



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated February 16, 2023)

<b>Drafting Number:</b>	LLS 23-0697	<b>Date:</b>	April 10, 2023
<b>Prime Sponsors:</b>	Rep. Lindsay; Amabile	<b>Bill Status:</b>	House Appropriations
	Sen. Gonzales; Rodriguez	<b>Fiscal Analyst:</b>	Aaron Carpenter   303-866-4918 aaron.carpenter@coleg.gov

**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 Department of Corrections and the Division of Youth Services in the Department of Human Services to provide free phone calls in their facilities. Starting in FY 2023-24, the bill increases state expenditures on an ongoing basis.

**Appropriation Summary:** For FY 2023-24, the bill requires an appropriation of \$2.9 million to the Department of Corrections.

**Fiscal Note Status:** The fiscal note reflects the introduced bill. It has been revised to reflect new assumptions about the number of phone calls made from Department of Corrections facilities.

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

		Budget Year FY 2023-24	Out Year FY 2024-25
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$2,912,114	\$3,494,537
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$436,817	\$524,181

## Summary of Legislation

The bill requires the Department of Corrections (DOC) and the Division of Youth Services (DYS) in the Department of Human Services (DHS) to provide free phone calls to inmates within their facilities. The bill also allows both departments to offer free video phone calls and emails.

## 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](#).

**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.

**Connecticut increase in 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.

## 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 following rates for providing phone, video, and email services:

- phone services: \$.02 per minute;
- video services: \$0.17 per minute with 60 minutes per call free each month; and
- email services: \$.05 per email with 9 free emails each month.

The fiscal note assumes current usage will increase based on services being free. Because Colorado currently charges a lesser rate than Connecticut did when transitioning to free calling, this fiscal note assumes a 200 percent increase usage rate. As such, the fiscal note assumes that on average each inmate will use:

- 10.4 minutes per day on phone services;
- 1.5 minutes per day on video services; and
- 4 emails per day.

## State Expenditures

The bill increases state expenditures in the DOC by \$2.9 million in FY 2023-24 and \$3.5 million in FY 2024-25 and ongoing, paid from the General Fund. The bill will also impact the DHS. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 23-1133**

	FY 2023-24	FY 2024-25
<b>Department of Corrections</b>		
Phone Services	\$919,130	\$1,102,956
Video Call Services	\$1,130,568	\$1,356,682
Emails	\$862,416	\$1,034,899
<b>Total Cost</b>	<b>\$2,912,114</b>	<b>\$3,494,537</b>

**Department of Corrections.** Based on the assumptions outlined above, expenditures in the DOC will increase to provide free phone calls, video calls, and emails to persons incarcerated. Costs are based on the January 2023 DOC population of 15,264 and are prorated in the first fiscal year for a September 1 implementation 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 an appropriation of \$2,912,114 from the General Fund to the Department of Corrections.

## State and Local Government Contacts

Corrections  
Regulatory Agencies

Human Services

Information Technology

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).