



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

<b>Drafting Number:</b>	LLS 21-0468	<b>Date:</b>	March 12, 2021
<b>Prime Sponsors:</b>	Rep. Gonzales-Gutierrez; Tipper Sen. Gonzales	<b>Bill Status:</b>	House Judiciary
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**Bill Topic:**                   **TRANSPARENCY TELECOMS CORRECTIONAL FACILITIES**

<b>Summary of Fiscal Impact:</b>	<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 in jails 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 \$360,777 to the Department of Regulatory Agencies.

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

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

		Budget Year FY 2021-22	Out Year FY 2022-23
<b>Revenue</b>	Cash Funds	\$462,954	\$435,798
	<b>Total Revenue</b>	<b>\$462,954</b>	<b>\$435,798</b>
<b>Expenditures</b>	Cash Funds	\$360,777	\$335,977
	Centrally Appropriated	\$102,177	\$99,821
	<b>Total Expenditures</b>	<b>\$462,954</b>	<b>\$435,798</b>
	<b>Total FTE</b>	<b>4.0 FTE</b>	<b>4.0 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## 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 is required to establish a maximum per-minute rate for in-state debit, prepaid, and collect calls to or from facilities. The PUC is required to conduct trial tests to ensure accountability and transparency.

## State Revenue

The bill will increase state cash fund revenue to the Telecommunications Utilities Cash Fund by \$462,954 in FY 2021-22 and \$435,798 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**  
**Fee Impact on Penal Telecommunications Providers**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Fee Estimate</b>	<b>Facilities</b>	<b>Total<sup>1</sup></b>
<b>FY 2021-22</b>	Per Facility Regulatory Fee	\$4,630	100	\$462,954
<b>FY 2022-23</b>		\$4,358	100	\$435,798

<sup>1</sup>Totals may not sum due to rounding.

## State Expenditures

Expenditures from the Telecommunications Utilities Cash Fund will increase by \$462,954 and 4.0 FTE in FY 2021-22 and \$435,798 and 4.0 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**

<b>Cost Components</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Department of Regulatory Agencies</b>		
Personal Services	\$308,389	\$308,389
Operating Expenses	\$5,400	\$5,400
Capital Outlay Costs	\$24,800	-
Per Diem and Travel	\$22,188	\$22,188
Centrally Appropriated Costs <sup>1</sup>	\$102,177	\$99,821
<b>Total</b>	<b>\$462,954</b>	<b>\$435,798</b>
<b>Total FTE</b>	<b>4.0 FTE</b>	<b>4.0 FTE</b>

<sup>1</sup> 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 determine maximum rates for different types of calls; perform biannual testing at each of the assumed 100 facilities; and investigate and litigate complaints.

- **Staff.** The PUC requires 0.5 FTE Rate and Financial Analyst to determine rates and support enforcement, service quality, and complaints. Another 3.0 FTE Rate and Financial Analysts will perform biannual testing at approximately 100 inmate facilities and perform associated compliance enforcement and assist in complaints, investigations, and auditing; staffing assumes 60 hours per facility. Finally, 0.5 FTE Rate and Financial Analyst will receive and publish penal telecommunications provider data and provide program reporting coordination. Standard operating and capital outlay costs are included for these staff.
- **Per diem and travel.** Per diem and travel costs assume 81 facility inspections will require travel. Mileage assumes two annual round-trips of 226 miles at 0.52 cents per mile. Overnight stay assume a total per diem cost of \$131.25 at 24 total overnight stays.

**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 \$102,177 in FY 2021-22 and \$99,821 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 \$360,777 and 4.0 FTE to the Department of Regulatory Agencies.

## State and Local Government Contacts

Corrections  
Law

Counties  
Regulatory Agencies

Information Technology