

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 14-0154  
**Prime Sponsor(s):** Sen. Ulibarri  
 Rep. Fields

**Date:** January 28, 2014  
**Bill Status:** Senate Health & Human Services  
**Fiscal Analyst:** Kristen Koehler (303-866-4918)

**SHORT TITLE:** IDENTIFICATION CARD ISSUANCE STANDARDS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>	<b>(&lt;\$5,000)</b>	<b>(&lt;\$5,000)</b>
Cash Funds	(<\$5,000)	(<\$5,000)
<b>State Expenditures</b>	<b>\$329,635</b>	<b>\$314,190</b>
General Fund	\$281,603	\$261,574
Centrally Appropriated Costs**	\$48,032	\$52,616
<b>FTE Position Change</b>	3.7 FTE	4.0 FTE
<b>Appropriation Required:</b> \$281,603 - Department of Revenue (FY 2014-15)		

\* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

\*\* These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

**Summary of Legislation**

This bill, recommended by the **Economic Opportunity Poverty Reduction Task Force**, requires the Department of Revenue (DOR) to offer in-person exceptions processing (EP) for identification cards (IDs) at certain driver's licenses offices operated by the department. IDs issued through EP would be available to Colorado residents who are:

- 70 years old, pay the required fees, meet the qualifications for an identification card, and provide acceptable documents establishing name, age, identity, and lawful presence (category 1); or
- at least 50 years old, and have been honorably discharged or retired from the U.S. Armed Services, and can provide documentation of name, age, identity, and lawful presence (category 2).

The bill authorizes the DOR to promulgate rules for resolving minor spelling inconsistencies and accepting documents other than birth certificates to establish lawful presence. Persons eligible for EP, as described above, are also eligible for the simplified name change process created by the bill.

**Background**

The DOR currently offers remote EP services at all 23 rural Division of Motor Vehicle (DMV) offices. Documents are scanned at the rural office and sent to a central office for review. In-person EP services are only available at the Lakewood, Colorado office, and remote EP services are not currently available in the Front Range. This bill will require 35 additional DMV offices to offer in-person EP services.

Colorado's EP program was implemented under the guidelines of the federal REAL ID Act of 2005 (Act) and established in 2007 to assist individuals who, for reasons beyond their control, are unable to present all the necessary documents to establish identity or date of birth to obtain a state-issued ID. The Act establishes minimum security standards for license and identification card issuance and prohibits the acceptance of certain documents that do not meet the Act's minimum standards.

**State Revenue**

Overall, this bill is expected to decrease state cash fund revenues by less than \$5,000 per year.

**Department of Revenue.** The DMV currently provides identifications cards free of cost to residents who are 60 years of age or older, so adding additional category 1 persons has no impact. It is anticipated that the population of persons in Category 2 is minimal; however, to the extent that there is an increase in the number of persons over 60 years old who receive an ID card through the EP program, revenue decreases of \$3.32 per card will result.

**Department of Public Safety.** Revenue collected from fingerprint-based criminal history checks is \$39.50 per person. Of this fee, \$17 is retained by the Department of Public Safety (DPS) and \$22.50 is deposited with the federal government. Name-based criminal history checks cost \$6.85 per person if done on-line or \$13 if done in person, and DPS retains the entire amount. To the extent that persons use a name-based criminal history check instead of a fingerprint-based criminal history check, revenue to the Department of Public Safety will increase or decrease.

**State Expenditures**

**This bill is expected to increase General Fund expenditures in the DOR by \$329,635 and 3.7 FTE in FY 2014-15 and by \$314,190 and 4.0 FTE in FY 2015-16.** Table 1, below, and the discussion that follows describe the cost components of the bill.

<b>Table 1. Expenditures Under SB 14-087</b>		
<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Personal Services	\$193,203	\$208,606
FTE	3.7	4.0
Operating Expenses, Capital Outlay, and Travel	\$78,400	\$52,968
Contract Services	10,000	0
Centrally Appropriated Costs*	48,032	52,616
<b>TOTAL</b>	<b>\$329,635</b>	<b>\$314,190</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Personal services (\$193,203 and 3.7 FTE).** In FY 2014-15, the DOR will require personal services at a cost of \$193,203 and 3.7 new FTE. In-person EP services require customer service staff that has advanced training to review and protect the integrity of documents issued by the DMV. EP services are currently offered in offices several days per week and EP processing experience indicates that most customers call to ask questions, rather than using online resources. This requires a 0.5 FTE Administrative Assistant II to provide appointment setting and telephone service support.

Due to the complexities of EP services and the experience required to perform the work, only employees of Drivers License Examiner III (DLE III) status and above may process the EP applications. The DOR requires that two current DLE II's in rural offices be trained to DLE III status at an additional cost of \$10,032 in FY 2014-15.

Every EP application is audited by the Motor Vehicle Investigation Unit (MVIU) in the DOR. The majority of these cases can be reviewed in 15 minutes; however, about 30 percent of cases may take up to 45 minutes to review. The DOR will be required to add 1.5 FTE of a Compliance Investigator in FY 2014-15.

The DOR will also add 1.7 FTE to serve as Compliance Officer I's to provide on-site training and on-call assistance to the DLE III examiners eight hours per day, five days per week.

**Training and travel (\$49,168).** Beginning in FY 2014-15, quarterly training will be provided for all DLE III's and above, approximately 70 FTE. A Compliance Officer I will provide the training. Travel per diem for the trainer and staff to attend the training at a regional training site is provided. Travel is calculated at \$.51 per mile; lodging when required is \$90 per night; and meals are \$51 per day.

**Operating expenses (\$29,232).** In addition to standard expenses for computers and software, furniture, supplies, and telephone for 3.7 new FTE in FY 2014-15, the DOR will be required to purchase two driver's license intake stations a total cost of \$8,316.

**Contract services (\$10,000).** In FY 2014-15, the DOR will contract for one-time computer programming services and support at a cost of \$10,000. Computer programming will be required to make changes to the Colorado Interactive system to allow for appointment setting functions.

**Centrally appropriated costs.** 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 estimated in the fiscal note for informational purposes and summarized in Table 2.

<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$34,615	\$36,447
Supplemental Employee Retirement Payments	13,417	16,169
<b>TOTAL</b>	<b>\$48,032</b>	<b>\$52,616</b>

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

**Department of Law.** The bill specifies that the DOR promulgate rules for accepting alternative documents to birth certificates for establishing lawful presence. These rules must be compliant with the provisions of the REAL ID Act. Activities associated with this rulemaking may increase the workload of the Department of Law, however, this can be accomplished within existing resources.

The bill provides that a DD214 form (military form) may serve as sufficient evidence of lawful presence; however, a DD214 is not acceptable as a standard under the Act. The bill may result in costs to the Department of Law due to non-compliance with the Act.

**Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed. The bill applies to applications filed on or after this date.

**State Appropriations**

For FY 2014-15, the Department of Revenue requires a General Fund appropriation of \$281,603.

**State and Local Government Contacts**

Law  
Revenue

Clerk and Recorders

Public Safety