costs well beyond the estimates illustrated above.

This bill also requires the department to provide incarcerated individuals with tablets free of charge. Our current vendor provided the initial JP6 tablets as part of the contract execution.

The replacement cycle for the tables is 36 months. Each year there is a per ADP fee, known as a "tablet refresh fee," which comes out of our commissions. To share the cost of financing the tablet hardware refresh the vendor assesses a \$2.50 per Incarcerated Individual per month, based on average daily population for a total of 36-months, to be deposited into a hardware refresh fee fund. This fee is deducted from commission otherwise owed by the Vendor.

If we are no longer able to receive commissions, it is assumed that the department would incur costs of approximately \$1,143,000 over a 36-month contract, for this purpose.

Calculation:

- \$2.50 per month X 36 months = \$90.00 per individual.
- \$90.00 X 12,700 estimated prison population as of 1/19/2023 = \$1,143,000 for a 36-month contract.

The DOC will "true up" our fiscal impact in subsequent budget submittals with actual negotiated impacts should the legislation be enacted into session law.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

This bill does not establish limits on the number, duration and/or frequency of calls, messages and video visits and may result in bandwidth issues as a result of increased utilization. Currently, all infrastructure is installed, maintained, operated, and replaced/repaired by the vendor. If one or more prisons require additional infrastructure improvements, this may result an increase cost in DOC’s contract with our vendor.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.