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## Legislative Report

Fiscal Year 2024 Communications Contracts, Accounting, and Usage

July 2026

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## I. Executive Summary

Direct Care and Treatment (DCT) implemented changes to client communication services following 2024 legislative action requiring free communication access for confined individuals. While these policy changes improved access to communication, it also resulted in increased system usage and operational demands, requiring expanded monitoring, investigative capacity, and staffing resources to maintain program safety, security, and public safety.

During Fiscal Year 2024, the Minnesota Sex Offender Program (MSOP) recorded a total of approximately 825,273 telephone calls and approximately 18,085 voicemails, reflecting consistently high utilization of communication systems. These volumes represent a critical operational environment in which communication access must be balanced with safety and oversight responsibilities.

To support these expanded demands, DCT's Office of Special Investigations (OSI) utilized temporary funded positions (TFPs) to conduct monitoring services, intelligence gathering, and investigative services. TFPs played a substantial role in operations, contributing to approximately 47 percent of investigations conducted and monitoring approximately 42 percent of the monitored client telephone calls. These efforts directly supported the identification of risks, including contraband activity, boundary violations, and other behaviors that could impact the safety and security of DCT programs.

Fiscal impacts associated with the transition to free communication services include increased service costs and staffing investments. Total communication-related expenditures are projected to grow from \$638,459 in state fiscal year 2025 to \$773,221 in state fiscal year 2026. These increases reflect both the elimination of client-paid services and the necessary infrastructure required to safely manage expanded system use.

DCT continues to pursue cost efficiencies through contract evaluation and potential consolidation, including review of cooperative purchasing options through the National Association of State Procurement Officials (NASPO). At the same time, maintaining adequate monitoring and investigative capacity remains essential to ensuring that communication services are used appropriately and do not compromise program safety or security or public safety.

## II. Legislation

In 2024, the Legislature established a requirement for the Direct Care and Treatment Executive Board to submit a report that provides information for fiscal year 2024 about various aspects of the agency's communications. The report must include the status of communications contracts, efforts to renegotiate the communication contracts, rates the agency paid or charged for use, contract consolidation plans, accounting of how appropriated funds for communications were spent, accounting for spending on items previously covered by commissions, and summary data on usage of all communications services, including monthly call and message volume. See Laws of Minnesota 2024, chapter 127, article 51, section 1, subdivision 5, as follows:

Subd. 5. **Reporting.** (a) By January 15, 2026, the Direct Care and Treatment executive board must report the information described in paragraph (b) to the chairs and ranking minority members of the legislative committees having jurisdiction over human services policy and finance.

(b) The Direct Care and Treatment executive board must include the following information covering fiscal year 2024:

(1) the status of all the agency's communication contracts; efforts to renegotiate the agency's communication contracts, including the rates the agency is paying or charging confined people or community members for any and all services in the contracts; and plans to consolidate the agency's communication contracts to maximize purchasing power;

(2) a complete and detailed accounting of how appropriated funds for communication services are spent, including spending on expenses previously covered by commissions; and

(3) summary data on usage of all communication services, including monthly call and message volume.

## III. Introduction

Direct Care and Treatment has had its client communication contracts for the Minnesota Sex Offender Program (MSOP) paired with the Department of Corrections (DOC) to negotiate more favorable contract terms. MSOP is a smaller agency with lower call and messaging volumes than DOC, so inclusion in the contract permits DCT-MSOP to have lower rates and costs.

## IV. Status of Communication Contracts

The phone service contract with ViaPath will expire on June 30, 2026. There are no contract extensions available.

The voicemail system contract went into effect on December 1, 2025. This contract will expire on November 30, 2027, and there are 36 months of negotiated extensions available.

## Efforts to Renegotiate Communication Contracts, Rates and Charges

Between January 2025 and August 2025, the state and ViaPath discussed various pricing structures to renegotiate the rates due to changes in Federal Communications Commission (FCC) laws. Rates were ultimately

kept the same at same at \$0.024 per minute for all phone calls, but the contractor was allowed to also pass along taxes and fees to the state for the phone calls. The contractor’s free phone call program changed, so the credit back to the agency was lowered from \$770 per month to \$385 per month to account for the change. These charges were paid by the state and no confined individual or community member paid for these phone calls.

**Contract Consolidation Plans**

DCT is currently reviewing options available under the National Association of State Procurement Officials (NASPO) Inmate Communications contract portfolio. NASPO is a cooperative purchasing venture that is available to all 50 states, the District of Columbia, and the US territories.

**V. Spending for Communication Services**

While the report requires only fiscal year 2024 data, additional data is included. Fiscal year 2025 data and fiscal year 2026 projections, where available, have been included to provide a more robust overview and highlight any trends after the prohibition on charging MSOP clients for communication services was enacted starting fiscal year 2025. See the following tables.

| Communications Services Spending – MSOP, Fiscal Year 2024 |                    |                          |
|-----------------------------------------------------------|--------------------|--------------------------|
|                                                           | FY24               | Notes                    |
| Services – Voice Mail <sup>1</sup>                        | \$168,244          | Paid out of systems fund |
| Staff Costs <sup>1</sup>                                  | \$972,014          | Monitoring work          |
| Services – Phone                                          | \$108,735          | Paid by clients          |
| Social Welfare Costs                                      | \$59,802           | Paid through commission  |
| <b>Total</b>                                              | <b>\$1,308,794</b> |                          |

<sup>1</sup> The FY24 amount above reflects what DCT was paying from its appropriations for Voice Mail and staff costs

| Communications Services Spending – MSOP, Fiscal Year 2025 and Projected for Fiscal Year 2026 |                    |                    |                                 |
|----------------------------------------------------------------------------------------------|--------------------|--------------------|---------------------------------|
|                                                                                              | FY25               | FY26 (projected)   | Notes                           |
| Services – Voice Mail                                                                        | \$178,884          | \$178,407          | Paid out of systems fund (FY25) |
| Staff Costs                                                                                  | \$980,061          | \$1,155,093        | Monitoring work                 |
| Services – Phone                                                                             | \$79,941           | \$109,589          | 2024 Session Fiscal Note (FN)   |
| Social Welfare Costs                                                                         | \$47,973           | \$67,257           | 2024 Session FN                 |
| Additional Staff Costs                                                                       | \$272,067          | \$473,551          | 2024 Session FN                 |
| <b>Total</b>                                                                                 | <b>\$1,558,936</b> | <b>\$1,983,896</b> |                                 |

During the 2024 session, the Minnesota Legislature enacted legislation requiring the provision of free communication services for confined persons. In response, DCT’s Office of Special Investigations (OSI) received temporary funding to support operational and investigative responsibilities associated with the expanded client communication systems.

Specifically, the Legislature authorized funding for 4.5 full-time equivalent (FTE) positions through state fiscal year 2026. These positions were established to support monitoring services, intelligence services, and investigative functions necessary to maintain program safety and security, ensure compliance with applicable policies and laws, public safety, and address potential misuse of communication systems.

The following table identifies the authorized positions, their hiring dates, and the program locations to which the positions are assigned.

| Position                   | Hiring Dates             | Location   |
|----------------------------|--------------------------|------------|
| Intelligence Investigator  | October 2024             | Moose Lake |
| Intelligence Investigator  | October 2024             | Moose Lake |
| Data Collection Specialist | October 2024             | Moose Lake |
| Data Collection Specialist | July 2024; February 2025 | St. Peter  |

## Scope of Positions

Intelligence Investigators conduct monitoring services and intelligence investigations related to individuals, groups, events, or items that may pose a threat to the safety, security, or orderly management of Direct Care and Treatment (DCT) programs. Their work focuses on identifying, assessing, and responding to potential risks that could impact program operations, staff, clients, or public safety.

Data Collection Specialists support these efforts by conducting monitoring services that include the collection, analysis, and dissemination of information gathered from client communication systems. This work ensures that relevant intelligence is shared with program leadership to support informed decision-making.

Collectively, these positions play a critical role in ensuring responsible use of client communication services while enhancing client, staff, and public safety.

Investigations

DCT’s OSI conducts investigations on the premises of DCT programs, including allegations of criminal or suspicious activity. The temporary funded positions (TFP) primarily focus on investigating suspicious activity but may also assist with monitoring services related to criminal investigations. The table below presents investigation statistics for TFP for FY2024.

| TFP Investigation Statistics<br>July 1, 2024-June 30, 2025 |     |
|------------------------------------------------------------|-----|
| Total # of MSOP-OSI Cases                                  | 75  |
| TFP Assigned Investigations                                | 8   |
| TFP Assisted w/ Investigations                             | 27  |
| Percentage                                                 | 47% |

Phone Monitoring

DCT’s OSI monitors MSOP client telephone calls to enhance program safety and security. The TFPs dedicate a significant amount of their time to monitoring client telephone calls, which supports investigative services and enhances the overall safety and security of the program. The table below presents MSOP phone monitoring statistics for TFP for FY2024.

| MSOP Client Telephone Monitoring Statistics<br>July 1, 2024-June 30, 2025 |        |
|---------------------------------------------------------------------------|--------|
| MSOP Calls Monitored by OSI                                               | 15,131 |
| MSOP Calls Monitored by TFP                                               | 6,335  |
| Percentage                                                                | 42%    |

Incident Reports

When DCT’s OSI staff identify information through monitoring services that impact program safety or security, they complete MSOP Incident Reports to notify program administration. The incident reports directly aid program administration in making informed decisions on the safety and security of the program. The table below presents MSOP Incident Report statistics for TFP for FY2024.

| TFP Incident Report Statistics<br>July 1, 2024-June 30, 2025 |  |
|--------------------------------------------------------------|--|
|--------------------------------------------------------------|--|



|                                    |    |
|------------------------------------|----|
| Total # of Incident Reports by TFP | 94 |
|------------------------------------|----|

## Purpose and Impact

The value of the TFPs is reflected in tangible outcomes that would likely not have been identified without dedicated intelligence and monitoring staff. Examples include:

- Identification of contraband activity
- Detection of staff boundary concerns
- Collection and analysis of information related to elopements

In each instance, monitoring and follow-up actions directly contributed to risk mitigation and improved safety outcomes for clients, staff, and the public.

## VI. Summary Data on Usage of all Communication Services

The table below is the summary data on monthly phone call volumes for fiscal year 2024.

| MSOP - Client Telephone System – Fiscal Year 2024 |           |                 |                  |             |
|---------------------------------------------------|-----------|-----------------|------------------|-------------|
| Year                                              | Month     | Completed Calls | Incomplete Calls | Total Calls |
| 2023                                              | July      | 31,427          | 37,849           | 69,276      |
| 2023                                              | August    | 31,579          | 38,806           | 70,385      |
| 2023                                              | September | 29,619          | 38,084           | 67,703      |
| 2023                                              | October   | 29,638          | 38,642           | 68,280      |
| 2023                                              | November  | 29,705          | 36,248           | 65,953      |
| 2023                                              | December  | 30,908          | 38,293           | 69,201      |
| 2024                                              | January   | 28,734          | 38,467           | 67,201      |
| 2024                                              | February  | 28,328          | 38,207           | 66,535      |
| 2024                                              | March     | 28,805          | 37,188           | 65,993      |
| 2024                                              | April     | 31,394          | 40,273           | 71,667      |
| 2024                                              | May       | 29,695          | 43,556           | 73,251      |

|              |      |                |                |                |
|--------------|------|----------------|----------------|----------------|
| 2024         | June | 28,236         | 41,592         | 69,828         |
| <b>Total</b> |      | <b>358,068</b> | <b>467,205</b> | <b>825,273</b> |

The table below is the summary data on monthly voicemail for fiscal year 2024.

| MSOP - Client Voicemail System – Fiscal Year 2024 |           |               |
|---------------------------------------------------|-----------|---------------|
| Year                                              | Month     | Total         |
| 2023                                              | July      | 267           |
| 2023                                              | August    | 224           |
| 2023                                              | September | 285           |
| 2023                                              | October   | 264           |
| 2023                                              | November  | 257           |
| 2023                                              | December  | 870           |
| 2024                                              | January   | 2,639         |
| 2024                                              | February  | 2,501         |
| 2024                                              | March     | 2,570         |
| 2024                                              | April     | 2,738         |
| 2024                                              | May       | 2,931         |
| 2024                                              | June      | 2,539         |
| <b>Total</b>                                      |           | <b>18,085</b> |

## VII. Conclusions

The implementation of free client communication services represents a significant policy shift that has improved access while fundamentally changing the operational landscape for the agency. Increased communication volume has expanded opportunities for connection but has also increased the potential for misuse of communication systems in ways that may impact program safety, security, and public safety.

Data from state fiscal year 2024 demonstrates that communication systems are heavily utilized, requiring consistent and active monitoring. The integration of temporary funded positions (TFPs) has been critical in addressing these demands. TFPs provide specialized, preventative, and intelligence-driven services that support

early identification of risks, enhance investigative capacity, and contribute to informed decision-making by program leadership.

The outcomes associated with these positions—including identification of contraband activity, detection of boundary concerns, and monitoring of behaviors related to potential criminal activity—demonstrate the value of maintaining dedicated resources focused on communication system oversight. These functions are essential to ensuring that expanded access to communication services does not compromise the safety or orderly operation of DCT programs.

At the same time, the fiscal impacts of this policy change are notable. Increased service utilization, combined with the transition away from client-paid models, has resulted in higher overall system costs. These costs reflect necessary investments to support both access and accountability.

Without continued investment in monitoring and investigative capacity, the agency’s ability to effectively oversee communication systems would be significantly reduced, increasing the likelihood that high-risk behaviors go undetected and unaddressed.

Moving forward, DCT will continue to evaluate communication contracts, pursue cost-effective procurement strategies, and assess long-term staffing needs to ensure sustainable operations.