



Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 11-0086
Prime Sponsor(s): Rep. Acree
 Sen. Harvey

Date: February 14, 2011
Bill Status: House SVMA
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TITLE: CONCERNING THE TYPES OF DOCUMENTS USED FOR VERIFICATION OF A PERSON'S LAWFUL PRESENCE IN THE UNITED STATES IN CERTAIN CIRCUMSTANCES.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
General Fund	\$67,807	\$33,665
FTE Position Change	0.9 FTE	0.7 FTE
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: Potential costs to counties. See Local Government Impact section.		

Summary of Legislation

The bill requires that applicants for any state, local, or federal public benefit produce a social security card, in addition to the identification requirements in current law. Under current law, state agencies and political subdivisions of the state are required to verify the lawful presence of applicants by checking an approved document (such as a Colorado driver's license, Colorado identification card, or military identification card, among others) and receiving an affidavit from each applicant stating that he or she is a citizen or legal resident and lawfully present in the United States. The bill also gives applicants the option to show a copy of his or her birth certificate in lieu of executing an affidavit. The bill also clarifies that employers in Colorado are required to verify the identity of newly hired employees when determining their legal work status.

Background

State, local, and federal public benefits include a wide range of services and functions. Any grant, loan, professional or commercial license, and any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any similar benefit provided or paid for by state, local, or federal government is covered by this bill.

State Expenditures

The bill is expected to increase costs to state agencies by a total of \$67,807 and 0.9 FTE in FY 2011-12 and by \$33,665 and 0.7 FTE in FY 2012-13. All costs are paid from the General Fund. The costs identified below all relate to the requirement that applicants produce a social security card to receive any state, local, or federal benefit. Verification of employees' identity and other employment provisions of the bill do not affect the costs for any state agencies, as they simply clarify current practice in statute. Table 1 and the discussion below provide an overview of these costs.

Table 1. Expenditures Under HB11-1149		
Cost Components	FY 2011-12	FY 2012-13
Department of Revenue		
Personal Services	\$44,224	\$27,500
FTE	0.7	0.7
Operating Expenses and Capital Outlay	3,957	665
Printing and Postage	5,500	5,500
DOR Subtotal	\$53,681	\$33,665
Department of Personnel and Administration		
Personal Services	\$12,136	\$0
FTE	0.2	0.0
Operating Expenses	190	0
DPA Subtotal	\$12,326	\$0
Department of Health Care Policy and Financing		
Training and Printing	\$1,800	\$0
DHCPF Subtotal	\$1,800	\$0
TOTAL	\$67,807	\$33,665

Department of Revenue. The Department of Revenue (DOR) will have costs of \$53,681 and 0.7 FTE in FY 2011-12 and \$33,665 and 0.7 FTE in FY 2012-13. These costs are for additional staff, including temporary staff in the first year, to review applications for the property tax/rent/heat rebate program, mail requests for additional information to applicants who submit incomplete applications without a social security card, and assist applicants in program call centers and service centers. Costs for printing and mailing notices to applicants with incomplete applications are also included, as well as standard operating and capital costs for items such as telephones, computers, furniture, and supplies. Under current law, DOR verifies lawful presence by reviewing drivers license records and running social security numbers through a federal verification system.

Department of Personnel and Administration. The Department of Personnel and Administration (DPA) will have one-time costs of \$12,326 and 0.2 FTE in FY 2011-12. These costs are for staff in the Office of the State Controller to review provisions for contracts and purchase orders and revise fiscal rules to incorporate the requirements of the bill.

Department of Health Care Policy and Financing. The Department of Health Care Policy and Financing (DHCPF) will have one-time training costs of \$1,800 in FY 2011-12, to ensure that the facilities participating in the Colorado Indigent Care Program (CICP) comply with the requirements of the bill. Currently, indigent care providers only require a social security number from clients and do not require the actual card to be produced. Because many people served under CICP are homeless and do not have ready access to social security cards, this could result in delays in medical treatment and increase costs to providers.

Federal law governing the Medicaid program outlines various documents that are acceptable for verifying lawful presence and does not specifically require a social security card. Therefore, it is assumed that the Medicaid program would continue to operate under the federal document requirements and that no increase in staff time would result from the social security card requirements of the bill.

Institutions of Higher Education. The bill could also increase costs and workload for institutions of higher education. Under the bill, students are required to produce a social security card to receive in-state tuition and other benefits provided by state institutions of higher education. Assuming institutions require students to provide a copy of their social security card during the initial application process, impact on workload would be minimal. However, requiring current students to produce a copy of their social security card could be more difficult and involve multiple contacts from the institution. The exact workload increase will likely vary by institution. The fiscal note assumes that any costs can be absorbed within existing resources and that no new appropriations are required at this time.

Other agency costs. All agencies were surveyed for the purposes of this fiscal note. Many agencies noted a potential increase in workload and costs to process applications for public benefits if a social security card must be produced by applicants. However, staff time needed to check social security cards is assumed to be minimal and does not require new appropriations. If any other agencies require additional appropriations as a result of this bill, the fiscal note assumes requests will be addressed through the annual budget process.

Expenditures Not Included

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. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under HB11-1149*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,035	\$4,970
Supplemental Employee Retirement Payments	2,550	1,466
TOTAL	\$8,585	\$6,436

**More information is available at: <http://colorado.gov/fiscalnotes>*

Local Government Impact

The bill will likely increase workload and costs to counties, who are responsible for eligibility determination and processing for a variety of programs including Colorado Works, adult assistance, food assistance, and others programs. Many people in the populations served by these programs, especially the elderly and the disabled, may not have ready access to a social security card. This could require multiple visits to determine program eligibility or caseworker assistance in obtaining or locating a social security card. The exact impact on counties is not estimated at this time.

State Appropriations

The bill requires a total appropriation of \$67,807 and 0.9 FTE in FY 2011-12, broken down as follows:

- \$53,681 from the General Fund and 0.7 FTE to the Department of Revenue;
- \$12,326 from the General Fund and 0.2 FTE to the Department of Personnel and Administration; and
- \$1,800 from the General Fund to the Department of Health Care Policy and Financing.

Departments Contacted

All Departments