



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 10, 2023)

Drafting Number: LLS 23-0697 **Date:** April 27, 2023
Prime Sponsors: Rep. Lindsay; Amabile **Bill Status:** Senate Judiciary
 Sen. Gonzales; Rodriguez **Fiscal Analyst:** Aaron Carpenter | 303-866-4918
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Bill Topic: COST OF PHONE CALLS FOR PERSONS IN CUSTODY

Summary of Fiscal Impact:

<input 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 the state to cover free phone calls in Department of Corrections facilities. Starting in FY 2023-24, the bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$229,783 to the Department of Corrections.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under HB 23-1133**

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

Summary of Legislation

The bill requires the Department of Corrections (DOC) to cover 25 percent of the cost of phone calls in their facilities starting on September 1, 2023; 35 percent of the cost starting on July 1, 2024; and to cover the full cost of phone calls starting July 1, 2025. In addition, the Division of Youth Services (DYS) in the Department of Human Services must provide free phone calling and may not receive any revenue, including commissions or fees.

Background

Regulation of telecom providers. In 2021, the General Assembly passed [House Bill 21-1201](#), which regulated telecom providers at correctional facilities, including jails and the DOC. The bill required quarterly reporting from telecom providers in correctional facilities which can be found [here](#).

Connecticut correctional phone usage. In 2021, Connecticut passed Senate Bill 972 (Public Act 21-54) that provides voice communication services to inmates in the Connecticut DOC at no charge. According to [budget sheets](#) for the FY 2024-25 budget prepared by legislative staff, from July 2021 to July 2022, call volume increased by 260 percent.

Phone services in DYS facilities. In 2022, the Joint Budget Committee and the General Assembly approved a decision item in the FY 2022-23 budget to appropriate \$50,000 in FY 2022-23 and \$150,000 ongoing to provide free phone services in DYS facilities.

Assumptions

The DOC is currently in contract discussions with a provider to provide phone, video, and email services to inmates. Assuming this contract is executed, the fiscal note assumes the phone service rate of 2 cents per minute.

The fiscal note assumes current usage will increase based on services being free, based on the Connecticut example discussed in the Background section. Because Colorado currently charges a lesser rate than Connecticut did when transitioning to free calling, this fiscal note assumes a 200 percent increase in the usage rate. As such, the fiscal note assumes that on average each inmate will use 10.4 minutes per day on phone services.

State Expenditures

The bill increases 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.

Department of Human Services. Starting in FY 2023-24, expenditures in the DHS will increase to provide free phone calls, video calls, and emails to juveniles in a DYS facility. The fiscal note assumes that this can be accomplished within the existing appropriations described in the Background section above.

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.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires and includes an appropriation of \$229,783 from the General Fund to the Department of Corrections.

Departmental Difference

The DYS and the Office of Information Technology (OIT) are in the process of implementing a new solution by October 2023 to provide phone services at DYS facilities at a cost of \$803,795 in FY 2023-24, and \$85,784 per year thereafter. The Office of Information Technology estimates that \$413,795 of FY 2023-24 funding for this solution should be included in this bill, and \$85,784 per year thereafter. The fiscal note assumes that free calling at DYS has already been approved and funded, and any additional funding should be requested through the annual budget process.

State and Local Government Contacts

Corrections
Regulatory Agencies

Human Services

Information Technology