

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MEASURES TO PROTECT PERSONAL IDENTIFYING INFORMATION KEPT BY STATE AGENCIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Senator Gonzales	JBC Analyst: Tom Dermody
Representative Gonzales-Gutierrez	Phone: 303-866-4963
	Date Prepared: May 27, 2021

Appropriation Items of Note

Appropriation Already Added to Bill, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/23/21.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
XXX	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Revised Fiscal Note, dated May 23, 2021, identifies an appropriation of \$169,796 total funds, including \$114,853 General Fund and \$54,943 cash funds, and 1.8 FTE in FY 2021-22. Of those amounts, and resulting from Senate Floor amendments, \$106,460 General Fund and 1.3 FTE were allocated to the Department of Revenue; however, these costs are not reflected in the current appropriations clause.

The House State, Civic, Military, & Veterans Affairs Committee Report (05/24/21) and the House Finance Committee Report (05/27/21) amend the requirements related the Department of Revenue's implementation of the bill. These changes eliminate the long-term FTE requirements in the Department of Revenue and increase costs for information technology system programming in the Division of Motor Vehicles (DMV). Accounting for the House committee amendments, the Department of Revenue requires an appropriation of \$300,986 General Fund in FY 2021-22 to implement this bill. Legislative Council Staff and JBC Staff agree with the fiscal impact of these amendments.

Specifically, the DRIVES system operated by the DMV will require \$256,500 General Fund to implement programming changes to ensure the system operates within the requirements of the bill. In addition to the programming costs, the Department of Revenue will require \$44,486 General Fund for a term-limited, contracted FTE. This FTE will provide contract or agreement review and updates, as well as communicating with, meeting with, and updating all third party access user agreements. The Department of Revenue estimates that 631 data sharing agreements will be reviewed, with each review taking an average of 3 hours, for a total of 1,893 hours.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriations clause that provides a \$63,336 total funds, including \$8,393 General Fund and \$54,943 cash funds, and 0.5 FTE in FY 2021-22 to three departments. The appropriation is allocated as follows:

- \$45,890 cash funds from the Employment Support Fund to the Department of Labor and Employment, based on the assumption that the Department will require an additional 0.3 FTE;
- a total of \$14,053 to the Department of Human Services, including \$5,000 General Fund and \$9,053 cash funds from the Records and Reports Fund, based on the assumption that the Department will require an additional 0.1 FTE; and
- \$3,393 General Fund to the Department of Personnel, based on the assumption that the Department will require an additional 0.1 FTE.

However, the appropriations clause does not provide the necessary funding for the Department of Revenue, as described in the previous section. The total appropriation required, inclusive of the House committee amendments, is \$364,322 total funds, including \$309,379 General Fund and \$54,943 cash funds, and 0.5 FTE to multiple departments for FY 2021-22

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to change the existing clause to appropriate an additional \$300,986 General Fund to the Department of Revenue for FY 2021-22.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$48.0 million General Fund for bills that require General Fund appropriations for FY 2021-22. This bill requires a General Fund appropriation of \$309,379 for FY 2021-22, reducing the \$48.0 million set aside by the same amount.