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FISCAL NOTE

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Prime Sponsors: Rep. Duran; Exum Bill Status: House Trans. & Local Govt.
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Bill Topic: DRIVING INSTRUCTION FOR FOSTER CHILDREN

- Summary of Fiscal Impact:
- State Revenue (checked)
- State Expenditure (checked)
- State Transfer (unchecked)
- TABOR Refund (checked)
- Local Government (checked)
- Statutory Public Entity (unchecked)

This bill creates a grant program in the Department of Human Services to reimburse counties for the cost of driver education courses for foster youth; grants immunity from liability to counties who pay for driver education; and clarifies what documents can be accepted when applying for a minor's driver license. The bill will increase state and local revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$63,000 to the Department of Human Services.

Fiscal Note Status: This fiscal note reflects the introduced bill, which was recommended by the Transportation Legislation Review Committee.

Table 1
State Fiscal Impacts Under HB 20-1071

Table with 4 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditure (General Fund), Transfer, and TABOR Refund.

Summary of Legislation

This bill creates a grant program within the Department of Human Services (DHS) to reimburse counties for the cost of driver education classes for 15- to 17 year-old youth in foster care. The State Board of Human Services is required to promulgate rules for the administration of the program by December 1, 2020. Each county that receives a grant must submit an annual report to the DHS beginning November 1, 2021, and the DHS must submit an annual summary report to the General Assembly beginning January 1, 2021. The DHS may seek and accept gifts, grants, and donations for the program and may use up to 3 percent of any appropriation from the General Assembly to pay the grant program's direct and indirect costs. The program repeals on September 1, 2030, pending a sunset review.

The bill clarifies that county departments of human or social services are not liable for any injury that may occur while a youth in foster care is receiving driving instruction. In addition, guardian ad litem, county department of human services officials, or Division of Youth Services officials do not impute liability on themselves, the county, or the state for any damages caused by negligence by the minor if they sign a minor's application permit but do not sign an affidavit of liability. The bill also clarifies that a certified court order is sufficient documentation for eligible foster youth to apply for driver licenses.

Background

The state requires 15-year-olds to take a driver education class that includes six hours of behind-the-wheel instruction in order to receive a learner's permit. Youth ages 16 to 17 are not required to take a driver education class in order to receive a learner's permit or driver license.

Assumptions

In 2017, 53 percent of Colorado youth ages 15 through 17 held a learner's permit or minor's driver license. In FY 2018-19, there were 481 youth in foster care between the age of 15 and 17 that were in the system for more than 12 months. The breakdown for youth is as follows:

- 136 aged 15 years old;
- 156 aged 16 years old; and
- 189 aged 17 years old.

Based on the 53 percent of minors in the state who were issued a permit or license in 2017, the fiscal note assumes that 255 foster youth ages 15 to 17 will be issued a permit or license each year, including:

- 72 learner's permits for youth aged 15 years old;
- 83 minor's driver licenses for youth aged 16 years old; and
- 100 minor's driver licenses for youth aged 17 years old.

Of these foster youth, the fiscal note assumes that only 15- and 16-year-olds will take a driver education class as follows:

- 100 percent of 15-year-olds, for a total of 72; and
- 65 percent of 16-year-olds, for a total of 54.

This results in an estimated 126 youth in foster care who will take a driver education course each year. The fiscal note estimates that driver education courses cost \$500 on average.

State Revenue

Starting in FY 2020-21, state cash fund revenue may increase on an ongoing basis from licensing fees and gifts, grants, and donations.

Increase in driver license issuance. To the extent that the bill increases the number of minor driver licenses and permits, revenue to the Licensing Services Cash Fund will increase; this fund is subject to TABOR. Currently, the fee for an instruction permit is \$16.80 and the fee for a driver license is \$28.00. Based on the assumed number of foster kids who will take a class, the fiscal note assumes this increase will be minimal.

Gifts, grants, and donations. Cash fund revenue to the DHS may increase due to the receipt of gifts, grants, and donations. As discussed in the assumption section, the fiscal note assumes approximately \$63,000 will be required to fund driver education programs. At the time of writing, no source of gifts, grants, or donations have been identified. Gifts, grants, and donations are not subject to TABOR. The DHS will require a new cash fund to manage any gifts, grants, or donations received; see Technical Note.

State Expenditures

Starting in FY 2020-21, state expenditures from the DHS will increase by \$63,000 per year to reimburse counties for the cost of driver education courses. Workload will also increase for Department of Revenue. These impacts are described below.

Department of Human Services. Expenditures in the DHS will increase by \$63,000 per year to reimburse counties for the cost of driver education courses. This assumes that 126 foster youth will take a 30-hour classroom class with six hours of driving instruction at an average cost of \$500. Any gifts, grants, or donations received by the department will offset these costs. In addition, workload will increase in the DHS to promulgate rules, receive required county reports, and submit summary reports to the General Assembly. This workload can be accomplished within existing appropriations.

Department of Revenue. To the extent that more minors apply for minor permits or driver licenses, workload to the Department of Revenue will increase. This workload is expected to be minimal and can be accomplished within existing appropriations.

TABOR refunds. The bill is expected to increase state General Fund obligations for TABOR refunds in FY 2020-21 and FY 2021-22 by a minimal amount if more minor driver licenses and permits are issued. Under current law and the December 2019 Legislative Council Staff forecast, the measure will correspondingly increase the amount refunded to taxpayers via sales tax refunds made available on income tax returns for tax years 2021 and 2022, respectively. A forecast of state revenue subject to TABOR is not available beyond FY 2021-22.

Local Government

Starting in FY 2020-21, county departments of social or human services that receive grants will have a revenue increase. If a county is currently using discretionary funds to pay for driver education, the bill will allow counties to use those funds for other purposes. If a county is not currently paying for driver education courses, expenditures will increase for that county, offset by grant revenue.

Technical Note

The bill does not identify a fund for gifts, grants, and donations, and there are no existing appropriate funds in the DHS. The creation of a new cash fund through the bill would assist the department in accounting for these funds.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires a General Fund appropriation of \$63,000 to the Department of Human Services.

State and Local Government Contacts

Judicial
Information Technology

Counties
Revenue

Human Services