



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 12, 2021)

Drafting Number:	LLS 21-0468	Date:	March 25, 2021
Prime Sponsors:	Rep. Gonzales-Gutierrez; Tipper Sen. Gonzales	Bill Status:	House Finance
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Bill Topic: **TRANSPARENCY TELECOMS CORRECTIONAL FACILITIES**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires providers of telecommunication services to jails and prisons to maintain and report certain data to the Public Utilities Commission, and grants the commission regulatory authority over these service providers. It will increase state expenditures on an ongoing basis beginning in FY 2021-22.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$259,251 to the Department of Regulatory Agencies.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as amended by the House Judiciary Committee.

**Table 1
State Fiscal Impacts Under HB 21-1201**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Cash Funds	\$334,880	\$314,513
	Total Revenue	\$334,880	\$314,513
Expenditures	Cash Funds	\$259,251	\$240,651
	Centrally Appropriated	\$75,629	\$73,862
	Total Expenditures	\$334,880	\$314,513
	Total FTE	3.0 FTE	3.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill requires penal telecommunications service providers to maintain data and record related to the services provided to those facilities. Providers are required to submit this information to the Public Utilities Commission (PUC) in the Department of Regulatory Agencies on a quarterly basis. The PUC is required to publish the information on its website in a format accessible by the public within 30 days.

The PUC is granted authority over penal telecommunications providers. By January 1, 2022, the PUC must use the FCC rate maximum per-minute rate for in-state debit, prepaid, and collect calls to or from facilities.

Finally, the PUC is required to conduct trial tests to ensure accountability and transparency, and provide reporting on its testing.

State Revenue

The bill will increase state cash fund revenue to the Telecommunications Utilities Cash Fund by \$334,880 in FY 2021-22 and \$314,513 in FY 2022-23.

Fee impact on penal telecommunications providers. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The fee amounts shown in Table 2 are estimates only. Actual fees will be set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of penal telecommunications providers subject to the fee. The fiscal note shows a per facility fee, and assumes 100 facilities. Two penal telecommunications providers in the state will be subject to these fees.

Table 2
Per Facility Fee Impact
on Penal Telecommunications Providers

Fiscal Year	Type of Fee	Fee Estimate	Facilities	Total¹
FY 2021-22	Per Facility Regulatory Fee	\$3,349	100	\$334,880
FY 2022-23		\$3,145	100	\$314,513

¹Totals may not sum due to rounding.

State Expenditures

Expenditures from the Telecommunications Utilities Cash Fund will increase by \$334,880 and 3.0 FTE in FY 2021-22 and \$314,513 and 3.0 FTE in FY 2022-23 and future years. These expenditures are shown in Table 2 and discussed below.

Table 3
Expenditures Under HB 21-1201

Cost Components	FY 2021-22	FY 2022-23
Department of Regulatory Agencies		
Personal Services	\$232,101	\$232,101
Operating Expenses	\$4,050	\$4,050
Capital Outlay Costs	\$18,600	-
Testing Equipment	\$4,500	\$4,500
Centrally Appropriated Costs ¹	\$75,629	\$73,862
Total	\$334,880	\$314,513
Total FTE	3.0 FTE	3.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Regulatory Agencies. Beginning in FY 2021-22, the PUC will have costs to perform remote biannual testing of telecommunication systems at each of the assumed 100 penal facilities; investigate and litigate complaints; and perform reporting.

Staff. The PUC requires 3.0 FTE Rate and Financial Analysts to perform remote biannual testing, associated compliance enforcement, and assist in complaints, investigations, and auditing. In addition, staff will coordinate the receipt and publication of penal telecommunications provider data and perform the program reporting required under the bill.

- **Testing equipment.** Equipment to test telephone services at jails and prisons to ensure compliance includes 10 landlines at an annual cost of \$450 per line.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$75,629 in FY 2021-22 and \$73,862 in FY 2022-23.

TABOR refunds. Under the December 2020 Legislative Council Staff Economic and Revenue Forecast, the state is not expected to collect revenue above the TABOR limit in either FY 2021-22 or FY 2022-23, and refund obligations are not anticipated for these years. This bill does not change these expectations concerning refunds to taxpayers.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2020-21, the bill requires an appropriation from the Telecommunications Utilities Fund of \$259,251 and 3.0 FTE to the Department of Regulatory Agencies.

State and Local Government Contacts

Corrections
Law

Counties
Regulatory Agencies

Information Technology
Sheriffs