

Legislative History for Connecticut Act

Act Number: 104 2002
Bill Number: 5672
Senate Pages: 2549, 2629-2630 3
House Pages: 4479-4495 17
Committee: Finance: 768-775, 802-816, 945-951 30

Page Total: 50

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate
and House of Representatives Proceedings

Connecticut State Library

Compiled 2014

S-472

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
2002

VOL. 45
PART 8
2445-2776

002549

kmg

284

Senate

Tuesday, May 7, 2002

. Thank you, Madam President. I would ask that all the Judicial nominations be marked Go, and that they be taken up after the second order of the wee hours. Again, I will go through and mark some PT's and Go's.

Page 3, Calendar 151 should be passed temporarily.

Page 4, Calendar 333, should be marked Go.

Page 5, Calendar 409, should be passed temporarily.

Page 5, Calendar 411, should be passed temporarily.

Page 7, Calendar 428, should be marked Go.

Page 7, Calendar 434, I move to the Consent

HB5672

Calendar.

THE CHAIR:

Motion is to refer this item to the Consent

Calendar. Without objection, so ordered.

SEN. JEPSSEN:

Page 8, Calendar 438, I move to the Consent

Calendar.

HB5498

THE CHAIR:

Without objection, so ordered.

SEN. JEPSSEN:

Page 8, Calendar 445, I move to the Consent

Calendar.

HB5424

THE CHAIR:

Without objection, so ordered.

SEN. JEPSSEN:

002629

kmg

364

Senate

Tuesday, May 7, 2002

Without objection, so ordered.

SEN. JEPSEN:

Madam President, I would ask the Clerk to call Consent Calendar at this time.

THE CHAIR:

Mr. Clerk, would you first announce a roll call vote.

THE CLERK:

An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the chamber. An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the chamber.

Madam President, third Consent Calendar begins with Senate Agenda No. 2. Substitute for HB5625.

Senate Agenda No. 4. Substitute for HB5686.

Substitute for SB - correction SB496.

Calendar Page 7, Calendar 434, Substitute for HB5672.

Calendar Page 8, Calendar 438, HB5498.

Calendar 445, Substitute for HB5424.

And, Calendar Page 10, Calendar 456, HB5103.

Madam President, that completes those items previously placed on the third Consent Calendar.

THE CHAIR:

002630

kmg

365

Senate

Tuesday, May 7, 2002

Thank you, sir. Would you once again announce a roll call vote, the machine will be open.

THE CLERK:

The Senate is now voting by roll call on the Consent Calendar. Will all Senators please return to the Chamber. The Senate is now voting by roll call on the Consent Calendar. Will all Senators please return to the Chamber.

THE CHAIR:

Have all members voted? Have all members voted? If all members have voted the machine will be locked. Clerk, please announce the tally.

THE CLERK:

Motion is on adoption of Consent Calendar No. 3.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar is adopted. Senator DeLuca.

SEN. DELUCA:

Thank you, Madam President. Just for purpose of announcement, please? There will be a Senate Republican caucus tomorrow at twelve noon. Thank you.

THE CHAIR:

H-877

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
2002

VOL. 45
PART 14
4234-4497

gmh

346

004479

House of Representatives

Friday, May 3, 2002

Those voting Yea	143
Those voting Nay	0
Those absent and not Voting	8

DEPUTY SPEAKER CURREY:

The bill, as amended passes.

Will the Clerk please call Calendar 349.

CLERK:

On page 32, Calendar 349, Substitute for H.B. 5672,
AN ACT CONCERNING TELEPHONE CALLS FROM A CORRECTIONAL
FACILITY. Favorable Report of the Committee on
Appropriations.

DEPUTY SPEAKER CURREY:

Representative McDonald of the 148th.

REP. MCDONALD: (148TH)

Thank you, Madam Speaker. Good evening. Madam
Speaker, this bill is how we are going to regulate and
supervise telephone calls from our correctional
institutions and I have worked on this bill for a couple
of years. This is my second year trying to get it
through.

You voted on it last year, but it got stuck some
place.

But I want to describe for you what the present
system is like. The people in our correctional
facilities, 17,500 of them have privileges to make

gmh

347

004480

House of Representatives

Friday, May 3, 2002

telephone calls - oh, I'm sorry, I didn't move acceptance. I was told by Representative Dyson.

I move acceptance of the joint committee's favorable report and passage of the bill.

DEPUTY SPEAKER CURREY:

The question before us is on acceptance and passage. Please proceed, Madam.

REP. MCDONALD: (148TH)

This is about how we're going to supervise and provide services for prisoners who are making telephone calls out of the correctional facilities.

These prisoners have limited numbers of people that they can call, maybe seven or eight that have been scrutinized by the correctional facility that they're calling their relatives or girlfriends and not doing drug dealing business on the phone.

The phone calls are monitored and taped and when the call comes into someone house, they tell them it's coming from a correctional institution and it's a collect call. That's how it works.

And what happens is MCI has the contract in Connecticut to operate this telephone system. And there are security matters that are very important to the correctional facilities that we have security in this system.

gmh

348

004481

House of Representatives

Friday, May 3, 2002

What happens with MCI, right now because we have so many prisoners making telephone calls, the contract that MCI has is for \$14 million. The Correction Department does not run this telephone system. It's run by the Office of -- what do you call them? DOIT, the Department of Information Technology. They run the telephone system.

The system - they take in \$14 million a year from the collect charges made by the prisoners' families. Then they turn around and give a 50% commission to the Department of Information Technology. I call that a kick back. We're taking 50% of the money, \$7 million. We take that money. It doesn't go into the General Fund. It goes directly to DOIT and it helps to pay for the computers that we have in the state government.

What we have is some of the poorest people in the State, mothers, wives, sisters, relatives of prisoners paying to operate our computer system and I think that this is very wrong. I don't think the poorest people in the State should be paying for our computers.

So I'm trying to get this thing changed. It was very difficult. There are a lot of things to take into consideration. DOIT does not want to lose \$7 million. They need it for their budget and the correction facilities and the Commissioner, whose been very nice to

gmh

349

004482

House of Representatives

Friday, May 3, 2002

me, is trying to make sure that he has the security that he needs in the system and that he doesn't break his budget over this.

So, right now I'm going to call LCO number 4930. Would the Clerk please call and I be allowed to summarize?

DEPUTY SPEAKER CURREY:

Will the Clerk please call LCO 4930, designated House "A".

CLERK:

LCO number 4930, House "A" offered by Representative McDonald.

DEPUTY SPEAKER CURREY:

Representative McDonald.

REP. MCDONALD: (148TH)

Yes. This is a strike everything amendment. It's quite different from the file copy. And what this says is very short, that the Commissioner of Correction is going to establish a pilot program to allow an option to be available to inmates of a unit under the Commissioner's control for payment of telephone service by use of a debit account system. I'm going to stop right there.

A debit account system is one that they use mostly in federal prisons where the prisoners have a debit

gmh

350

004483

House of Representatives

Friday, May 3, 2002

card. Their relatives send money into the prison. They already do that for the commissary privileges. They send money to be deposited in the prisoner's accounts and then the prisoners are allowed to make station-to-station calls which are one-third the expense of collect calls.

So, they could make three calls for the price of one right now, collect.

It says here it will be deposited in the inmate's account and then they can make station-to-station calls.

The Commissioner shall post notice of such option to the inmates and their families and then the Commissioner of Correction will work with the Chief Information Officer, Rock Reagan, of the State, and will try to have a pilot program for a debit system or a similar system in place within one year of the effective date of the section.

And I move adoption of the amendment.

DEPUTY SPEAKER CURREY:

Thank you.

The question before us is on adoption of the amendment. Would you care to comment further?

REP. MCDONALD: (148TH)

I just want to comment quickly on this fiscal note. It's very difficult for the legislative liaison, Scott

gmh

351

004484

House of Representatives

Friday, May 3, 2002

Semple who has been working on this with me for two days to find out what the cost of this system will be.

We've talked about what the prisons do in Colorado, the federal systems. Some prisons have a debit system, some don't. They have different kinds of systems and to try to track down the cost of this is difficult.

Presently, a RFP has gone out for renewal of the contract, the one that MCI has at the time. And what they proposed - the Commissioner was here today to talk with me about it, is that they're going to ask the successful bidder if they can't put an amendment on that contract to do a pilot study. Thus, the vendor would be producing the system which they probably sell to other states anyway. And we could cut down the cost of it.

If there is cost involved in the sense of software, or something like that, I have gotten commitments from the Bonding Subcommittee and the Speaker that if they're needed, I won't be here next year, but if they're needed, that we will be able to get some bonding money for the hardware and the software if it's needed. But right now the Commissioner of Correction felt that we should go this way and have the vendor put up a demonstration model and the Department of Correction will decide where they will put it, probably in a low security prison to try it out and then hopefully we will

gmh

352

004485

House of Representatives

Friday, May 3, 2002

have helped a lot of people.

We're not doing this just to help prisoners. We're doing this to help their families. We've built some of our prisons out in the middle of no where and people from Bridgeport and Norwalk who have relatives incarcerated can't even get up there to visit them.

There was a man who testified at the hearing, he had three little children with him, six, four, and two, and his wife was in Niantic. I don't know what she was doing up there, probably drugs or something. But he felt it imperative that his children could talk to their mother at least once a week. And he felt that they had to have that connection with the mother.

But the collect calls were costing too much. As I said, they cost three times as much as a station-to-station call.

And what happens right now, people will say, well, that's what everybody's collect calls cost. It is, but we don't make collect calls. We have debit cards. I don't know how many of you have made a collect call recently, but very few have. And the reason the cost is so high is that the phone companies, deregulated, don't want to hire operators. They want to do it with pushing the buttons all the time so you don't interact with an operator. If you want to interact with an operator,

gmh

353

004486

House of Representatives

Friday, May 3, 2002

you're going to pay three times the cost of the station-to-station cost.

So I hope all of you will help support this. And I think it will help a lot of poorest families in the State of Connecticut.

Thank you, Madam Speaker.

DEPUTY SPEAKER CURREY:

Thank you, Madam.

Representative Belden of the 113th.

REP. BELDEN: (113TH)

Thank you, Madam Speaker. I rise to support this amendment and I did support the proposed legislation last year. And let me just tell you in about twenty words why.

Because when a prisoner in our system makes a phone call to his family, he or she must use the collect call process. And in that process, the State of Connecticut makes a tremendous profit as the calls are very costly.

The State of Connecticut makes several million dollars of profit from the families of prisoners under the current system.

So, this amendment will start the process, we hope, that will set up a system where an inmate can buy a debit card and hopefully still use the same system where

gmh

354

004487

House of Representatives

Friday, May 3, 2002

the Correction Department has the serious concerns because they want to have call control mechanisms. They need to have monitoring. They need to have tracking tools so that they can preclude the gangs from running their business in the prisons, etcetera.

So, both sides of this issue have serious concerns. I think with this pilot project, we will be able to develop a system that can work for everybody and reduce the cost to the families of prisoners when they have to accept that collect call in order to talk to their family member that might be incarcerated.

So I think it's a good start and I urge passage.

Thank you.

DEPUTY SPEAKER CURREY:

Thank you, sir.

Representative Stillman of the 38th.

REP. STILLMAN: (38TH)

Thank you, Madam Speaker. I also rise in support of this amendment. I know how passionate Representative McDonald is about this subject. I think she educated all of us, especially in the Finance Committee as to what many of us feel is an injustice to the families of the people that are incarcerated. And she's worked hard to come up with a compromise that gets something in place and hopefully we can move forward from there.

gmh

355

004488

House of Representatives

Friday, May 3, 2002

And Representative McDonald made mention of potential bond funds being available if we needed them in the future. As the subcommittee chair of Bonding, I would like to assure her that we will make every effort to do that if necessary.

I'm eager to see the results of this pilot and I think we can correct a wrong by moving forward with this. So I urge my colleagues to support the amendment, which now becomes the bill.

Thank you.

DEPUTY SPEAKER CURREY:

Thank you.

Representative Carter on the amendment.

REP. CARTER: (7TH)

Thank you, Madam Speaker. I rise in support of the amendment and Representative McDonald has done a very good job in shepherding this through the process.

The one thing that I guess she and I and everyone else is concerned about is that the initial calls cost a little over \$3 for a prisoner to call collect to their family. But if by any chance while they're talking, they get disconnected, to reconnect them, they charge them another dollar. So they seem to be making out on the backs of these very poor people whose families didn't do anything wrong, but they just want to hear from the

gmh

356

004489

House of Representatives

Friday, May 3, 2002

person, the family member who is incarcerated.

So if we can do all we can to make sure we get this bill passed, I would appreciate it. The hardware is there for the program to work when we talk about the debit cards. We just need the software and it's the software we're talking about getting through bonding. So it will not be something that will come every year to the General Assembly for funding.

Thank you.

DEPUTY SPEAKER CURREY:

Thank you, Madam.

Representative Newton of the 124th.

REP. NEWTON: (124TH)

Thank you, Madam Speaker. I would like to also rise in support of this bill. And just say that there are a lot of people out there that have to put blocks on their phones because they just can't afford the calls from inmates who try to call them.

And so I would like to thank Representative McDonald who shepherded and worked very hard on this bill because she saw the need and how important it is that we make access to people no matter whether they're in prison or not to make access to their loved ones.

And so I would like to personally thank her for her hard work and I'm glad to see the Chairman of the Sub

gmh

357

004490

House of Representatives

Friday, May 3, 2002

Bonding Committee say that she will find the money out of DOIT. Thank you.

DEPUTY SPEAKER CURREY:

Representative Donovan of the 84th.

REP. DONOVAN: (84TH)

Good evening, Madam Speaker. Madam Speaker, I rise to support the amendment.

I want to thank Representative McDonald for her hard work in pushing this through. Certainly, I found out about it from one of my constituents who was paying for calls on a regular basis and hefty calls. I think there were daily calls from a prison, but the constituent was willing to pay the amount and almost on a regular basis that constituent's service was cut off and blocks were put on it, which created a lot of concern within the family, unneeded. He was paying the bill. He was paying the phone bill and I think this pilot program would go a long way for alleviating the concerns of family members.

Thank you, Madam Speaker.

DEPUTY SPEAKER CURREY:

Thank you, sir.

Representative Martinez of the 95th.

REP. MARTINEZ: (95TH)

Thank you, Madam Speaker. Madam Speaker, I rise to

gmh

358

004491

House of Representatives

Friday, May 3, 2002

support this amendment. I want to commend Representative McDonald for her initiative on this amendment. She has been talking about this for a very, very long time and we've finally seen some white smoke on it.

I think this pilot is very important for several reasons. But most importantly, as we do criminal justice here in the State, if you do the crime, then you do the time. But families should not be paying to stay in contact with those individuals that happen to have to serve that time in our correctional facilities. In addition to that, Madam Speaker, we have a lot of other programs, such as the Fatherhood Initiative, a program like that needs to have a contact between the family, fathers who end up in our correctional institutions, their family and their kids. And Representative McDonald got that and got the fact that families are very important, even though you may be away from it, particularly at a time when folks are spending time in jail in a correctional facility for something that they did in their life.

So, Representative McDonald, congratulations to you and I strongly encourage and urge our colleagues to support this amendment.

Thank you, Madam Speaker.

gmh

359

00449

House of Representatives

Friday, May 3, 2002

DEPUTY SPEAKER CURREY:

Thank you, sir.

Representative Googins of the 31st.

REP. GOOGINS: (31ST)

Thank you, Madam Speaker. I rise to support this amendment and the bill. I had no idea that we were deriving income for our IT system in this way. And I'm sure that we, in the State of Connecticut can be a heck of a lot more clever in terms of income to support our information technology systems. It seems a little incongruous that is the source of it and I would encourage my colleagues and us all to support it.

Thank you, Madam Speaker.

DEPUTY SPEAKER CURREY:

Thank you, Madam.

Representative Johnston of the 51st.

REP. JOHNSTON: (51ST)

Thank you, Madam Speaker. Madam Speaker, I rise reluctantly to oppose the amendment.

And it is not done so in any reflection that I don't think that the end result, if we adopt this amendment, will be 1,000% percent better than what we have in place.

I, like others before me, commend Representative McDonald who saw an injustice, who could not rationalize

gmh

360

00449

House of Representatives

Friday, May 3, 2002

that injustice and brought us a solution. I will vote against this amendment because I think her underlying bill was the solution. I think it did respond to it. I don't think we need to wait a year to put a pilot program in place. My God, I think we deregulated the electrical industry in a quicker fashion than we're going to take care of this problem.

But again, I do want to thank Representative McDonald. It takes guts sometimes to look at something which may cost the State some money, but when you see injustice, you should do the right thing.

Thank you, Madam Speaker.

DEPUTY SPEAKER CURREY:

Thank you, sir.

Would you care to comment further on the amendment before us? Would you care to comment further on the amendment before us?

If not, I'll try your minds.

All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER CURREY:

All those opposed, nay.

REPRESENTATIVES:

No.

gmh

361

004494

House of Representatives

Friday, May 3, 2002

DEPUTY SPEAKER CURREY:

The amendment's adopted.

Would you care to comment further on the bill before us, as amended? Would you care to comment further on -- Representative Dyson of the 94th.

REP. DYSON: (94TH)

Thank you, Madam Speaker. Madam Speaker, I really wanted to speak on the amendment, but since the amendment has become the bill itself, I'll speak on the bill.

And the comments have already been made by others and I will not prolong this. I think Anne McDonald has been tenacious in pursuing this issue and it is something that she feels strongly about and needless to say, it's an issue I feel strongly about too. And I just want to commend her and urge every member of the Chamber to support it.

Thank you.

DEPUTY SPEAKER CURREY:

Thank you, sir.

Would you care to comment further on the bill before us, as amended? Would you care to comment further on the bill before us, as amended?

If not, staff and guests to the Well of the House.
The machine will be opened.

gmh

362

004495

House of Representatives

Friday, May 3, 2002

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is taking a roll call vote. Members to the Chamber, please.

DEPUTY SPEAKER CURREY:

Have all members voted? Have all members voted? Please check the board to make sure your vote has been properly cast.

If all members have voted, the machine will be locked and the Clerk will take a tally.

The Clerk will please announce the tally.

CLERK:

H.B. 5672, as amended by House Amendment Schedule "A"

Total Number Voting	141
Necessary for Passage	71
Those voting Yea	141
Those voting Nay	0
Those absent and not Voting	10

DEPUTY SPEAKER CURREY:

The bill, as amended passes.

Will the Clerk please call Calendar 270.

CLERK:

On page 30, Calendar 270, H.B. 5763, AN ACT
CONCERNING A TRANSFER UPON DEATH OPTION IN THE MOTOR

JOINT
STANDING
COMMITTEE
HEARINGS

FINANCE
REVENUE
AND BONDING
PART 3
682-1030

2002

ROCK REGAN: Good morning. Good morning Chairman McDonald, Chairman Looney and distinguished members of the Finance Committee. I'm Rock Regan, the Chief Information Officer from the Department of Information Technology testifying to you today regarding H.B. 5672 AN ACT CONCERNING A PILOT PROGRAM FOR A DEBIT SYSTEM FOR TELEPHONE CALLS FOR A CORRECTIONAL FACILITY.

As you know, DOIT holds the statewide contract for telecommunication services which includes inmate telephone systems. As the agency negotiates and holds these telecommunication contracts, we also retain and utilize the revenues generated. Currently, pay phone revenues generate about \$6 million a year.

Most notably, briefly summarizing my written testimony so I can get some of your questions, the services provided by this fund include internet access, administration for all telecommunication systems including the Legislative and Judicial Branches. We now access for all police and state telecommunications overhead.

If the pay phone revenue account were to be reduced or eliminated, a new funding source would be required. H.B. 5672 proposes to establish a pilot for a debit card system in Niantic. Assuming the pilot is not going to replace the current collect system but provide an alternative to prisoners. We estimate a decrease in the revenue of about 330,000 in the first year for this pilot.

This revenue doesn't include any additional expenses necessary to implement the program providing for things such as soft or hardware personnel costs. The revenue loss would again, need to be looked at for another source of funding.

Another issue of concern is the 98 time frame for implementing through this legislation, a (inaudible) provider stated it would at least six months to implement and the Department of Corrections who will testify after me has stated that it could take up a year to do some of the

regulatory and procedural changes to implement such a pilot and they have some other concerns that the Commissioner will talk about.

With that, I'd be glad to answer any questions you may have.

REP. MCDONALD: Yes. This is what I call my bill. We had this last year and it went along pretty good but I have trouble with the whole procedure that you get \$6 million. It doesn't go to the general fund. It goes directly to you, byskirts the general fund and who's paying the bill for some of the poorest people in the state? The wives and friends of in prison prisoners. They're paying this bill.

I have a problem with that. But let's get back to this bill. I think it's my fault that this was probably drafted incorrectly that said the Commissioner of Corrections (inaudible) because I understand that this does go through your Department.

Last year we talked about us getting a debit card system similar to what the federal prisons have and I don't know if you've done anything about looking into that. I do know you renewed your contract with MCI in December and had an extension provision which you opted for.

Have you done anything to look into a debit card system up to this point?

ROCK REGAN: We, I had an RP on the street last year that we're just about ready to finalize in terms of some of the recommendations. All those old alternatives were looked at in the RP. The final recommendations have not come to me. It's done by --

REP. MCDONALD: (Inaudible)

ROCK REGAN: The file recommendations are new contracts have not been submitted to me. It's done by our evaluation committee that's made up of members from many different agencies but in this particular

case, Corrections is also part of the evaluation committee. So I have not seen the recommendations from the proposal we had submitted last year.

REP. MCDONALD: The debit card system the way I envision it would be that the people, the mothers and wives of the prisoners would deposit some money, the same as they do at the commissary now, into an account which the prisoner can draw down on and make a station to station call which is about a third of the expense of these collect calls, and so when they do that, it will cut down their expense.

Now, evidently the problem is where are you going to get \$6 million instead of taking it from the wives and mothers of prisoners to run your operation? You'd have to go through the general fund and the Appropriations Committee to get an additional \$6 million. We talked about this last year.

But I just don't understand why you haven't moved a little bit more on the debit card system. Certainly it's not going to be the only system because you'd have to have two systems. Because a lot of people will not deposit the money in the account. So those prisoners will have to continue to use the collect system. Is my understanding correct?

ROCK REGAN: Yes it is.

REP. MCDONALD: So you'd have two options.

ROCK REGAN: There would be two options. One piece of the debit system is still unanswered is the security required for that. In the collect system, it pays for its own security system. The recording, the monitoring and the statewide accounting system for the collect system. But the debit system, if we were to look at a pure debit system, there needs to be a security piece to that, which again, Corrections has some, agreed to concerns about to make sure that they have the same level of security around a debit system as they currently have with the collect system.

REP. MCDONALD: In the debit system, if they have a PIN number. I suppose they couldn't have a debit card because they could carve that up and make a weapon of it so they'd have to have a PIN number in their head to use it. If having the PIN number could be used to restrict the calls to certain approved people, (inaudible) people, whatever it is you do with the collect calls, can that be done with using a PIN number, do you know?

ROCK REGAN: Yes. Again, that would have to be done. It can also be done with some software to prevent when somebody was on that they were dialing somebody who was on an approved list.

REP. MCDONALD: (Inaudible-mike not on)

ROCK REGAN: Well, with the current collect system within that contract, the security is provided. With the collect system, so in other words it pays for itself. It pays for the security system that Corrections uses for all the pay phones.

The debit system, again, would have to have that same security system so there would be additional work to use either the same security system or a different security system for them.

REP. MCDONALD: MCI, you've increased the kick back, I call it a kick back. You call it commission. It used to be 40%. Now in this new contract it's 50%. A 50% kick back they give you.

Why are we paying them double what we should pay them that they have 50% left over to turn back to the state? I don't, that I can't understand either why we pay them double and then they give you 50% back which you put into your operations of your office. Why does that happen?

ROCK REGAN: One of the reasons for that percentage going up is because Corrections actually in prior years was creating some security features and replacing some parts of the system, which again is paid for by the collect system itself.

So once that new infrastructure was put in place,

there was no longer a need so the commission increased.

REP. MCDONALD: I call this a kick back. You signed a new contract in December and that security system had long since been paid for. So when you signed the new contract, why is it 50% more than what the cost is, that MCI can give you 50% back as a kick back?

ROCK REGAN: Again, it increased because there were some changes made to the system over the last couple of years. The cost to pay for that system was amortized over the time frame as parts of that were upgraded. So once that was complete and paid off, then the commission was increased.

REP. MCDONALD: Do you have any other contracts for other departments that have these features of kick backs?

ROCK REGAN: We do not.

REP. MCDONALD: What is your total budget to run your department?

ROCK REGAN: We charge services to agencies, so we're in the neighborhood of about \$50 million a year from the charges that we charge other agencies. So we provide a fee for service per se. If you consume so many units we charge you a dollar per unit.

REP. MCDONALD: What do you mean a dollar per unit, per person or phone, or what?

ROCK REGAN: Well, either for a phone call or for a CPU time, we'll charge for how many hours for CPU computer time that an agency has used.

REP. MCDONALD: (Inaudible-not using mike)

ROCK REGAN: They pay us for the services we provide to them. So instead --

REP. MCDONALD: How do they pay? By transferring in their accounts or do they write you a check, or what?

ROCK REGAN: The transfer of accounts, yes.

REP. MCDONALD: And this is subtracted from their budget and then put into your budget.

ROCK REGAN: Yes.

REP. MCDONALD: You don't have any other outside money coming in like the MCI money that byskirts the general fund and goes directly to you?

ROCK REGAN: We have a general fund. It's small in comparison to our revolving fund.

REP. MCDONALD: What do you mean you have a general fund?

ROCK REGAN: We have a general fund component to our Department. Our Department is composed of two pieces. A general fund and a revolving fund. The revolving fund is the part in which we charge agencies for fees to the tune of about \$50 million a year.

The general fund budget is about \$4 million a year. About four.

REP. MCDONALD: Where does the \$6 million go from MCI?

ROCK REGAN: It goes into part of the revolving fund so it pays for things like internet services. So the contracts that we have to provide internet services to all three branches of government is paid for out of this fund.

REP. MCDONALD: (Inaudible-mike not on)

ROCK REGAN: Well --

REP. MCDONALD: (Inaudible-not using mike)

ROCK REGAN: Yeah. The other contracts we have are all related to pay phones, so we have pay phone contracts with SNET. It's very small in comparison to this. But for pay phones such as the ones in this building, we have the same commission rate

that we have with the Corrections contract.

REP. MCDONALD: Who has their contract?

ROCK REGAN: Sprint.

REP. MCDONALD: Spring? And if you have a pay phone at a state owned parking garage or something, that's all part of it?

ROCK REGAN: It is.

REP. MCDONALD: Okay. Thank you. Does anybody have any questions? Representative Beals.

REP. BEALS: Thank you, Madam Chairman. Currently, the calls can be made only to a preapproved list. Would there be any problem programming a debit card so that it would only work with the same list?

ROCK REGAN: I believe, again, those would be an additional cost that I talked about in my testimony.

REP. BEALS: Oh, okay.

ROCK REGAN: But that could be done but again, programming, the resources would have to be made available to do that.

REP. BEALS: Thank you.

REP. MCDONALD: Representative Stillman.

REP. STILLMAN: Thank you, Madam Chairman. Good morning, how are you?

You just made in your response to Representative Beals, you said additional resources would have to be made available. Any idea how much and where they would come from?

ROCK REGAN: Well, it would have to be with the company that was providing the debit services who would have to integrate either into the current security system or a new security system. So we wouldn't know until we actually picked somebody to do, if we were to do this pilot, we actually pick the

company, whether it's MCI or somebody else, to do the pilot.

REP. STILLMAN: May I ask another question? Thank you. The bill before us is to do a pilot program at Niantic. I assume that's at the women's facility?

ROCK REGAN: Yes, it is.

REP. STILLMAN: Okay. Why was that selected over another facility?

ROCK REGAN: I'm afraid I can't answer that question.

REP. STILLMAN: Okay. I'll wait for the Commissioner on that one?

ROCK REGAN: I believe so.

REP. STILLMAN: Okay. Also, I'll check with Representative McDonald. Also, I was wondering in terms of using the debit card, since I don't use pay phones that often since I am fortunate to carry a cell phone every once in a while, are pay phones outfitted to handle debit cards today?

In other words, is there a technology within the phone itself that sits on the wall, or does this mean an installation of some new types of phones within the prison system?

ROCK REGAN: I think the phones themselves aren't the issue. It's the technology that provides again, the security piece to it. It's very similar to a prepaid calling card, so there would be an accounting system required that would need to be tied into the prison accounting system as well as the security system, the approved call list and the monitoring of the phone calls.

REP. STILLMAN: I understand that, but we may need to have a phone to swipe the card through, right, or is it not that type of system.

ROCK REGAN: No, I believe it's not that type, specifically. I think it might be somewhere along the lines of a PIN number, or some type of number.

SEN. LEBEAU: It doesn't apply to other --

COMM. GENE GAVIN: Just to cigarette products. Just to cigarettes.

SEN. LEBEAU: Thank you.

REP. MCDONALD: (Inaudible) Thank you.

COMM. GENE GAVIN: Thank you, Anne.

REP. MCDONALD: Commissioner Armstrong please. Good morning, Commissioner.

COMM. JOHN J. ARMSTRONG: Good morning. Good morning to Representative McDonald and Senator Looney and all the honorable members of the Finance, Revenue and Bonding Committee.

I'm pleased to have the opportunity today to discuss H.B. 5672 AN ACT CONCERNING A PILOT PROGRAM FOR DEBIT SYSTEM FOR TELEPHONE CALLS ORIGINATING FROM A CORRECTIONAL FACILITY. With me to my right is my Deputy Commissioner for Support Services, Theresa Lantz. I've also brought with me in the audience, Kelly Clark, who is our administrator of the inmate trust fund within the Department of Correction and Cheryl Santos who is our telephone system administrator for the agency.

This bill seeks to implement a pilot program at the York Correctional Facility in Niantic which will provide an option for inmates to use a debit service instead of collect calling. This bill proposal will also require implementation of the pilot program to be in effect within 90 days of the bill passage.

In consultation with my staff who are responsible for monitoring and maintaining telephone operations and communications for inmates, I have concerns that the implementation of this pilot may result in increased operating costs as well as security concerns and the security concerns certainly are my priority and my primary concern.

To begin, I must affirmatively state that phone

calls from correctional facilities are a privilege, not a right. The extension of this privilege in the past, has permitted the reach of offenders into the community to run gang, perpetrate crimes, intimidate witnesses and revictimize victims of crime.

The steps we have taken to develop the existing regulations and the telephone security platform have been essential toward reducing criminal use of the system and has resulted in effective prosecution where crimes have occurred. As well, this program has permitted greater access to telephone privileges by more inmates. In effect, it has been better for everyone on the correctional side of this issue.

Previously, the access was limited, staff intensive to police to prevent inmate control of the telephones in the facilities by intimidation, extortion and other factors of inmate and gang culture.

We are now debating legislation on how to best facilitate an inmate privilege. And again, please understand, a privilege is very different than a right. I must state from the onset that I will not support any concept that does not factor public safety, staff safety and facility security as a priority over any inmate privilege.

To implement the proposed pilot, the inmate or person on their visiting list would need to be able to send or transfer funds from the inmate trust fund for deposit into a sub account on the system designated for phone use. Please try to follow this because this is a very, very critical issue because it is very complicated. It's not a simple process to administer.

A manual interface between the inmate telephone system and the inmate trust fund system is necessary to track accounts receivable and the debits to each account. When an inmate places a call the manual interface will allow the provider to verify that funds are available and then deduct applicable funds for each call.

Debit calling requires the same controls, recording, monitoring functions as a collect call system. We in the Department of Correction have to dedicate numerous staff to insure that call monitoring remains a vital component of insuring our commitment to public safety initiatives.

The implementation of a debit calling pilot program will require additional resources that will be necessary to insure that this service is accomplished and managed appropriately. Staffing resources beyond our current complement are necessary to administer a debit calling system. The number of staff required will be determined based upon inmate participation in the program.

For example, the Colorado Department of Correction utilizes a similar system to manage an agency of approximately 16,000 inmates. That is a smaller agency than we currently administer here in Connecticut. To manage the system, ten administrators are required to insure the transactions are appropriately processed.

Additional resources are also necessary to address complaints and grievances with regard to billing errors and fund allocation based upon the internalization of that subsystem I mentioned earlier.

For instance, the Colorado Department of Correction has encountered complaints from families regarding discrepancies stemming from the manner in which the inmates have chosen to utilize the funds that are deposited in their account by family members.

Oftentimes, inmates choose to contact alternate people on the telephone system or purchase commissary items in lieu of using the phone to contact the person who sent the funds in.

The Department of Correction is responsible for fund management and system administration of the trust fund. The fund manages all transactions for inmates who receive monies, both internally or by working within the facilities and through all

external forces, including family members and approved individuals on the visiting list.

Because we manage the fund, the Department would need to intercede on those billing problems, as I mentioned, account errors and the complaints by the depositors regarding any inmate use of funds and an increase in the transaction as a result of the phone debits.

More importantly, I believe that a debit system may create an increase in extortion, theft and bartering within the population. I've heard to systems mentioned today and it may be subtle to you but it's a bit difference to us. A debit system and a debit card system. A debit card system effectively puts currency in the hands of inmates which creates additional issues for us.

As you're well aware, these activities may lead to an increase of incidents of assault, fighting and violence within the prison system. Inmates will be more prone to find innovative ways of gaining access to the accounts of other inmates by either using their debit number or attempting to secure the debit card from others and also proceed to pursue unauthorized calls.

The potential also exists for inmates who are deemed more threatening or physically domineering over others to use tactics over other inmates to attempt to monopolize phone usage within the facility under an alternate system.

It's impossible to forecast all of the potential issues that may arise from this proposal which could create an unsafe atmosphere and destabilize our current facility climate. I should note that I'm not aware of any system that permits a debit card system to be utilized that has any type of similar platform for security as we have.

I do not see any cost benefit to this program to the consumers we're focusing upon. I don't expect that it will reduce the cost of telephone communications between inmates, their families, friends or acquaintances of those on the approved

visiting list.

In fact, the fiscal impacts of this proposal are so intrusive upon the taxpayer of our state, that I'm inclined to oppose this proposal.

In fact, you probably know this as well from using a calling card for your personal long distance when you hit a telephone which is a pay phone. There is a surcharge which is in addition to the cost of the call and that's for everyone.

The 90 day implementation requirement as offered in this proposal is unreasonable and impractical. The Department will need to put into action major changes in regulation, policy, procedure and staffing and will also require significant technical upgrades to support and implement this program.

Therefore, I foresee that it will take at least 12 to 18 months to properly deploy a program of this magnitude providing that all requirements including funding and position approval are expedited.

Lastly, I can empathize with the families of loved ones who are remanded to the care and custody of the Department of Correction and I do realize that the financial burden that is placed on them through these phone calls.

However, I must again reaffirm that phone access is a privilege that we provide to offenders and it is not a legal mandate of any type or any sort. I also ask you to recognize that telephones are not the sole means of communication available to inmates in the system. We have an extensive program of visitation and as well, we also encourage inmates to use written communication which complements our education program that encourages folks to seek assistance through the education program and the counseling staff.

When that privilege becomes an undue burden upon security and resources, particularly without taking into consideration noted security concerns, I must oppose the concept. I believe it would be more

appropriate to implement legislation that will allow us the study of the potential options that may exist and may consider the concerns that I also presented before you today.

I ask you also to note that we are the model on telephone platforms for the nation. The system that we have developed in Connecticut, including the recent improvements to put it all on a digital platform really are what is modern for the rest of the nation and is being emulated within the rest of the nation.

I know your intent is very honorable. I appreciate it. I do support that, but I do believe we need to go into any proposals such as this with our eyes open and understand that the burden that we speak of is placed upon the families, may actually increase as now the bill is in one location, it would now obligate families to either purchase money orders, which is an additional cost, mail it in, which is an additional cost. So we need to factor in those issues as well as we're trying to look at anything which may reduce costs.

I thank you for the opportunity to speak before you today on this proposal and I would be very pleased to answer any questions that you may have.

REP. MCDONALD: Thank you, Sir. How many staff members would you say are occupied by (inaudible) implementing the present telephone system in the prisons?

COMM. JOHN J. ARMSTRONG: That's a question that involves mostly security staff for the telephone monitoring. I'm glad you asked that question because the system that we have in place is essential to public safety.

I mentioned earlier in my testimony that we had a very big interest in preventing crimes from occurring from prisons. The telephone system employs a number of monitors. I have a monitor at virtually every one of our 18 facilities. That is a security platform issue.

We have one administrator for the system. We have designed the system so that it does not burden our staff, it facilitates security. It facilitates the administration of the system to purely the aspect of correctional objectives.

The billing and the cost of the system certainly if it cost us money, particularly as it's a privilege and not an obligation that the state has to meet, like legal access to court and the like, I certainly would not have a privilege of this magnitude. I mentioned earlier, the way we set up the platform, inmate access to telephones has ballooned since we've done that. We've extended that privilege.

REP. MCDONALD: Commissioner, I just want the number of people.

COMM. JOHN J. ARMSTRONG: I would say we have at last 18 people in the facilities --

REP. MCDONALD: They told it's (inaudible) about 50 times, so I don't need that. I just want to know the number of people that are --

COMM. JOHN J. ARMSTRONG: I'm sorry, I lost part of your question.

REP. MCDONALD: I want to know the number of personnel that are occupied with the telephone system.

COMM. JOHN J. ARMSTRONG: I have one administrator.

REP. MCDONALD: One administrator. And then you have 18 (inaudible)

COMM. JOHN J. ARMSTRONG: Those are security investigators, yes.

REP. MCDONALD: (Inaudible-not using mike)

COMM. JOHN J. ARMSTRONG: Part of their full-time job. Probably at least 50% to 60% is monitored. Active and --

REP. MCDONALD: (inaudible) that a lot of the federal

prisoners have the debit system. Have you investigated how that works?

COMM. JOHN J. ARMSTRONG: Yes, we've consulted with them and they are aware of certain problems that exist with that system. They're trying to remedy it and they're looking more toward our system and exploring other options.

REP. MCDONALD: It's my understanding that the telephone costs are three times as much under your system as they would be under our debit system where you have, you can call station to station. Is that your understanding?

COMM. JOHN J. ARMSTRONG: That's not my understanding. I do understand that the cost that we have are very consistent with other systems who offer the same privilege.

REP. MCDONALD: You're saying that they're consistent with the debit system in the federal prisons?

COMM. JOHN J. ARMSTRONG: They're very consistent in terms of the same type of system offered from prison facilities. We are very, very much in step with any system that offers collect calling.

REP. MCDONALD: I wanted to ask you, Mr. Regan was here earlier and I took it that his Department is the Department that makes the, that has the contract and does the negotiations with MCI over the type of services and all of that.

Are you a part of that negotiation, or are they acting on their own. I'm not talking about the security part of it. I'm talking about the finances of it. Do you have anything to say about the financial things or does that Department take over?

COMM. JOHN J. ARMSTRONG: No, the finances have nothing to do with us. We have very, very small focus of concerns and that is security.

Again, security is the only reason I have this system in place. If I did not have a security

platform that was acceptable, I would not have the availability that we enjoy today.

REP. MCDONALD: Mr. Regan testified that (inaudible-not using mike) my testimony that they could be carved out into knives, the card could. PIN system where the inmate has the PIN number in his head, that that system can be secure. He said it could be. If you wanted to just allow them to call eight people that that kind of system would work under a debit system. Are you aware of that or not?

COMM. JOHN J. ARMSTRONG: Yes. With all due respect to everyone's area of expertise, there is an administrative side that he agrees can occur. I want to insure --

REP. MCDONALD: Excuse me, I didn't hear you, Sir.

COMM. JOHN J. ARMSTRONG: Yes. With all due respect to his area of expertise which is, can it technically be administered? Yes.

My area of expertise is, can it be administered safely and securely without a defeat of any of the essential components of the security platform we have built. We still need to address that.

REP. MCDONALD: How much would the security, I know MCI was after setting up your security system. How much does MCI do, implementing the contract in the sense that they're checking the system or they're upgrading the security, how much, after they get the contract, and put the system in place, are they in the prisons overseeing security, or what do they do as part of this contract?

COMM. JOHN J. ARMSTRONG: We oversee security. They oversee the system and the system itself they just upgraded per our specifications to a digital system.

REP. MCDONALD: What do you mean by a digital system?

COMM. JOHN J. ARMSTRONG: A digital system, just like in the video, it's the state of the art with regard to the quality, accuracy and the presentation. We use

the tapes oftentimes for evidence. Any time we have a crime committed we become aware of it, we take the tapes. We secure the tapes and handle them as evidence. Just like in your video you get a better quality image, we get a better quality of both what is available, retrievable and then first and best evidence copy goes to the prosecutor. That is essential and that was quite costly and it was just done as part of our upgrade which certainly comes out of whatever revenue they generate on the other side of that through MCI.

We pay for none of that. If we had to pay for it, we would certainly have an extensive cost in addition to just the monitors and all we have to have on the system.

REP. MCDONALD: We pay for it. The state's paying for it but MCI is not giving us any gifts. Whether you pay for it or information technology, nobody is out there giving gifts to the State of Connecticut. So we're paying.

COMM. JOHN J. ARMSTRONG: It does not come from the budget, Ma'am. It comes out of the telephone revenue. We get a portion, MCI gets a portion.

REP. MCDONALD: And that's what bothers me a great deal.

(Cass. 2) GAP FROM CASS. 1 TO CASS. 2

-- and then gives us 50% of that money back, a kickback to the Department of Information Technology to run their office, \$6 million. So they're charging us twice as much as their service costs. And then they give us 50% of it back without going through the general fund and they give it back directly to Mr. Regan's office.

So we're paying that other 50%. When you say it doesn't cost us anything, the state doesn't get anything for free.

COMM. JOHN J. ARMSTRONG: There is no taxpayer burden is what my point was. The taxpayer does not foot the bill for this to be funded. That is a question that's outside my purview. Again, my platform is

security, Ma'am.

REP. MCDONALD: Who's paying the bill for it are some of the poorest people in the State of Connecticut, the wives and the mothers of the inmates, they're paying the bill.

COMM. JOHN J. ARMSTRONG: With all due respect again, Ma'am, even changing to a debit system, they will still be paying the bill whether they pay it on their phone bill or they send funds to the facility.

COMM. JOHN J. ARMSTRONG: We'll have to have two systems if we have the debit system because all the people won't participate in the debit system if in fact it ever gets in.

COMM. JOHN J. ARMSTRONG: That is possible.

REP. MCDONALD: That we'd have to keep this other system, too because otherwise probably a tremendous number of inmates would not have the privilege.

REP. MCDONALD: I'm certainly not averse to exploring the option to determine what is consistent with security. As I said, I do need to maintain public safety and this platform for me, beside I'm very concerned to insure that my staff are safe, the public is safe, inmates are safe from one another. We don't allow gang activity --

REP. MCDONALD: Certainly, I would not want anything where we're going to put our state employees in lack of safety. I think we should look into it. It's been a problem for two years and I know the federal system is able to do it, and so it's not just that we can't do it, that this system we have is the best, especially when we're paying twice as much for it as we need to.

COMM. JOHN J. ARMSTRONG: Again, it is a privilege system. I am open to exploring the options, but I think we need to go into it with our eyes open.

The federal government has had concerns with this system that have developed since. I do not want

to have to learn the hard way. I think we should go into it setting up a system that can be managed effectively where we do not compromise public safety or security.

REP. MCDONALD: I will say again, Commissioner, I don't want you to get the idea that I want to compromise security or public safety in suggesting this system be looked at and that's why it's a pilot program.

Certainly, I don't think any members of this Committee want to compromise our state personnel or the security, so you're not the only one that is interested in that. And sometimes when you keep saying it, it acts like (inaudible) this bill that I'm not concerned. And I want to make it clear that I am concerned.

COMM. JOHN J. ARMSTRONG: Yes, Ma'am. And what I'm trying to do and I apologize if I've overridden anything you believe I've said in my remarks. My remarks are to make sure that both of our interests take into consideration everything before we mandate that we begin a process.

The way the bill is written, it requires us to do something where we have not yet considered the potential effect to public safety and staff safety, and that is my area.

I don't expect, and this is no offense, you need to rely on me for my expertise in prison operations. I've got 25 years experience. I can see things that sometimes are very, very unapparent to people who have very honorable intentions, such as yourself, and I do respect what it is you're trying to accomplish and I'd like to help you with that. But I prefer that we not make a mandate and then try to back into it, our safety and security considerations.

REP. MCDONALD: Representative Belden and Senator Smith.

REP. BELDEN: Thank you. Good morning, Commissioner. I apologize, I missed Mr. Regan's earlier testimony. The whole issue here as I understand it from past years was that the cost for collect calls is very

high and my recollection of this debate last year and the year before was that there was a new contract in negotiations coming up as far as phone vendors is concerned. Did that ever happen and are the costs for collect calls higher or lower than they used to be?

COMM. JOHN J. ARMSTRONG: Quite frankly, the cost of the calls and all that really has very little to do with our piece of it, Representative.

And again I apologize for saying it again, I'm very concerned. We've had over 400 successful prosecutions that we've been a part of for crimes that occurred that involved this telephone system. Not just crimes occur from prisons occur, but crimes in the community that we've become part of.

I really do not want to allow something that I don't see at the moment we're sitting here. It should be fully explored before we go forward. It's incidental to me because if we didn't have the system, we would not have inmates making the number of volume of calls they do make. So I do not want to restrict the privilege unnecessarily, but security is the one issue that I need to be careful about. Today's solution could become tomorrow's problem and you should study this closely. I'd love to be a part of that study and if you could do it, I'd be pleased to implement it.

REP. BELDEN: Commissioner, I don't disagree with your position, but I was just trying to nail down. As I recall, the issue was that collect calls were very high, very costly and that the state was making a considerable amount of money. It was going into the general fund and not over and above what it cost to run the system.

I just, maybe I'll have to ask the question to Mr. Regan, but my basic question is, has anything happened with the cost of collect calls. And maybe if you can't answer that, that's fine, too.

COMM. JOHN J. ARMSTRONG: I can give you two quick, and I'll try to abbreviate it. One is that the contract itself has been extended through December

and that issue is on there. However, the collect calls are comparable to other collect calls from other pay phone systems. So the price itself, I guess is consistent with what regulation allows, whether you're in prison or outside of prison and calling from a collect call.

I use the collect card system myself and there is surcharge as well that's imposed and I get that on the recording every time I call for a personal call. So I do know that it is high, and it is substantial and that's one of the reasons that we need to be careful so that we don't have a surcharge from a provider in addition to the mailing cost to go in in addition to a money order cost. Any savings that you might realize might get eaten up in the burden, an additional burden it may place on families.

REP. BELDEN: Thank you.

REP. MCDONALD: Senator Smith.

SEN. SMITH: Thank you, Madam Chair. Commissioner, this part of the issue involved here is some concerns over what's happening to families. Do you have any other questions or concerns involving the families and the people who are involved in this?

COMM. JOHN J. ARMSTRONG: Yes, I do. And I think that it's important to realize that oftentimes we forget that this is an optional system and anyone who receives a collect call from a correctional facility, the call is identified as part of the platform, it explains that it will be collect and charged to their bill. It explains that it will be monitored and recorded and it also says that if you choose not to accept this, you can merely place, press a number.

That way, you agree to accept the call and the charges. It's very clear. There is no forced accepting of that call and neither person could talk to either person because the platform doesn't allow it. You don't even know if there's anyone there. You do not know if you reached an unaccessible number and that's basically to allow

the person who gets the calls not to be an enabler.

One thing also, that I really have to make you aware of as well, is that an awful lot of times we have families who enable some of these activities which are detrimental to security. There's a recent story you can read, and I believe it's in today's paper as well as yesterday's paper, where there's an offender perpetrating pornography crimes and abuse of minors from a collect call telephone system.

We just had a prosecution, successful prosecution, where the telephone system was utilized for an offender to intimidate a witness through his father. We recently had in a delivery of narcotics to one of our facilities which we successfully intradicted, where a father brought it in.

I must also tell you that we have had fathers, mothers, sisters, brothers and all kinds of people who have been on the call list who have, again, committed acts that are contrary to safety and security.

One of the more common things which I'm concerned with as well, particularly as this is a bill which affects a lot of folks, but we're looking at putting this in the female facility, we have a lot of offenders who in violation of domestic and restraining orders continue to call and intimidate their spouse or the victim of their abuse.

These are critical issues and just on the face when we're concerned about family, let's not forget we have an obligation to protect them. We have an obligation to try to assist them in not enabling further activity and I certainly want to insure that we have an ability to continue to be as sensitive as we can and as accommodating as we can, without again complicating a very, very elaborate issue.

SEN. SMITH: Thank you, Commissioner.

REP. MCDONALD: (Inaudible-not using mike) We have one other person on the list, Marc Ryan, but he's

000945

Finance Revenue and Bonding Committee

**Public Hearing
March 14, 2002**

*Tape 1B
p. 9, line 11*

Testimony of

**John J. Armstrong, Commissioner
Department of Correction**

**H.B. 5672 (Raised) AAC a Pilot Program for a Debit System for
Telephone Calls from a Correctional Facility.**

Good morning Senator Looney, Representative McDonald and all of the honorable members of the Finance Revenue and Bonding Committee, I am pleased to have the opportunity to discuss House Bill 5672, An act Concerning a Pilot Program for a Debit System for Telephone Calls from a Correctional Facility.

This bill seeks to implement a pilot program at the York Correctional Facility in Niantic that will provide an option for inmates to utilize a debit service, in lieu of collect calls. The bill proposal will also require implementation of this pilot program to be in use within 90 days upon passage.

In consultation with staff responsible for monitoring and maintaining telephone operations and communication for inmates, I have concerns that the implementation of this pilot program may result in increased operating costs, as well as security concerns.

To begin, I must affirmatively state that telephone calls from correctional facilities are a privilege, not a right. The extension of this privilege, in the past, permitted the reach of offenders into the community to run gangs, perpetrate crimes, intimidate witnesses and re-victimize victims. The steps we have taken to develop the existing regulations and the telephone security platform have been essential toward reducing criminal use of the system has resulted in effective prosecution where crimes have occurred. As well, this program has permitted greater access to telephone privileges by more inmates. Previously, the access was staff intensive to police usage to prevent inmate control by intimidation, extortion and other factors of inmate and gang culture.

We are now debating legislation on how to best facilitate a privilege. I must state from the onset that I will not support any concept that does not factor public safety, staff safety, and facility security as a priority over inmate privileges.

000946

To implement the proposed pilot program, the inmate or a person on their visiting list would need to be able to send or transfer funds from the inmates trust fund for deposit into a sub-account on the system designated for phone use. A manual interface between the Inmate Telephone System and the Inmate Trust Fund System is necessary to track accounts receivable and debits to each account. When an inmate places a call, the manual interface will allow the provider to verify fund availability and then deduct applicable funds for each call.

Debit calling requires the same controls, recording, and monitoring functions as a collect call system. The Department of Correction dedicates numerous staff to ensure call-monitoring remains a vital component of ensuring our commitment to public safety initiatives. The implementation of a debit calling pilot program will require additional resources that will be necessary to ensure that this service is accomplished and managed appropriately. Staffing resources beyond our current compliment are necessary to administer a debit calling system. The number of staff required will be determined based on inmate participation in the program.

For example, the Colorado Department of Correction utilizes a similar system to manage a department of 16,000 inmates. To manage the system, ten administrators are required to ensure that transactions are appropriately processed. Additional resources are also necessary to address complaints and grievances with regard to billing errors and fund allocation. For instance, Colorado DOC has encountered complaints from families regarding discrepancies stemming from the manner in which inmates choose to utilize funds once they are deposited into their account, whereas inmates choose to contact alternate acquaintances or purchase commissary in lieu of phone privileges. The Department of Correction is responsible for fund management and system administration of the Inmate Trust Fund. This fund manages all transactions from inmates who receive monies both internally by working in the facility or through external sources, including family members and approved individuals on their visiting list. Because we manage the fund, the department would need to intercede on billing problems or account errors, complaints by depositors regarding inmate use of funds and an increase in transactions as a result of the phone debits.

More importantly, I believe that a debit system may create an increase in extortion, theft and bartering within the population. As you are well aware, these activities lead to an increase of incidents and assault, fighting and violence. Inmates will be more prone to find innovative ways of gaining access to the accounts of other inmates by using their debit account number and placing unauthorized calls. The potential also exists for inmates who are deemed more threatening or physically domineering over others to use scare tactics on other inmates to monopolize phone usage within the facility. It is impossible to forecast all of the potential issues that may arise from this proposal to create an unsafe atmosphere, and destabilize our facility climate.

I do not foresee any cost benefit to this pilot program as it relates to reducing the cost of telephone communications between inmates and the family, friends or acquaintances of those on the approved calling list. In fact, the fiscal impacts of this proposal are so

000947

intrusive upon the law-abiding taxpayers of our State that I am inclined to oppose this proposal.

The ninety-day implementation requirement as offered in this proposal is both unreasonable and impractical. The department will need to put into action major changes in regulations, policy and procedure, additional staffing and will also require significant technical support upgrades to implement this program. Therefore, I foresee that it will take at least 12-18 months to properly deploy a program of this magnitude, providing all requirements, including funding and position approval are expedited.

Lastly, I can empathize with the families who have loved ones remanded to the care and custody of the Department of Correction and realize the financial burden that phone calls from prison have on them. I must again reaffirm that phone access is a privilege that we provide to offenders, it is not a mandate. When that privilege becomes an undue burden upon security and resources particularly without taking into consideration noted safety concerns, I must stand in opposition to the concept. I believe it would be more appropriate to implement legislation that will allow for the study of potential options that may exist and will consider the concerns that I have presented before you today.

Thank you for the opportunity to speak before you today. I would be pleased to respond to your questions.

000948



STATE OF CONNECTICUT
Department of Information Technology

Tape 1 A

p. 2, line 18



Testimony of Rock Regan, Chief Information Officer for the
Department of Information Technology
Before the Finance Committee of the
Connecticut General Assembly
March 14, 2002

Chairman McDonald, Chairman Looney and Honorable Members of the Finance Committee; I am Rock Regan, Chief Information Officer for the Department of Information Technology. I am testifying before you today on HB 5672 - An Act Concerning a Pilot Program for a Debit System for Telephone Calls from a Correctional Facility.

As you may know, The Department of Information Technology holds the statewide contract for telecommunication services, which includes the inmate telephone system. As the agency that negotiates and holds the telecommunications contract, we also retain and utilize the revenue from that contract. Currently, pay phone revenue generates approximately \$6 million per year.

Beginning in the 1960's, the Comptroller assumed responsibility for managing telephone expense for all state agencies. This included furnishing pay telephones where needed. There were three types of phones:

- 1) Coin-Operated Phones in high-traffic areas, which generated a commission of 10% of toll-call receipts.
- 2) Coin-Operated Phones in low-traffic areas where the State wanted such phones, such as employee lounges or patient floors at State institutions. These generated no commission, and the State paid a fee equal to a local business-rate line for their presence.
- 3) Coinless Collect-Only Phones for use by inmates at correctional facilities. These too generated a commission of 10% of toll-charge receipts.

This arrangement continued with minor changes until 1987, when some payphone traffic began to be classified as "competitive" by regulators at the FCC. The State entered into a formal agreement with SNET to furnish public telephones, local-exchange calls, and instate toll calls. SNET offered to place phones at a number of low-traffic locations where public phones were desired, such as commuter parking lots. Commission revenue remained the same for instate toll traffic. Interstate calls were then routed to AT&T, which was the State's "1+" provider from State phones.

In 1993, network services were again subjected to competition. The DPUC still had not allowed competitive providers of public telephone service, so SNET's contract remained in force, paying 10% on "coins in the box." Interstate toll from public phones was awarded to Sprint Communications LLC, which pays commissions of 37% on interstate

101 East River Drive • East Hartford, CT 06108-3274

www.state.ct.us

An Equal Opportunity Employer

000949

"0+" calls. Most people now choose their own carrier from public phones, accessed through a toll-free number; Connecticut receives no commission on such calls.

The Department of Correction needed to institute some sophisticated security measures, in part to offset gang activity within and outside the system. MCI Telecommunications won the contract with its "Maximum Security" solution. This offered new call-control mechanisms, new call-monitoring equipment, some new tracking tools, and a 45% commission rate on all calls carried by the system. The commission rates offered by competitors (such as SNET at 48% instate / 20% interstate and AT&T at 20% instate / 42% interstate) were also much higher than previously offered. This resulted from two factors: (1) collect rates had recently been separated from the complex cross-subsidy formulae embedded in federal and state rate-making, and (2) freed from regulation, operator-assisted rates were rising throughout the industry.

There were provisions in the contract to limit rates charged, to no more than any residential ratepayer would be charged for a standard collect call. Few inmate phone contracts have provisions to limit rates charged. In some jurisdictions the per-minute rate is three times the normal collect rate, and the "surcharge" to establish the call is as high as five dollars. Compared to other states and counties, for which we have figures, Connecticut rates are among the lowest.

When telecommunications expenditures were moved into the Revolving Fund in 1989, payphone revenue was deposited into the same fund as well. Payphone revenue includes both public telephones (on highway rights-of-way or in State buildings), as well as inmate telephones. Also in 1989, the Office of Policy and Management determined that it was appropriate to utilize this network-derived income to build upon the State's network infrastructure, so that new technologies could be used by State agencies without imposing new costs on each user. Some capabilities cannot be successful if only a few people use it – they only work if everyone has it. Electronic mail is a good example: if those you need to communicate with aren't equipped with it, it isn't of much use for you to have it. Payphone revenue was used to develop a number of such capabilities without an allocation of costs, such as:

- Access to the Internet from every desktop user needing it;
- Inter-agency and Internet Electronic Mail;
- An Internet (World Wide Web) Presence for every Agency and Town wanting one.

As these basic functions came into general use, more sophisticated needs were defined, such as the HELP (High Efficiency Licensing Program), E-Form projects, statewide E-Government projects and others.

Most notable the services provided by this fund include: internet access and administration for all state employees including the Legislative and Judicial branches, e-mail access for employees and statewide telecommunications overhead.

Department of Information Technology

Fact Sheet

March 2002

INMATE TELEPHONE SYSTEM

WHAT IT IS?

- Inmates may make free calls to their lawyers and in cases of crisis or some emergency. These calls, when placed from DOC administrative phones, are not recorded.
- In all other cases, inmates in Connecticut prisons are given the privilege of making phone calls to a pre-approved list of people. The privilege may be revoked if the inmate violates DOC regulations.
- The phone calls are recorded and monitored. Prison officials may end the phone call for security reasons. A variety of other security measures are in place to ensure that the calls do not compromise public safety. MCI Worldcom supplies this type of system and was awarded the contract in 1994.
- The calls are collect calls with the charges paid for by the recipient. The recipient is notified the call is from a CT Correctional Center, and is being recorded. Like any collect call they have the option to accept or decline the charges. Charges appear on the recipient's phone bill.
- DOIT is currently recompeting this contract and is reviewing proposals. Because this process is still ongoing the contract with MCI has been extended for an additional year until the end of 2002.

WHAT ARE THE CHARGES FOR INMATE COLLECT CALLS?

- The charges consist of a surcharge, and a per-minute rate if the call is a long-distance call. These charges and their amount are required by the contract to be the same as what any residential customer would pay if they received a collect call. The rates cannot exceed SBC/SNET's instate or AT&T's interstate residential collect call rates. This serves as a "cap" of sorts and Connecticut is one of just a few states that has this protection in place.
- In Connecticut, instate calls are based on SNET rates: a surcharge of \$1.75 per call, plus a per-minute rate, which varies from 9-23 cents (depending on the distance involved).

000951

- Interstate calls are based on AT&T residential rates: a surcharge of \$3.50, plus a per-minute rate of 55 cents. Most calls stay instate. Connecticut inmates housed in Virginia pay rates based on the Commonwealth's contract with MCI: 45 cents per minute, plus \$3.00 per call.

WHERE DOES CONNECTICUT STAND NEXT TO OTHER STATES?

- Compared to other states and counties for which we have figures, Connecticut rates are among the lowest. Few inmate phone contracts have provisions to limit rates charged. In some jurisdictions the per-minute rate is three times the normal collect rate, and the "surcharge" to establish the call is as high as five dollars.
- MCI charges Connecticut customers an average of 31 cents per minute (with the surcharge included). By comparison, MCI charges from New York inmates average 37 cents per minute, and from Wisconsin inmates are the highest, at an average of 60 cents per minute. Other providers charge as much as a dollar per minute with surcharges as high as six dollars per call.

WHY IS THE STATE'S REVENUE INCREASING?

Revenue has increased for a variety of reasons.

- *State gets more of the proceeds.* First, the competitive bid the State received from MCI resulted in a higher commission rate than SNET offered in the past. Under the old system, where inmates made collect calls, the contract gave the state 10 percent and the phone company 90 percent. Under the new contract with MCI, the state gets 45 percent and MCI gets 55 percent. This contract was extended in December 2001 for an additional year. Under the terms, MCI will be providing the state an additional 5 percent of revenue and reducing their revenue by 5 percent for an even 50/50 distribution.
- More revenue is coming in because collect calls cost more. The cost of collect calls has risen for everyone over the past decade. Rates for "Operator assisted calls" were separated from types of phone rates subject to federal and state ratemaking regulations. Freed from price regulation, operator-assisted rates have risen throughout the industry, due in part to the costs of collection and allowances for uncollectibles.

WHY WAS THIS SYSTEM WAS ADOPTED?

- This system was adopted in the early 1990's due to inmate's misuse of phones. Inmates were making phone calls to conduct criminal activity such as ordering killings, drug sales, and other actions, many gang related.