



**Legislative Council Staff**  
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**Fiscal Note  
Memorandum**

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**TO:** Members of the House Appropriations Committee

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**SUBJECT:** Fiscal Assessment of Proposed Amendment **HB1133\_L.003**

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.003 to House Bill 23-1133. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

### **Summary of Proposed Amendment**

L.003 removes the requirement that the Department of Corrections (DOC) provide free video calls or electronic mail or messaging and requires the DOC to cover 25 percent of the cost of phone calls starting on September 1, 2023, cover 35 percent starting on July 1, 2024, and to cover the full cost of phone calls starting July 1, 2025.

### **Fiscal Impact of Amendment**

L.003 reduces costs to the DOC by \$2.7 million in FY 2023-24 and \$3.1 million in FY 2024-25 by removing the requirement that the DOC provide free video calls or electric mail or messaging and partially covering the cost for phone calls, as described below.

**Video calls and electronic mail or messaging.** By removing the requirement to fund electronic mail or messaging, the amendment removes about \$2.0 million in costs in FY 2023-24 and \$2.4 million in FY 2024-25.

**Phone calls.** By covering partial costs of phone calls initially, the amendment reduces costs by \$689,348 in FY 2023- 24, and \$717,000 in FY 2024-25. FY 2025-26 phone call costs for the DOC remain the same.

## Bill’s Revised Fiscal Impact with Amendment

With L.003, the bill increases expenditures by \$229,783 in FY 2023-24, \$386,034 in FY 2024-25, and \$1.1 million in FY 2025-26, as shown in Table 1.

**Table 1**  
**State Fiscal Impacts Under HB 23-1133 with L.003**

		<b>Budget Year FY 2023-24</b>	<b>Out Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-	-
<b>Expenditures</b>	General Fund	\$229,783	\$386,034	\$1,102,956
<b>Transfers</b>		-	-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$34,467	\$57,905	\$165,443

### State Expenditures

The bill will increase General Fund expenditures in the DOC by \$229,783 in FY 2023-24, \$386,034 in FY 2024-25, and \$1.1 million in FY 2025-26 to cover the cost of providing free phone calls at 25 percent, 35 percent, and 100 percent respectively. Costs are based on the assumption that usage will increase from current levels by 50 percent in FY 2023-24, 70 percent in FY 2024-25, and 200 percent in FY 2025-26. Costs in the first year are prorated for a September 1 start date.

### Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

### State Appropriations

The bill requires a General Fund appropriations of \$229,783 to the Department of Corrections.