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# Cost of Connection

September 2023

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# Report Summary

People incarcerated in Minnesota jails face challenges in communicating with their loved ones due to the high cost for phone calls and a confusing and expensive array of technologies. **Research is clear that incarcerated people who maintain strong family ties during confinement have lower rates of recidivism<sup>1</sup>, leading to better outcomes, and safer communities.** Because of the challenges on families and the importance of family connections, the Office of the Ombudsperson for Corrections (OBFC) initiated an investigation examining the unconscionably high and unaffordable costs of phone calls in Minnesota jails.<sup>2</sup>

This report discusses the importance of affordable communication options for incarcerated people and their families; reviews current rates and the legal framework governing correctional telecommunications; and concludes with recommendations for reforms.

## Findings

OBFC research shows that methods of communication available in most Minnesota jails are unnecessarily costly and confusing. Most local facilities do not have incentive or resources to negotiate competitive contracts or to provide no cost phone calls. Additionally, oversight and regulation for communications companies is inadequate. Minnesotans would benefit by addressing an archaic structure that currently only benefits telecommunications companies and does not provide for connections which increase community safety.

## Recommendations

**Provide no-cost calls.** Recognizing the benefits of keeping incarcerated persons connected with their families and communities, the Minnesota Legislature appropriated funding to the Department of Corrections (DOC) in its 2023 session, requiring the agency to provide those incarcerated in state prisons with free phone calls. **OBFC finds it is imperative for the legislature to examine providing additional resources to jails so they can provide phone calls at no cost to all jail residents.**

While working towards resourcing no-cost calls, below are opportunities and recommendations to the legislature to allow for more affordable and equitable connection:

- Encourage no-fee services.
- Require no-fee calling when in-person visitation is unavailable.
- Protect in-person visiting.
- Address high phone rates for in-state calling to stabilize temporary rules from the FCC.
- Expressly clarify Public Utilities Commission (PUC) jurisdiction over non-voice services.

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<sup>1</sup> Susan McNeely and Grant Duwe, “Prison visitation, spatial distance and concentrated disadvantage of visitor neighborhoods, and offender recidivism” (December 2018), [https://mn.gov/doc/assets/PrisonVisitationVisitorNeighborhoodsAndRecidivism\\_Full\\_tcm1089-364583.pdf#False](https://mn.gov/doc/assets/PrisonVisitationVisitorNeighborhoodsAndRecidivism_Full_tcm1089-364583.pdf#False).

<sup>2</sup>Minnesota Statutes, Chapter 241, sections 90-95 grant the Office of the Ombuds for Corrections authority to investigate actions and policies of Minnesota’s corrections agencies. More information can be found at [mn.gov/obfc/](https://mn.gov/obfc/).

## Background

Technological advances in communications have occurred rapidly, but those advances have been more slowly adopted in correctional facilities. While many incarcerated people, especially those in prisons, still use and heavily rely on the U.S. mail, jails now often offer texting and email options. Although texting and emails can be an important option due to their immediacy, they are an expensive option for incarcerated people and their families even though often free for everyone else.

While telecom services are usually framed as a privilege rather than a right, maintaining ties with family and community is an essential component of successful reentry for incarcerated people. Phone calls are the most common method of family contact, allowing relatives to stay in touch without the time and cost commitment of traveling to distant facilities. Studies have shown that phone contact can reduce recidivism rates and improve relationships between children and their incarcerated parents, leading to better outcomes and safer communities.<sup>3</sup>

## Investigative Actions

The Office of the Ombuds for Corrections connected with family and community members, incarcerated people, and facility staff, reviewed data, existing policies, and examples from other entities, and requested contract and visiting information data from the DOC and a sampling of local facilities. OBFC consulted with the Prison Policy Initiative (PPI)<sup>4</sup> to provide critical interpretation of the data and provide consultation in the development of this report. PPI also assisted in analyzing the information gathered through research activities and in organizing a summary report.

## Overview of Correctional Communications in Minnesota

This report focuses on the cost of communications in county jails, because of their high cost and the recent legislation making prison calls free. The cost of communication in our prisons and jails is unaffordable for most, considering the low wages for those incarcerated in state prisons and the total lack of income for jailed individuals. Minnesota Correctional Facilities, better known as state prisons, house adults sentenced to serve felony sentences. The current prison population is 8,274.<sup>5</sup> Local facilities or jails in Minnesota are operated by counties and hold people awaiting trial or serving short sentences. Almost two-thirds of those held in Minnesota jails have not been convicted of a crime and many will return to their communities without serving a prison sentence.<sup>6</sup> The Minnesota DOC licenses jails but does not operate them or provide their funding.

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<sup>3</sup> Leah Wang, "[Research roundup: The positive impacts of family contact for incarcerated people and their families](#)" (Dec. 21, 2021).

<sup>4</sup> Prison Policy Initiative is a non-profit, non-partisan research organization.

<sup>5</sup> <https://mn.gov/doc/data-publications/statistics/>

<sup>6</sup> Joshua Aiken, *Era of Mass Expansion: Why State Officials Should Fight Jail Growth*, [tbl. 2](#) (May 2017) (60 percent of Minnesota's jail population was pre-trial in 2013).

Incarcerated persons are fairly evenly split between those coming from rural areas and the seven-county metro area, closely mirroring the non-incarcerated population in Minnesota. Half of Minnesota’s prison population<sup>7</sup> identifies as white, with 37 percent identifying as Black and nine percent as Indigenous.

Contrast that with Minnesota’s racial demographics for those not incarcerated: 83 percent identify as white, 7.6 percent identify as Black, and 1.4 percent as Indigenous. The disparities within the prison population are even higher for women, with 23 percent identifying as Indigenous and 18 percent Black.<sup>8</sup>

See table, *right*, which utilizes the categories and terms used in census data.

## MINNESOTA PRISON DEMOGRAPHICS

<i>Race and Cultural Identities</i>	<i>Minnesota Demographics</i>	<i>Male Prison Population</i>	<i>Female Prison Population</i>
<i>White</i>	83%	50%	57%
<i>Black or African American</i>	7.6%	37%	18%
<i>American Indian and Alaska Native</i>	1.4%	9%	22%
<i>Asian and Pacific Islander*</i>	5.5%*	2.6%	2%
<i>Hispanic or Latino</i>	6.0%	5%**	5.7%**

*\*Minnesota Census separates Asian and Pacific Islander, but Minnesota DOC does not. Native Hawaiian and Other Pacific Islander adds 0.1% to the population in Minnesota.*

*\*\*DOC counts Hispanic or Latino as an ethnicity but in combination with a racial identity.*

***At every stage of the process, people of color and Indigenous people are treated more harshly than white people, causing disproportionate harm to their communities.***

Previous data analysis of Minnesota jail populations shows racial disparities in jails to be similar to Minnesota prisons. Black and American Indian people are incarcerated at much higher rates than white people in jails and prisons across the country, and strikingly so in Minnesota. **At every stage of the criminal justice legal process, people of color and indigenous people are treated more harshly than white people, causing disproportionate harm to their communities.**<sup>9</sup>

Further, there is a strong correlation between low socioeconomic status with high rates of incarceration.<sup>10</sup> Those already in poverty are disproportionately affected by high rates and fees, and least likely to have spare resources.

<sup>7</sup> <https://mn.gov/doc/data-publications/statistics/>

<sup>8</sup> “U.S. Census Bureau QuickFacts: Minnesota.” [www.census.gov](http://www.census.gov), [www.census.gov/quickfacts/fact/table/MN/PST045222](http://www.census.gov/quickfacts/fact/table/MN/PST045222).

<sup>9</sup> *Minnesota | Incarceration Trends | Vera Institute of Justice.* (n.d.). [trends.vera.org](https://trends.vera.org). Retrieved August 11, 2023, from <https://trends.vera.org/state/MN>.

<sup>10</sup> Bernadette Rabuy and Daniel Kopf, [“Prisons of Poverty: Uncovering the pre-incarceration incomes of the imprisoned”](#) (July 9, 2015).

Three dynamics make jails a particularly challenging and high need area for addressing communication costs.

## JAIL CHALLENGES

Jails serve a high number of people for short periods of time.

Families are facing an uncertain future.

Jails are increasingly serving a population with complex mental health, medical, and human services requirements without additional resources to meet these needs.

First, jails hold fewer people at any point in time than Minnesota prisons, but the number of people coming and going from jail is enormous. Minnesota jails hold six to seven thousand people on any one day, but nearly 70,000 people are booked into jail during a typical year.<sup>11</sup> Because people in jails are there for shorter periods of time, there is not an opportunity for a culture of administrative accountability to develop or for their support networks to successfully lobby administrators for no cost calls and reasonable communication rates, and policies and administration of things like phone contracts may receive less scrutiny by public-interest advocates who are themselves often overstretched and under-resourced.

Secondly, people in jail and their loved ones are often experiencing challenging circumstances. An individual in jail is often facing a profoundly uncertain future.<sup>12</sup> This makes a typical telecommunications customer in jail uniquely vulnerable to financial exploitation in the form of high prices for phone calls or other communications service when they have no choice in plans or available services.

## COMMUNITY HIGHLIGHT

*An example of this is illustrated by a recent complaint to the OBFC by an individual who was hospitalized, and her incarcerated partner was unable to contact her due to lack of funds. If local jails provided free calls, this incarcerated person would have easily been able to contact his loved one while she was in hospital, keeping updated on her status.*

Finally, jails often have few administrative resources and are often directly controlled by elected sheriffs who may be more greatly impacted by political climates and pressure to reduce costs. While jails in populous counties may have resources to effectively negotiate with vendors, those in small counties are often run by a handful of staff responsible for multiple duties and often they do not have time to prioritize non-core services such as telecom which also may provide needed funds to the jails. **Jails are increasingly serving a population with complex mental health, medical, and human services requirements without additional resources to meet these needs.**

<sup>11</sup> Wanda Bertram & Alexi Jones, "[How many people in your state go to local jails every year?](#)" (Sep. 18, 2019).

<sup>12</sup> See Wendy Sawyer, "[Why expensive phone calls can be life-altering for people in jail—and can derail the justice process](#)" (Feb. 5, 2019).

# Cost of Communications in the Minnesota DOC

To get the full picture of local facility or jail communications, it's helpful to start by looking at the state prison system as a baseline.

*In 2023, Minnesota passed historic legislation to fund free calls for those in prisons.*

In a historic endeavor, the Minnesota Legislature, recognizing the importance of sustaining family connections through communication, passed legislation in May of 2023 to fund elimination of the cost of phone calls for those incarcerated in the state prison system. The legislature approved 6.2 million dollars toward the cost of voice communication over the biennium, allowing for unspent funds to be rolled over into the next fiscal year and used to offset the cost of other types of communication. Those funds also cover any programming or wellness activities that site commissions from phone costs had previously funded. The funds do not provide for those in jails.

Costs of calls, before the historic change to free prison calls, were lower than any jail costs at \$0.04 per minute and are shown in Table 1.1.

*A prison video call currently costs \$9.95 for 30 minutes.*

Costs of other types of communications in prisons are still significant, and a JPay video call currently costs \$9.95 for 30 minutes with the DOC receiving a \$1.00 commission. Details of costs can be found in Table 1.2.

GTL/ViaPath<sup>13</sup> currently is the vendor for phone calls, and the Minnesota DOC was set to transition to GTL/ViaPath tablets as well several years ago. However, due to accessibility issues, this transition to GTL/ViaPath for video calling, electronic message, and tablets, encountered delays in implementation. This was a significant lost opportunity to provide connection options during the pandemic when people could not visit in person.

Under the current contract, DOC would receive 20 to 40 percent of GTL/ViaPath's revenue (termed a "site commission") for these services that are not covered by the new legislative funds. The transition is now expected to take place in Fall 2023. The rates and site-commission information are detailed in Table 1.1. However, if there continue to be issues with GTL/ViaPath fulfilling their contract with the DOC, this may be revisited. Although GTL/ViaPath is one of the two dominant companies in correctional telecom, it does not serve any Minnesota jails.

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<sup>13</sup> Global Tel\*Link Corp or GTL recently changed its name to ViaPath but is best known as GTL to most people who utilize the service.



# Cost of Communication in Jails

Despite innovations in technology, people incarcerated in Minnesota jails face two challenges: high rates for phone calls and a confusing and expensive array of technologies. Research indicates that more than one-third of families reported such significant barriers to communication costs that they went into debt to cover staying connected with incarcerated loved ones.<sup>14</sup> Vendors and jails both profit from this arrangement while Minnesota families are struggling. The most successful telecom companies contracting with Minnesota jails show annual revenues of 767 million dollars (see Appendix, Table 3), and site commissions for jails can bring in hundreds of thousands or more a year (see Appendix, Table 4).

*One-third of families go into debt to stay connected with incarcerated loved ones.*

## Voice Calling Rates

Most of us no longer need to watch our per minute costs on phone calls or texts. However, the cost that incarcerated people and their loved ones pay is often prohibitive at \$1.50-7.50 per 15-minute call. **Families should not have to choose between connecting with their loved ones or putting food on their table.**

### JAIL PHONE CALL COSTS

Carrier	Cost per minute	Cost per 15-minute call *
HomeWav	\$0.10	\$1.50
ICSolutions	\$0.21	\$3.15
NCIC	\$0.21	\$3.15
Reliance	\$0.21 - 0.50	\$3.15 - 7.50
Securus	\$0.14 – 0.21	\$2.10- 3.15
Stellar/Encartele	\$0.15-0.18	\$2.25- 2.70

*\*Cost of call alone without any of the likely fees.*

Jails may also require money to be put on “the books” for calls, visits, and emails. This system can be confusing and may result in additional fees. An overview of communication costs for county jails is shown in the table, *left*, and details can be found in Appendix, Table 2. Five companies appear to sell correctional telecom services in Minnesota. Appendix, Table 3 contains a brief description of each company.

Most Minnesota jails charge 21 cents per minute for interstate calls, the maximum rate allowed under federal law.

In-state calls cost almost twice as much at 40-50 cents a minute due to the split between federal and state regulatory jurisdiction. There is no

longer a technical or cost-based distinction for phone contracts to charge higher rates for in-state calls than for calls that cross state lines, but instead it is likely driven by incentives to the facilities and telecom companies rather than an actual cost incurred by the vendor to provide the service.<sup>15</sup>

<sup>14</sup> Saneta deVuono-powell, Chris Schweidler, Alicia Walters, and Azadeh Zohrabi. *Who Pays? The True Cost of Incarceration on Families*. Oakland, CA: Ella Baker Center, Forward Together, Research Action Design, 2015.

<sup>15</sup> Wagner, Peter. *State of Phone Justice 2022*. [www.prisonpolicy.org/phones/state\\_of\\_phone\\_justice\\_2022.html](http://www.prisonpolicy.org/phones/state_of_phone_justice_2022.html)

Under recent changes in FCC definitions, most calls are now considered out-of-state, creating pressure on the companies to use the same rate for both call types. Unfortunately, many Minnesota jails contracts still seem to be capitalizing on this outdated rate framework, particularly for calling cards. **Additionally, even if all jails followed the one rate framework to charge a maximum rate of 21 cent a minute, it is still too costly for Minnesota families.**

Further, there is a correlation between high rates and small jails both in Minnesota and across the nation.<sup>16</sup> Some of the arguments for why higher costs are shouldered by smaller jails may be related to the cost of bringing the infrastructure to rural areas; however, as rural broadband and Wi-Fi options are implemented throughout Minnesota, this will no longer be a reasonable argument and instead should be an opportunity for more affordable communication in some of the state's poorest counties. Additionally, jails in counties with the least amount of resources should be able to receive additional support from the state to implement fairer and more accessible communication. **One possible solution could be developing a state contract that counties could opt in to.**

## COUNTY HIGHLIGHTS: NO FEE CALLING

Metro jails that may have more resources than Greater Minnesota jails are often able to provide additional opportunities.

Hennepin County (Minneapolis metro area) stands out for its commitment to some level of no-fee calling: the county pays for the first three calls each week; subsequent calls are 14 cents per minute for either in-state or interstate calls.

Ramsey County (St. Paul metro area) is in the process of implementing no-fee calling. Other counties' offsetting policies are more parsimonious with one providing a one-time 15-minute free calling card for each incarcerated person, and a couple providing two free postcards per week or a free calling card for indigent residents.

Other counties provide some level of no-fee calling, but this practice is overshadowed by a more troublesome trend of prohibiting in-person visitation. More than half of the sample counties we surveyed do not allow in-person visits other than with an attorney.<sup>1</sup> While free or reduced-price calling might partially make up for the loss of connection that results from in-person visitation bans, it would be far more equitable to allow in-person visits while charging a modest amount for phone calls.

The second notable trend is the substantial market share held by Reliance Telephone of Grand Forks (Reliance). Nationally, Reliance is a peripheral player in the correctional telecommunications market. In Minnesota,

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<sup>16</sup> FCC [FACT SHEET: Ensuring Just, Reasonable, and Fair Rates for Inmate Calling Services](#). October 10, 2018. [FACT SHEET: Ensuring Just, Reasonable, & Fair Rates for Inmate Calling | Federal Communications Commission \(fcc.gov\)](#)

however, Reliance holds contracts for three-quarters of county jails. Reliance's dominance among Minnesota jails is a cause for some concern because of this company's particularly complicated pricing structure.

Under most of its Minnesota contracts, Reliance charges more for in-state calls than for interstate calling with the method of payment determining cost. The cost of in-state calls varies based on method of payment, while interstate calls are 21 cents per minute irrespective of payment method. Non-incarcerated persons pay using a pre-paid account, while incarcerated individual's purchase a calling card through their jail's commissary at a rate of up to 50 cents a minute.

**Figure 1.** This pricing from Reliance's website shows much higher rates for calling card calls (left) than for calls billed to a prepaid account (right).

The image shows a side-by-side comparison of two phone service options. The left panel, titled 'Phone Card', features a card icon and explains that inmates use these cards for calls from correctional facilities. It lists 'Phone Card In-State Calls' at \$0.50/minute and 'Phone Card State to State Calls' at \$0.21/minute plus federal taxes. A blue button labeled 'Buy Phone Card' is at the bottom. The right panel, titled 'Prepaid Collect Calls', features a telephone icon and explains that these are prepayment accounts. It lists 'Collect Local Calls' at \$0.25/minute plus taxes, 'Collect In-State Calls' at \$0.25/minute plus taxes, and 'Collect State to State Calls' at \$0.21/minute plus federal taxes. A blue button labeled 'Set up Collect Call Account' is at the bottom.

Service	Rate
Phone Card In-State Calls	\$0.50/minute
Phone Card State to State Calls	\$0.21/minute + Federal Universal Service Fund
Collect Local Calls	\$0.25/minute + applicable taxes
Collect In-State Calls	\$0.25/minute + applicable taxes
Collect State to State Calls	\$0.21/minute + Federal Universal Service Fund

## Additional Communication

Beyond phone calls, additional communication technologies are becoming increasingly more common in jails. Four categories of technology are examined below.

## Video Calling

Within the last decade, video calling or “video visits” has become common in many jails. While facilities and telecom providers often compare correctional video calling to Skype or Zoom, there are technological differences, **and unlike services available in community, correctional video service is usually quite expensive.**<sup>17</sup>

*Video calls in jails are costly, averaging about \$6.00 for a 20-minute call.*

Over half of the counties (14) in our sample offer video calling, with all but one receiving a site commission (details were not provided for Washington County) with an average commission of 43 percent. Users pay from 15 to 39 cents per minute for video calling; however, many systems bill in 20-minute increments, which—among other things—can mean that users pay for unused minutes in situations where the call is cut short for reasons beyond their control. Hennepin County provides one no-fee video call for each resident each week.

Video calling is offered either remotely or on-site where family members travel to the facility and communicate via closed-circuit video on equipment provided by the jail. Our rate review focuses exclusively on remote video calling.

**Several facilities offer free on-site video calling but no in-person visiting, and this practice is problematic: if families take the time and expense to travel to a facility, they should experience the warmth and connection of an in-person visit** (notwithstanding temporary restrictions due to security issues or COVID-19). Most jails that have implemented video “visitation” have replaced in-person visits with a combination of onsite and paid remote video calling. See Appendix, Table 5 for a sample of jail video calling rates.

## COMMUNITY HIGHLIGHT

**A complaint received by our office demonstrates that there is no substitute for in-person visits even if providing reduced cost phone calls.**

The mother of an incarcerated person had been diagnosed with terminal cancer, and so she was unable to participate in a video call with her son because she does not have access to a computer. The jail where her son was being held only allows video calls and refused to provide an exception for an in-person visit. Her son’s length of confinement exceeded her six-month life expectancy. The jail offered to provide her with an on-site video call, but her illness made travel unreasonable especially if she was unable to see her son in person. Our office was able to connect her with an organization to facilitate remote video calls. Such a solution seems a grossly inadequate replacement for an in-person visit with a terminally ill parent. Phone calls for that jail are cost prohibitive at 50 cents a minute for in-state calls.

**This is just one example of many prohibitive policies that illustrate the real need for human connection.**

<sup>17</sup> See generally, Bernadette Rabuy & Peter Wagner, [\*Screening Out Family Time: The For-Profit Video Visitation Industry in Prisons and Jails\*](#) (Jan. 2015).

## Electronic Messaging

These text-based services allow incarcerated people to exchange written messages with people on the outside. Although electronic messaging is often referred to as “email,” this is a misnomer—correctional electronic messaging lacks many of the features of email -- such as being able to attach documents and requires non-incarcerated individuals to use proprietary platforms run by telecom vendors.

SMS messaging uses the same text-message technology that many people are familiar with—messages are limited to 160 characters and are received on mobile devices. Over half of the counties in the sample offer either electronic or SMS messaging. These options are usually mutually exclusive. **Costs range from 9 to 50 cents per message, with average commissions of 34 percent.** See Appendix, Table 6 for details.

### COMMUNITY HIGHLIGHT

If an incarcerated person wants to use electronic messaging to communicate with her mother, she cannot send a message to her mother’s Gmail account. Instead, her mother would have to create an account with the jail’s telecom vendor and exchange messages within that system. Depending on the vendor, the mother may not be able to save, forward, or print the messages she exchanges with her daughter.

## Voicemail

Correctional voicemail products can be either inbound or outbound. Inbound voicemail can be useful since incarcerated people cannot receive calls directly. Outbound voicemail allows the user to leave a message that the recipient then must retrieve through the telecom vendor’s system.

Outbound voicemail is becoming less common,<sup>18</sup> since most call recipients have their own voicemail system on which an incarcerated caller should be able to leave a message without having to pay a separate voicemail fee. About one-third of counties offer voicemail products.

*Average cost to leave a voicemail message for a loved one in jail is \$2.00.*

**The cost to the end-user ranges from \$1.00 - \$3.00 per message, with a commission to the jail of \$0.35 to \$1.05 per message.** See Appendix, Table 7 for details.

<sup>18</sup> Securus Technologies, one of the two dominant correctional telecom companies, [recently announced](#) the end of its outgoing voicemail product, blaming high consumer prices on unidentified “third party fees.”

## Tablets

Handheld devices represent the newest phase of technological evolution in correctional telecom. The devices usually resemble iPads with limited functionality. Tablets are sometimes rented for a flat weekly or monthly fee, or some systems provide “free” tablets to all residents but charge for most of the features on the tablet. Other facilities charge tablet users a per-minute fee. Tablets may be used as hardware for voice and/or video calling. They can also be used for electronic messaging, educational programming, institutional services (e.g., filing grievance or using computerized legal research databases), gaming, listening to music, and watching videos. In some states, tablets may allow users to visit a predefined list of websites, although we found no indication that Minnesota jails allow such access at this time.

Seven counties in our sample offer computer tablets. In Fillmore County, users pay 25 cents per minute to use a tablet. In Olmstead County, users pay 5 cents per minute to use entertainment features. In several counties, the tablet program began with a “special introductory” pricing of five dollars per month. Counties earn commission revenue on “premium content,” at a rate ranging from 5 to 25 percent. See Appendix, Table 8 for more details.

In facilities where physical mail is being scanned and incarcerated people are being given scanned copies of their U.S. mail, there are delays in receiving mail or the scans of mail may not be of high quality or may not be scanned in color, so incarcerated residents have become more reliant on often expensive tablet mail options.

## COMMUNITY HIGHLIGHT

A recent concern shared with our office included a loved one who had made a watercolor drawing for a jail resident, but the black and white scanned copy of the art was not reflective of the original.

## Inactive Funds

Correctional telecom companies often rely on pre-paid accounts in advance of providing services. Companies are free to use these funds as unrestricted capital. Many carriers impose “inactivity” policies under which the company seizes customer funds after a certain period of account inactivity. On August 3, 2023, the FCC adopted a new rule that will regulate “ancillary fees” for both interstate and instate phone calls. Ancillary fees, such as account set-up and inactivity fees, have been shown to increase the cost of phone calls by as much as forty percent. The FCC order finds that ancillary fees are “generally not separable between in-state and interstate calls” and as a result, fall under the FCC’s authority.<sup>19</sup> See Appendix, Table 9 for a compilation of inactive-fund policies for companies operating in Minnesota.

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<sup>19</sup> “FCC Moves to Reduce Costs of Phone Calls from Prison.” AAF, [www.americanactionforum.org/insight/fcc-moves-to-reduce-costs-of-phone-calls-from-prison/](http://www.americanactionforum.org/insight/fcc-moves-to-reduce-costs-of-phone-calls-from-prison/). Accessed 28 Aug. 2023

## Site Commissions

Most of the counties sampled receive some form of site commission payment from the company holding the phone service monopoly.<sup>20</sup> This structure may also make it more challenging to work towards change as jails are often under resourced, and commissions may offset some programming costs. OBFC sampled 26 counties to examine the terms of these contracts which shows how telecom providers and jails divide profits from their captive customer base.

Jails tend to receive higher commission rates than the state prisons. Jail rates are dependent on sales volume, ranging from 17 to 82.5 percent of gross revenue.<sup>21</sup> The average commission rate for voice-calling revenue is between 43 and 49 percent. Site commission rates for other communications services range from 5 to 82.5 percent of revenue. Appendix, Table 4 details commission rates for voice calling in the 26 counties surveyed.

## Legal Framework

Both Federal and State regulations determine the way telecommunications operate. The Federal Communications Commission (FCC) regulates *interstate or state-to-state* calling rates from prisons and jails. The FCC has enacted a “temporary” rule that currently limits interstate prices for prison calls to 12 cents and calls from jails are capped at 16 cents to 21 cents depending on the size of the facility.<sup>22</sup> The FCC is not capping any lower rates than any states have set, and any caps set by the state would then solve the issue of in-state calls being about twice as much per minute, while codifying lower interstate rates (which may or may not be a long term change by the FCC) while still applying to in-state calls. **Several states have implemented more reasonable caps of 7-9 cents a minute for calls and Minnesota could do the same.**

*State legislatures retain authority to cap rates or provide other protections.*

The Minnesota Public Utilities Commission (PUC) classifies alternative operator services of the type offered by prisons and jails as “emerging competition”.<sup>23</sup> Because these services are defined in this manner, they are subject to little oversight. Incarcerated callers do not benefit from market competition. The correctional facility

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<sup>20</sup> We were unable to determine the commission structure in Aitkin, Benton, and Swift counties, although Benton County receives some type of commission revenue. We were also unable to determine the commission structure in Marshall County, which does not have a written contract with its vendor, Reliance Telephone.

<sup>21</sup> “Gross revenue” is defined by contract, but usually consists of money collected in the form of per-minute rates, but not revenue attributable to payment transaction fees or taxes.

<sup>22</sup> For details of the tiered FCC rate caps, see Andrea Fenster, “[What families can expect to be charged under the new FCC Rules](#)” (Jun. 10, 2021).

<sup>23</sup> Minn. Stat. § 237.57.

awards a monopoly contract to a single company, and consumers must pay whatever price the company imposes. **The Minnesota PUC retains the ability to reclassify alternative operator services at any time.**<sup>24</sup>

The FCC does not regulate correctional video calling or other non-voice services, although there are current appeals for the agency to address these emerging technologies. No state utility commission appears to be currently regulating non-voice correctional products, although the California PUC is actively considering the issue.<sup>25</sup>

**State legislatures retain ultimate power over procurement decisions at prisons and jails and can cap rates or provide other protections for telecom users.**

## Legislative Policy Recommendations

Research has repeatedly shown that meaningful connection with loved ones reduces recidivism and contributes to better outcomes for families and communities.<sup>26</sup> The cost of connection in Minnesota jails is often prohibitive to that meaningful connection. Additionally, the cost may be inequitable, unjust, and unfair. Legislative reforms can bring significant improvement.

The Minnesota Legislature can and should help to ensure economic fairness for people held in jails by reining in excessive telecommunications costs. OBFC makes the following recommendations to ensure fairness, equity, and to further enhance and support connections with loved ones.

### **Recommendation: Provide no-fee services.**

Several states and cities across the country offer calling at no cost to end-users. Connecticut law provides for no-fee phone calls and further specifies that if correctional facilities offer video or electronic messaging service, these products must also be free of cost to the end user.<sup>27</sup> The Minnesota Legislature prioritized funding for the Department of Corrections to provide no-fee phone calls for those incarcerated in state prison, and should explore all options for similar resources for jails as well as additional reforms through statutory requirements,

*Meaningful connection with loved ones reduces recidivism and contributes to better outcomes for families and communities.*

*Legislative reforms can bring significant improvement.*

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<sup>24</sup> Minn. Stat. § 237.59(10).

<sup>25</sup> See *Order Instituting Rulemaking to Consider Regulating Telecommunications Services Used by Incarcerated People*, Calif. P.U.C. Dkt. R-20-10-002, [Assigned Commissioner's Phase II Scoping Memo and Ruling Extending Statutory Deadline](#) (Nov. 29, 2021).

<sup>26</sup> Leah Wang, "[Research roundup: The positive impacts of family contact for incarcerated people and their families](#)" (Dec. 21, 2021).

<sup>27</sup> Conn. Pub. Act 21-54 (S.B. 972, 2021 reg. sess.).



economic incentives for jails, or a combination of both. Although jails do not receive direct funding from the state, the structure for providing no-cost calls could be mirrored after other state reimbursements for county services.

While working towards resourcing no-cost calls, below are opportunities and recommendations to the Legislature to allow for more affordable and equitable connection.

**Recommendation: Encourage no-fee service.**

While working towards no-cost calls, provide access and incentives to jails who are most under-resourced and have high rates of county poverty or disparity. State could prohibit commissions and require jails to negotiate lowest rate for consumer, and the state could develop a state contract that counties could opt in to in order to simplify this.

**Recommendation: Require no-fee calling when in-person visitation is unavailable.**

While our previous recommendation recognizes that the legislature might wish to use persuasion to encourage no-fee communications, the calculus changes if in-person visitation is not available. Whenever a jail ends in-person visitation (because of a pandemic, a temporary security situation, or as a permanent policy), then the facility should be required to offer no-fee communications options in recognition of the paramount importance of family connections.

**Recommendation: Protect in-person visiting.**

While video technology can be a helpful additional way for loved ones to stay connected, it should not replace traditional in-person family visits with often expensive and always impersonal computer kiosks. Texas, Massachusetts<sup>28</sup>, and other states have passed legislation that requires jails to preserve in-person visits. The Minnesota Legislature should require preservation of in-person visiting (notwithstanding temporary restrictions for good cause such as security, restricted status, or pandemic-related restrictions).

**Recommendation: Address high phone rates for in-state calling.**

The legislature could statutorily reclassify correctional telecommunications as non-competitive and direct the PUC to regulate rates. Alternatively, the legislature could pass a law that automatically adopts the FCC's rate caps as caps on in-state calls in Minnesota. Yet another option would be for the legislature to adopt a statutory rate cap at a lower rate than FCC rules.

**Recommendation: Expressly clarify PUC jurisdiction over non-voice services.**

Minnesota law already gives the PUC the power to regulate "telecommunications," with an express goal of "maintaining just and reasonable rates."<sup>29</sup> Accordingly, the PUC already has jurisdiction over non-voice services

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<sup>28</sup> [Massachusetts Session Laws Acts \(2018\) Chapter 69 Section 36 C](#) requires people in jails be allowed at least two in-person visits per week unless there is good cause to restrict them and prohibits jails from replacing in-person visits with video calls.

<sup>29</sup> Minn. Stat. §§ 237.02, 237.011(2).

(like video calling) if both parties to the call are in Minnesota. Nonetheless, state regulation of new technologies can involve complicated legal issues. The legislature should enact a statute specifically defining new types of correctional telecom services, clarifying that the PUC has jurisdiction to regulate these services.

## Conclusion

Communications that are overly burdensome and economically unfair for incarcerated people held in Minnesota jails negatively and inequitably affect incarcerated people, their families, and Minnesota communities. While the financial costs of staying connected can be prohibitive for many incarcerated people, the effects of this burden are felt by all of us. Disconnected communities create unsafe communities. This report highlights an urgent need for fairer, less costly, and more accessible communication.

# Appendix

## Minnesota Prison Costs

Table 1.1: JPay Costs (Minnesota Prisons)

JPay Costs (Prisons)		
Service	Rate	Site Commission
Video Call	\$9.95 for 30 min. <i>(\$0.33 per min. effective rate)</i>	\$1.00 per session
Email JPay Stamp (inbound and outbound)	\$0.40	\$0.05 on outbound emails
Stamps sold in packages of 5 stamps	\$2.00	\$0.25 (\$0.05 per stamp)
Photo Attachment	1 stamp (\$0.40)	\$0.05
Video Gram	3 stamps (\$1.20)	\$0.015 (\$0.05 per stamp)
Tablet content - music	\$1.06-\$1.99 per song	5% (\$0.05 – 0.10 per song)
Tablet content - e-book	\$TBD per book	5% (TBD per book)
JP4 Player	\$49.99	5% (\$2.50 per unit effective rate)
Educational Videos	Free	NA

## Table 1.2: GTL/ViaPath Costs (Minnesota Prisons)

Costs in Minnesota Prisons for phone calls, which are now no-cost, and costs for proposed tablets and video calls under GTL/ViaPath Contract.

Minnesota GTL/ViaPath Costs (Prisons)		
Service	Rate	Site Commission
Voice calling (domestic)	\$0.04 per minute*	40% (1.6¢ per min.)
Voice calling (int'l)	16.8¢ per minute	40% (6.8¢ per min.)
Electronic messaging	\$0.19 per message	20% (3.8¢ per message)
Video Call	\$7.50 for 30 min. (\$0.25 per min. effective rate)	20% (\$1.50 per session)
Tablet content - music	\$1.20 - 2.36 per song	20% (24-47.2¢ per song)
Tablet content - music subscription	\$16.19	20% (\$3.24)
Tablet content - eBook	\$3.74-\$33.74 per book	20% (\$0.75 - \$6.75 per book)
Tablet content - movie	\$6.86 per movie	20% (\$1.37)
Tablet content - movie subscription	\$7.49 per month	20% (\$1.50)

\*Now, provided at no-cost to users.

# Minnesota Jail Costs

**Table 2: Phone Costs (Jails)**

Jail Phone Call Rates			
County	Carrier	Interstate Rate (\$/min)	In-state Rate (\$/min)
<i>Rate average for all counties in sample</i>		0.20	0.37
Aitkin	Reliance	0.21	0.50
Anoka	ICSolutions	0.21	0.21
Becker	Reliance	0.21	0.40
Beltrami	Reliance	0.21	0.50
Benton	Reliance	0.21	0.40
Blue Earth	Reliance	0.21	0.50
Brown	Reliance	0.21	0.40
Carlton	Reliance	0.21	0.40
Carver	Securus	0.21	0.21
Cass	Reliance	0.21	0.50
Chippewa	Reliance	0.21	0.40
Chisago	Reliance	0.21	0.40
Clay	Reliance	0.21	0.40
Clearwater	Reliance	0.21	0.40
Cook	Reliance	0.21	0.40
Cottonwood	Reliance	0.21	0.40
Crow Wing	Reliance	0.21	0.40

Dakota	Securus	0.18	0.18
Douglas	Reliance	0.21	0.50
Faribault	Reliance	0.21	0.40
Fillmore	Reliance	0.21	0.40
Freeborn	Reliance	0.21	0.40
Goodhue	Securus	0.21	0.21
Hennepin	Securus (phone) / GTL/ViaPath (video)	0.14	0.14
Houston	Reliance	0.21	0.50
Hubbard	Reliance	0.21	0.40
Isanti	Reliance	0.21	0.40
Itasca	Reliance	0.21	0.40
Jackson	Reliance	0.21	0.40
Kanabec	Reliance	0.21	0.50
Kandiyohi	Securus	0.21	0.21
Kittson	Reliance	0.21	0.50
Koochiching	Reliance	0.21	0.40
Lake	Reliance	0.21	0.40
Lake of the Woods	Reliance	0.21	0.40
Le Sueur	Reliance	0.21	0.40
Lincoln	Reliance	0.21	0.50
Lyon	Reliance	0.21	0.40
Marshall	Reliance	0.21	0.40
Martin	Reliance	0.21	0.40
McLeod	Securus (phone)/ Turnkey (video, e- msg, and SMS)	0.21	0.21

Meeker	Reliance	0.21	0.40
Mille Lacs	NCIC	0.21	0.21
MN DOC	GTL/ViaPath	0.04*	0.04*
Morrison	Reliance	0.21	0.50
Mower	Reliance	0.21	0.40
Nicollet	Reliance	0.21	0.40
Nobles	Reliance	0.21	0.40
Northwest Regional Corrections Ctr	Securus	0.21	0.21
Olmsted	ICSolutions	0.19	0.19
Otter Tail	Reliance	0.21	0.40
Pennington	Reliance	0.21	0.40
Pine	Reliance	0.21	0.40
Pipestone	Reliance	0.21	0.40
Ramsey	ICSolutions	0.00*	0.00*
Redwood	Reliance	0.21	0.40
Renville	Reliance	0.21	0.40
Rice	Securus	0.21	0.21
Roseau	Reliance	0.21	0.50
Scott	ICSolutions	0.21	0.21
Sherburne	NCIC	0.16	0.16
Sibley	Stellar/Encartele	0.15-0.18	0.15-0.18
St. Louis	Reliance	0.21	0.40
Stearns	HomeWav	0.10	0.10
Steele	Reliance	0.21	0.40
Swift	Reliance	0.21	0.50

Todd	NCIC	0.20	0.20
Traverse	Reliance	0.21	0.40
Wabasha	Reliance	0.21	0.40
Wadena	Reliance	0.21	0.40
Waseca	Reliance	0.21	0.40
Washington	Securus	0.21	0.21
Watonwan	Reliance	0.21	0.40
Wilkin	Reliance	0.21	0.40
Wright	Reliance	0.21	0.40
Yellow Medicine	Reliance	0.21	0.40
<i>Average</i>		<i>0.20</i>	<i>0.37</i>

*\*Now, no-cost to users.*

*\*\* In process for a no-cost for users contract.*

### Table 3: Company Profiles for Carriers in Minnesota Jails

**Encartele** is a small company that serves the Sibley County jail in partnership with a commissary contractor called Stellar. Encartele has not filed annual reports with the FCC.

**Global Tel\*Link Corp or GTL (recently changed to ViaPath)** is one of the two dominant companies in the correctional telecom industry (along with Securus). It serves the Minnesota DOC, but no jails in the state (other than video for Hennepin County). GTL/ViaPath reported 2019 revenues of \$654 million dollars.

**HomeWav** is small company that serves the Stearns County jail. HomeWav has not filed annual reports with the FCC.

**Inmate Calling Solutions, d/b/a ICSolutions** is a mid-sized correctional telecom company headquartered in Texas. According to the company's most recent annual report to the FCC, it serves 292 correctional facilities throughout the country. It serves four county jails in Minnesota. The company reported 2020 revenue of \$158 million dollars.

**NCIC Inmate Communications** is a mid-sized company that serves three Minnesota jails. NCIC's most recent FCC annual report reflects 484 contracts, although many of these are partnerships with other companies. NCIC reported 2020 revenue of \$47 million dollars.



**Reliance Telephone of Grand Forks** is a regional company headquartered in North Dakota. According to the company’s most recent annual report to the FCC, it serves 161 facilities—mostly small jails in the Midwest. To our knowledge, revenue is not publicly available.

**Securus Technologies**, along with GTL/ViaPath, controls the vast majority of the U.S. correctional telecom market. Securus serves nine counties in Minnesota. Securus operates several non-telecom divisions including financial services and electronic monitoring of people on probation and parole. In 2020, Securus’s parent company

Aventiv Technologies reported revenues of \$767 million dollars.

**Table 4: Commission Details in a Sample of Jails**

County	Carrier	Interstate	In-state	Site commission
Aitkin	Reliance	0.21	0.50	Unknown (contract provided by county is incomplete)
Anoka	ICSolutions	0.21	--	60% with \$200k MAG
Benton	Reliance	0.21	0.40	Contract references missing exhibit; MAG of \$4.75 per prisoner per day
Blue Earth	Reliance	0.21	0.50	Prepaid calls: 31-47% depending on volume. Calling cards: 50%
Carver	Securus	0.21	--	Prepaid calls: 30% Calling cards: 37% of online sales
Cass	Reliance	0.21	0.50	Prepaid calls: 17-29% depending on volume Calling cards: 30%
Clay	Reliance	0.21	0.50	Prepaid calls: 35% on calls Calling cards: 30% on commissary sales, 50% on online sales
Dakota	Securus	0.18	--	53% of gross revenue
Fillmore	Reliance	0.21	0.40	[per 2020 contract]: 30% for commissary phone cards, 35% for collect & prepaid; 50% for online phone cards
Goodhue	Securus	0.21	--	49% of gross revenue
Hennepin	Securus	0.14	--	
Kandiyohi	Securus	0.21	0.40	41% of gross revenue
Marshall	Reliance	0.21	0.40	Unknown - no written contract

McLeod	Securus	0.21	0.58	27% of gross revenue*
Olmsted	ICSolutions	0.19	--	60% of gross revenue
Otter Tail	Reliance	0.21	0.50	Prepaid calls; 35% on calls; Calling cards: 30% on commissary sales, 50% for online sales
Ramsey				unknown†
Rice	Securus	0.21	0.50	18% of in-state call revenue
Scott	ICSolutions	0.21	--	82.5% of gross revenue (with \$90,000 annual guaranteed payment)
Sherburne	NCIC	0.16	--	57% of gross revenue
Sibley	Stellar/ Encartele	0.15-0.18	--	50% gross revenue
Stearns	HomeWav	0.10	--	50% (with \$7,000 monthly guaranteed payment)
Steele	Reliance	0.21	0.40	23-41% depending on volume
Swift	Reliance	0.21	0.50	contract not provided
Todd	NCIC	0.20	--	\$100,000 up-front payment. Then 40% of gross revenue, with minimum monthly guarantee of \$30 per incarcerated person
Washington	Securus	0.21	--	74.1% (with \$140,000 annual guaranteed payment)

**Table 5: Video-calling rates in a Sample of Jails**

County	Carrier	Video Cost	per minute (\$)	Site Commission
Anoka	ICSolutions	5.00 for 20 min.	0.25	50%
Clay	Reliance	0.25 per min	0.25	35%
Fillmore	Reliance	0.25 per min	0.25	35%
Hennepin	GTL/ViaPath	4.00 for 20 min*	0.20	No known
McLeod	Turnkey	0.39 per min	0.39	30%
Olmsted	ICSolutions	3.00 for 20 min	0.15	50%
Otter Tail	Reliance	0.25 per min	0.25	35%
Scott	ICSolutions	5.00 for 20 min.	0.25	82.50%
Sherburne	NCIC	0.27 per min	0.27	57%
Sibley	Stellar/ Encartele	0.40-0.50 per min		50%
Stearns	HomeWav	0.20 per min	0.20	25% w/ \$700 monthly guarantee
Todd	NCIC	0.38 per min	0.38	20%

\*First call of each week paid for by facility.

**Table 6: Electronic-messaging and SMS-messaging Rates in a Sample of Jails**

County	Vendor	Electronic Messaging		SMS Messaging	
		Cost per msg (\$)	Site Commission	Cost per msg (\$)	Site Commission
Anoka	ICSolutions	0.50	25%		
Benton	Reliance			unknown	35%
Clay	Reliance			0.09	35%
Fillmore	Reliance			0.09	35%
Goodhue	Securus		20%		
Hennepin		20%			
Kandiyohi	Securus	30%			
McLeod	Turnkey			0.13	30%
Olmsted	ICSolutions	0.25			
Otter Tail	Reliance			0.09	35%
Rice	Securus	2.00	38%		
Sherburne	NCIC	0.27	25%		
Washington	Securus	0.25	20%		

**Table 7: Voicemail rates in a sample of jails**

County	Vendor	Cost per message	Site Commission
Anoka	ICSolutions	\$1	50%
Blue Earth	Reliance	Unknown*	
Carver	Securus	\$1.99	20%
Dakota	Securus		20%
Goodhue	Securus	\$1.99	20%
Kandiyohi	Securus	Inbound: \$1.99 Outbound: \$3	20%
Olmsted	ICSolutions	\$1	50%

Rice	Securus	\$1.99	20%
Scott	ICSolutions	\$1	82.50%
Washington	Securus	\$1.99	20%

**Table 8: Tablet Prices in a Sample of Jails**

County	Vendor	Cost structure	Site Commission
Carver	Securus	offered; no rate info	unknown
Dakota	Securus	5.00 per month rental fee (special promo rate for 1st 12 months) + fees for "premium content"	10% of revenue from premium content
Fillmore	Reliance	0.25 per minute	unknown
Goodhue	Securus	5.00 per month rental fee (special promo rate for 1st 12 months) + fees for "premium content"	5% of revenue from premium content
McLeod	Turnkey	charges to end-users not specified; facility pays 0.75/tablet/day rental	unknown
Olmsted	ICSolutions	0.05 per minute for "entertainment usage"	25%
Washington	Securus	5.00 per month rental fee (special promo rate for 1st 12 months) + fees for "premium content"	25% of revenue from premium content

**Table 9: Inactivity Policies in Jails**

Carrier	Inactivity Period	Policy Language	Source
Encartele	none	Encartele appears to treat prepayments as advance "purchases" of data. The company's terms state that "For data that is purchased and not used, Encartele allows you to sell back your data at the price then in effect. If you agree to sell back your unused data at the price then in effect, funds will be paid via check sent to you in the mail."	<a href="#">Terms of Service</a>
HomeWAV	unclear	No inactivity policy found. Customer website states "All refunds are subject to a \$7.50 processing fee. Refunds are at the discretion of HomeWAV."	<a href="#">Refund Request form</a>
ICSolutions	6 months	"Prepaid Account phone services expire six months from the date of your last purchase (funding) to the account, unless otherwise required by state law. In other words, if you do not fund the account for a period of six months, you will forfeit any funds remaining the account."	<a href="#">Frequently Asked Question #13</a>
NCIC	unknown	NCIC's website states that "available minutes balance never expires," but it is not clear whether customers can obtain a refund of unused prepaid funds.	<a href="#">Terms and Conditions</a>
Reliance Telephone	none stated	Reliance provides <a href="#">two types of prepaid accounts</a> that can be use to pay for voice calling: "Inmate Wallet" and "Prepaid Collect." While Reliance's terms of service do not specify in	<a href="#">Reliance Telephone Policies</a>

inactivity period, the terms do state that Inmate Wallet prepaid funds “are non-transferrable and non-refundable.” Customers may request a refund of their Prepaid Collect account by calling the company.

Securus	180 days	"AdvanceConnect account holders have 180 days from the date of the last call received on the AdvanceConnect account to request a refund of any unused balance."	<a href="#">AdvanceConnect Terms and Conditions</a>
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GTL/ViaPath (formerly Global Tel*Link)	180 days	Under the settlement agreement currently pending judicial approval in <i>Githieya v. GTL</i> (U.S. Dist. Ct., N.D. Ga., Case No. 15-cv-986), “GTL shall adopt a baseline policy that lengthens the period of time before the Inactivity Policy will be applied to any AdvancePay Account from 90 days to 180 days nationwide.”	
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