



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2025 Regular Session

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Bill Title: Relating to communications services for persons in custody.

Government Unit(s) Affected: Department of Corrections

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Corrections	\$ 20,022,394	\$ -	\$ -	\$ -	\$ 20,022,394	16	12.00
Total Fiscal Impact	\$ 20,022,394	\$ -	\$ -	\$ -	\$ 20,022,394	16	12.00

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Corrections	\$ 27,001,662	\$ -	\$ -	\$ -	\$ 27,001,662	16	16.00
Total Fiscal Impact	\$ 27,001,662	\$ -	\$ -	\$ -	\$ 27,001,662	16	16.00

Summary of Revenue Impact

Agency -- Fund Type	2025-27 Biennium	2027-29 Biennium
Department of Corrections -- Other Funds	\$ (6,661,149)	\$ (9,064,606)
Total Revenue Impact	\$ (6,661,149)	\$ (9,064,606)

Measure Description

The measure requires the Department of Corrections (DOC) to enter or renegotiate a contract with a third party to provide voice communication to all adults in custody (AIC) and requires DOC to provide each AIC access to 60 minutes of voice communications per day at no direct or indirect cost to the AIC. Under the measure, DOC is not allowed to receive any financial or in-kind compensation from a third-party provider related to the voice communication services. DOC also must not limit access to in-person visitations or voice communications to offset the cost or time administering this program.

DOC must submit a report to the committees of the Legislative Assembly related to judiciary by September 15th of each even-numbered year and include a copy of the contract for the voice communications services, a detailed account of expenditures during the prior biennium to administer the program, and data on the usage of all voice communications. The measure also requires DOC to submit a progress report on the implementation status of the program to the committees of the Legislative Assembly related to judiciary by February 1, 2026.

Fiscal Analysis

The fiscal impact is estimated to be \$20 million General Fund and 16 positions (12.00 FTE) and a reduction of \$6.7 million Other Funds revenue for the 2025-27 biennium and \$27 million General Fund and 16 positions (16.00 FTE) and a reduction of \$9 million Other Funds revenue for the 2027-29 biennium.

Under current law, AIC phone calls are charged at a rate of \$0.09 per minute. This can be paid either from the AIC or by the individual communicating with the AIC. Independent of this measure, the Federal Communications Commission (FCC) issued a new cap on audio communication rates in carceral settings at \$0.06 per minute, with a required implementation date of January 2026. This federal change will require DOC to renegotiate their existing AIC telecom contract, but that is not contemplated as a component of this fiscal impact, as this measure requires no charge on AIC calls, essentially changing the rate to \$0.

Under DOC's current contract with the AIC telecom provider, the provider pools payments from either AICs or their family members as phone time is purchased. Out of that pool, the provider utilizes the revenue for three things: a) provides funding to DOC as Other Funds to support the agency employees that support the system, b) provides funding to DOC as Other Funds to subsidize the AIC entertainment contract (providing the agency the ability to show copywritten materials, like movies), and c) retains funding as profit after their cost of goods and services sold. The measure would eliminate the Other Funds revenue that supports agency employees and the AIC entertainment contract, requiring General Fund to backfill that loss. In addition, the hardware, software, and system requirements that are all currently covered by the telecom provider would become the responsibility of the agency, requiring additional General Fund.

DOC currently staffs 24 permanent full-time positions (24.00 FTE) who help coordinate and administer communication services within DOC facilities. Under the measure, DOC would need an increase in General Fund to replace the loss of revenue. The estimated costs of these 24 positions, including standard position-related services and supplies costs, is \$5 million General Fund in the 2025-27 biennium and \$6.9 million in the 2027-29 biennium.

DOC reports monthly entertainment contract costs of \$90,000 per month, or \$2.2 million per biennium. To account for the loss of revenue that supports the entertainment contract, DOC would need \$1.6 million General Fund in the 2025-27 biennium and \$2.2 million in the 2027-29 biennium.

According to DOC, AIC phone calls average 14 minutes of voice calls per AIC per day. With an average of 12,400 AICs per month, that accounts for approximately 5.2 million minutes a month. Under the measure, the allowable minutes of communications per AIC per day would be up to 60 minutes. If each AIC used their allotted 60 minutes of voice calls per day, that would equate to 22.3 million minutes per month, so that figure was not used. Acknowledging that the number of minutes used will be more than current usage, but less than the maximum allowed, the fiscal assumes 140% of the current average of voice calls from the Department based on how similar legislation in the State of Connecticut estimated costs (as described below) and is not priced at the full 60-minute cap.

Due to this significant increase in AIC call minutes anticipated, DOC requests an additional 16 positions (12.00 FTE in 2025-27 and 16.00 FTE in 2027-29) to cover the additional workload. These positions include 15 permanent full-time Inspector 1 positions (11.75 FTE in 2025-27 and 15.00 in 2027-29) to provide onsite system support and security and one permanent full-time Operations and Policy Analyst 2 position (0.75 FTE in 2025-27 and 1.00 FTE in 2027-29) to assist with public records requests. The estimated cost of these additional positions, including standard position-related services and supplies costs, is \$3.2 million General Fund in the 2025-27 biennium and \$4.4 million in the 2027-29 biennium. Upon implementation, if the Department finds the need for additional positions or the volume of calls is not realized, they will need to come back to the legislature to ask to modify their request.

Additional estimated costs include \$10.1 million General Fund for DOC to contract with an entity to allow the Department to pay for all communication services. DOC looked at other states with similar models and utilized data from the State of Connecticut which has similar legislation. Connecticut currently pays \$45 per AIC, per

month, for communication services. Using these parameters, DOC would require \$10.1 million General Fund in the 2025-27 biennium, starting January 1, 2026, and then the full phase in amount of \$13.5 million in the 2027-29 biennium.

Relevant Dates

The measure takes effect on January 1, 2026.

The provision regarding the progress report submitted by DOC is repealed on January 2, 2027.