

IMPLEMENTATION AND ENFORCEMENT OF REAL ID IN TEXAS



AN ISSUE BRIEF FROM LEGISLATIVE BUDGET BOARD STAFF

ID: 1332

SEPTEMBER 2014

OBJECTIVE

The federal REAL ID Act of 2005 requires states to issue secure, tamper-resistant driver's licenses and personal identification cards for U.S. citizens by October 10, 2014.

KEY FACTS

- ◆ State driver's licenses and personal identification cards must be REAL ID compliant, by January of 2016, for use by U.S. residents boarding commercial aircraft.
- ◆ The Texas Department of Public Safety recently reported that the state of Texas currently meets 23 out of 39 REAL ID compliance requirements.

BUDGETARY IMPACT

The Texas Department of Public Safety (DPS) received \$8.0 million in Federal Funds from federal fiscal years 2008 to 2011. DPS reported expenditures of \$7.9 million in Federal Funds from state fiscal years 2009 to 2014. DPS also reports that, during the same period, no General Revenue Funds were expended for the implementation of REAL ID in Texas. DPS estimates new costs of \$0.9 million per year to produce REAL ID compliant driver's licenses and personal identification cards for Texas.

STATUTORY REFERENCES.

Texas Transportation Code, Chapter 521, Driver's Licenses and Certificates.

The REAL ID Act of 2005 (REAL ID) established a federal mandate requiring states to meet specific standards when issuing driver's licenses and personal identification (ID) cards. The REAL ID statute requires that state-issued driver's licenses be made of specific materials and include security features that are difficult to duplicate. The original deadline for state compliance with REAL ID, originally May 11, 2008, has been extended several times. The U.S. Department of Homeland Security (DHS) announced in December 2013 that it would allow states time to comply with the statutory requirements through a phased-in enforcement of REAL ID. DHS reports that as of February 5, 2014, 21 states and territories are compliant with REAL ID, 14 states and territories are non-compliant and 21 states and territories are partially compliant. Texas is among the partially compliant states. Partially compliant states have been granted extensions to comply fully with REAL ID by October 10, 2014.

FEDERAL REQUIREMENTS

The REAL ID program requires that states develop more secure systems for verifying a person's identity and improving security features on state-issued driver's licenses and ID cards. REAL ID set minimum compliance standards for identification documents accepted by federal agencies for official purposes such as entering federal buildings, visiting nuclear facilities, and boarding airplanes. The Department of Public Safety (DPS) is the designated state administrative agency for the implementation of REAL ID in Texas. There are 39 REAL ID compliance requirements. DPS reported in December 2014 that Texas is non-compliant with 12 requirements, partially compliant with four requirements and fully compliant with 23 requirements. State legislation must be implemented to meet eight of the requirements. DPS recommends amending the Texas Transportation Code and other state statutes related to the issuance of Texas driver's licenses and ID cards such as:

- collecting and verifying applicant Social Security Numbers;
- changing issuance and renewal dates for driver's licenses;
- collecting, verifying and storing data on the legal residency and legal status of applicants; and
- permitting the manufacture of Texas driver's licenses and ID cards with certain machine readable and forgery resistant features.

Federal agencies may accept the driver's licenses and ID cards issued by states that have been granted a DHS REAL ID compliance extension. Extensions may be granted to states after the REAL ID compliance deadline of October 10, 2014. States requesting extensions beyond the October deadline must provide justification for noncompliance to DHS. DPS will provide the Eighty-fourth Legislature, 2015 with information and recommendations regarding outstanding compliance requirements. If the DPS recommendations become law, DPS estimates it can begin implementing REAL ID in Texas between June and December of 2016.

ENFORCEMENT OF THE REAL ID ACT

DHS released details of a phased-in REAL ID enforcement plan on December 20, 2013. The DHS plan shows when REAL ID compliant state driver's licenses and ID cards will be

required for entering federal buildings and nuclear facilities, and boarding commercial aircraft. Fig. 1 shows the four enforcement phases for national implementation of REAL ID from January 20, 2014 to January 1, 2016.

FEDERAL REAL ID FUNDING FOR TEXAS

There are no recent REAL ID program national implementation cost estimates for states. However, in fiscal year 2008, DHS estimated that REAL ID state implementation costs would be approximately \$4.0 billion nationally. Federal funding for REAL ID was originally appropriated by Congress in federal fiscal year 2008. The funding program was renamed the Driver's License Security Grant Program (DLSGP) in the Department of Homeland Security Act of 2010. DPS reported expending \$7.9 million (out of \$8.3 million) in Federal Funds from fiscal year 2009 to fiscal year 2014. In fiscal year 2010 DPS reports that it returned approximately \$0.4 million (out of \$1.7 million received) in DLSGP funds to the federal government. DPS reported that fiscal year 2010 implementation costs for achieving compliance benchmarks were lower than previously estimated. DPS also reported that no General Revenue Funds have been expended for the implementation of REAL ID in Texas. Fig. 2 below shows the amount of federal REAL ID funding distributed nationally and to Texas from federal fiscal years 2008 to 2011.

**FIG. 1
FEDERAL REAL ID ENFORCEMENT IMPLEMENTATION PHASES
FEDERAL FISCAL YEAR 2014 TO FEDERAL FISCAL YEAR 2016**

PHASE	ENFORCEMENT	ENFORCEMENT STARTING DATE	FULL ENFORCEMENT
1	Restricted access to U.S. Department of Homeland Security Facilities.	January 20, 2014	April 21, 2014
2	Restricted access to all federal facilities and nuclear power plants.	April 21, 2014	July 7, 2014
3	Semi-restricted access to federal facilities for activities relating to health, legal and constitutionally protected services.	October 20, 2014	January 19, 2015
4	Restricted access to commercial aircraft. Persons without a REAL ID compliant driver's license or ID card may use a secondary form of ID, such as a U.S. Passport.	No sooner than January 1, 2016	

SOURCE: U.S. Department of Homeland Security.

**FIG. 2
DRIVER'S LICENSE SECURITY GRANT PROGRAM FUNDING
FEDERAL FISCAL YEAR 2008 THROUGH FEDERAL FISCAL YEAR 2011
(IN MILLIONS)**

FEDERAL FISCAL YEAR	2008	2009	2010	2011	CUMULATIVE TOTALS
National Distribution	\$79.9	\$48.6	\$48.0	\$45.0	\$221.4
Grants to Texas	\$3.2	\$1.6	\$1.6	\$1.5	\$8.0
Percentage Share	4.0	3.4	3.3	3.4	3.6

NOTES: Numbers may not total due to rounding. Federal fiscal year 2008 shows the combined amounts of REAL ID Demonstration Grants and REAL ID grants to states that were combined by Congress for that year.
SOURCE: U.S. Department of Homeland Security.

DPS estimates a cost of approximately \$0.9 million per year to produce REAL ID compliant driver's licenses and ID cards for eligible applicants in Texas. The DPS estimate is based on vendor card production figures of an extra \$0.15 per card above current costs.

USEFUL REFERENCES

The National Conference of State Legislatures, Countdown to REAL ID, 2014:

http://www.ncsl.org/Portals/1/Documents/transportation/REAL_ID_InfoAlert.pdf

The U.S. Department of Homeland Security, REAL ID Enforcement In Brief, 2014:

<http://www.dhs.gov/sites/default/files/publications/real-id-enforcement-in-brief-20140205.pdf>

Minimum Standards for Driver's Licenses and Identification Cards Acceptable by Federal Agencies for Official Purposes; Final Rule; Federal Register Vol. 19, No.73, 2008

<http://www.gpo.gov/fdsys/pkg/FR-2008-01-29/html/08-140.htm>

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