



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 21-0552
Prime Sponsors: Rep. Ortiz

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Bill Status: House Finance
Fiscal Analyst: Erin Reynolds | 303-866-4146
Erin.Reynolds@state.co.us

Bill Topic: **DETENTION FACILITIES ID PROCESSING UNIT**

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires the Department of Revenue to develop a Driver License and Identification Card Processing Unit to process and issue driver licenses or identification cards to eligible persons who are scheduled to be released from the Department of Corrections or a local jail. It will increase state revenue and state and local expenditures on an ongoing basis beginning in FY 2021-22.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$642,644 to the Department of Revenue.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 21-1203

		Budget Year	Out Year
		FY 2021-22	FY 2022-23
Revenue	Cash Funds	\$725,000	\$725,000
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Expenditures	General Fund	\$642,644	-
	Cash Funds	-	\$310,801
	Centrally Appropriated	\$66,864	\$72,760
	Total Expenditures	\$709,508	\$383,561
	Total FTE	4.6 FTE	5.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill requires the Department of Revenue (DOR), in consultation with the Department of Corrections (DOC), county jails, and multijurisdictional jails, to develop a Driver License and Identification Card Processing Unit to process and issue driver licenses or identification cards to eligible persons who are scheduled to be released from incarceration. The unit is required to process and issue a driver license or identification card for each person who is scheduled to be released prior to the unit's next scheduled return date.

The bill creates the DOC and Jail Identification Processing Unit Cash Fund. The fund consists of gifts, grants, and donations, which the DOR is authorized to seek and expend; money appropriated or transferred by the General Assembly; and interest earnings.

The cost of the license or identification card is to be paid by the individual; however, the bill permits the Department of Corrections, county jail, or multijurisdictional jail to cover the cost.

Background and Data

Intergovernmental agreement—DOR and DOC. The DOR and the DOC currently have an intergovernmental agreement to provide inmates with state-issued identification upon release from prison. These procedures and policies are outlined in DOC's Administrative Regulation 550-10. The bill codifies the existing identification card program in the DOC, similar to Senate Bill 21-153.

Mobile Unit Program—DOR. The Driver License Section has a Mobile Unit Program to provide direct customer coverage in remote areas. Each mobile unit contains all the components of a traditional driver license office.

County jails and multi-jurisdictional facilities—Local Government. There are currently 53 active county jails in the state, and 2 municipal detention centers. According to the HB 19-1297 Jail Data Dashboard (https://cdpsdocs.state.co.us/ors/Data/Data_Instruments/HB1297/Dashboard/HB19-1297v3.html), the statewide average daily population in 2020 was 11,130 individuals, with the average length of stay averaging 46 days for felony offenders, and 20 days for misdemeanor offenders. Detention centers have a maximum holding period of 72 hours. The DOR does not currently work with local jails to provide state-issued identification.

Identification card fees. The fee for a driver license is currently \$30.87. The fee for an identification card is currently \$12.67.

State Revenue

Starting in FY 2021-22, state revenue to the Licensing Services Cash Fund will increase by an estimated \$725,000 on an ongoing basis from inmate driver license and identification card fees. Revenue may also increase from gifts, grants, and donations, as discussed below/

Increase in driver license issuance and fees. The bill is expected to increase the issuance of driver licenses and identification cards to inmates in county jail facilities. Using Jail Data Dashboard data, the fiscal note estimates that an additional 33,309 licenses and IDs will be issued annually, with half at the driver license rate and half at the identification card rate. This revenue is currently deposited into the Licensing Services Cash Fund and is subject to TABOR.

Gifts, grants, and donations. The DHS may receive additional funding from gifts, grants, and donations. At the time of writing, no source of gifts, grants, or donations have been identified. Gifts, grants, and donations are not subject to TABOR.

State Expenditures

The bill increases state General Fund expenditures by \$709,508 and 4.6 FTE in FY 2021-22, and \$383,561 and 5.0 FTE in FY 2022-23. Out year costs may be paid from the newly created DOC and Jail Identification Processing Unit Cash Fund or other cash funds in the DOR, at the General Assembly's discretion. First-year costs are prorated for the General Fund pay date shift. Costs are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 21-1203

Cost Components	FY 2021-22	FY 2022-23
Department of Revenue		
Personal Services	\$230,589	\$251,551
Mobile Unit Equipment	\$111,955	\$17,075
Vehicle-related costs	\$300,100	\$42,175
Centrally Appropriated Costs ¹	\$66,864	\$72,760
Total	\$709,508	\$383,561
Total FTE	4.6 FTE	5.0 FTE

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

Mobile Unit Program—DOR. The fiscal note assumes that the DOR will expand its Mobile Unit Program to provide monthly driver license services to the state's 53 county jails. The analysis does not include multijurisdictional facilities, as these are understood to be limited to 72-hour holdings.

- **Staff.** The fiscal note estimates the staff impact based on reported average daily populations in April 2020, and the assumption that up to 33 percent of inmates may require an ID. This equates to the following coverage requirements: 4.0 FTE for large counties, 0.7 FTE for medium counties, and 0.3 FTE for small counties. It is assumed that this staff will also manage facility coordination; however, a centralized administrator may be required, costs for which are not included in this fiscal note. Each FTE requires equipment and a vehicle, as discussed below.
- **Mobile unit equipment.** Mobile unit equipment includes issuance equipment, mobile internet connection equipment, cell phone, and supplies at \$22,391 per unit in the first year and \$3,415 ongoing.

- **Vehicle-related costs.** Vehicle-related costs include customized vehicles, fuel, and maintenance costs at a per unit cost of \$60,020 in the first year and \$5,020 ongoing. Vehicle replacement costs will be addressed through the annual budget process as needed.

Department of Corrections. As discussed in the Background section, DOC is currently meeting the requirements under the bill, including covering the cost of identification cards for DOC inmates prior to release. As the bill codifies existing practices; no change in appropriations is required.

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 \$66,864 in FY 2021-22 and \$72,760 in FY 2022-23 and future fiscal years.

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.

Local Government

County jails will coordinate and facilitate with the DOR on inmate identification needs, which may require additional data collection from inmates and scheduling accommodations. The bill permits county jails to cover the cost of identification cards, which are initially estimated at about \$725,000 statewide per year, as discussed in the State Revenue section. Costs per county would vary depending on jail population and county opt-in to cover costs.

Effective Date

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

State Appropriations

For FY 2021-22, the bill requires a General Fund appropriation of \$642,644 to the Department of Revenue, and 4.6 FTE.

State and Local Government Contacts

Corrections

Information Technology

Law

Revenue