

JBC Staff Fiscal Analysis

House Appropriations Committee

Concerning communication services for people with disabilities, and, in connection therewith, creating the communication services for people with disabilities enterprise.

Prime Sponsors:

Representatives Brown; Froelich
(None)

Date Prepared:

March 6, 2025

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Fiscal Impacts

Appropriation Required, Amendment in Packet

General Fund/TABOR Impact

New Cash Funds with Continuous Appropriation

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/06/25.

Update: Fiscal impact has changed due to new information or technical issues

The Revised Fiscal Note identifies a reduction of \$103,214 General Fund from the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind in the Department of Human Services. This reduction in General Fund is by an increase of an equal amount of cash funds from the Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund, created in Section 26-21-107 (1), C.R.S. However, during figure setting for the Department of Human Services on February 21, 2025, the Joint Budget Committee approved this refinance of General Fund to be implemented through the Long Bill. As such, the anticipated FY 2025-26 budget for the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind is exclusively cash funded and the General Fund reduction identified in the Revised Fiscal Note is no longer applicable. Legislative Council Staff and JBC staff agree on the fiscal impact of this change.

The Revised Fiscal Note identifies \$66,870 in legal services (Table 2A, pg. 5) to be provided to the Department of Human Services by the Department of Law. Spending authority, in the form of reappropriated funds, must be provided to the Department of Law for the provision of these legal services. Legislative Council Staff and JBC staff agree on the fiscal impact of this change.

As identified in the Revised Fiscal Note (pg. 4), fee revenue that would be deposited in the Colorado Telephone Users with Disabilities Fund (TUDF) will now be deposited in the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund. As approved on February 21, 2025 by the Joint Budget Committee, \$3,413,703 of that fee revenue is appropriated as cash funds in the Department of Regulatory Agencies, which is further appropriated as reappropriated funds to the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind in the Department of Human Services. The proposed change to where fee revenue is deposited drives two changes to the fiscal impact.

- First, the cash funds appropriation of \$3,413,703 from the TUDF in the Department of Regulatory Agencies is no longer necessary.
- Second, the reappropriated funds appropriation of \$3,413,703 in the Department of Human Services is converted to cash funds from the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund, which is continuously appropriated.

Legislative Council Staff and JBC staff agree on the fiscal impact of these changes.

In the State Appropriations section of the Revised Fiscal Note (pg. 7) a reduction of \$265,965 cash funds from the Department of Regulatory Agencies is identified. As noted in a prior section of the fiscal note (pg. 5), that reduction reflects the transfer of 2.0 FTE from the Public Utilities Commission in the Department of Regulatory Agencies to the Department of Human Services. This FTE reduction in the Department of Regulatory Agencies should be reflected in the appropriations clause. Legislative Council Staff and JBC staff agree on the fiscal impact of these changes.

Amendments in This Packet

J.001	Staff-prepared appropriation amendment
L.003/J.002	Bill Sponsor amendment - changes fiscal impact and appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) reduces appropriations by a total of \$7,342,741, including \$250,000 General Fund, and 2.0 FTE to several departments as follows:

- a reduction of \$250,000 General Fund in the Department of Education;
- a reduction of \$3,679,668 cash funds from the Colorado Telephone Users with Disabilities Fund and 2.0 FTE in the Department of Regulatory Agencies; and
- a reduction of \$3,413,703 reappropriated funds in the Department of Human Services.

The amendment appropriates \$66,870 in reappropriated funds spending authority to the Department of Law for FY 2025-26 to provide legal services to the Department of Human Services. The appropriation reflects 0.3 FTE.

L.003 and J.002

Bill Sponsor amendment **L.003** (attached) changes the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund and the Reading Services for the Blind Cash Fund from continuously appropriated to annually appropriated. As a result, the Communication Services for People with Disabilities Enterprise will require an appropriation of \$4,958,625 cash funds and 3.0 FTE in FY 2025-26 from the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund. Additionally, the Department of Regulatory Agencies will require an appropriation of \$250,000 cash funds from the Colorado Telephone Users with Disabilities Fund in FY 2025-26, which amount is further reappropriated to the Department of Education for the Reading Services for the Blind program. Legislative Council Staff and JBC staff agree on the fiscal impact of these changes.

Amendment **J.002** (attached) makes the following reductions and appropriations. The amendment reduces FY 2025-26 appropriations by a total of \$7,342,741, including \$250,000 General Fund, and 2.0 FTE to several departments, as follows:

- a reduction of \$250,000 General Fund in the Department of Education;
- a reduction of \$3,679,668 cash funds from the Colorado Telephone Users with Disabilities Fund and 2.0 FTE in the Department of Regulatory Agencies; and
- a reduction of \$3,413,703 reappropriated funds in the Department of Human Services.

The amendment appropriates for FY 2025-26 a total of \$5,208,625 cash funds to several departments, as follows:

- \$250,000 cash funds from the Colorado Telephone Users with to the Department of Regulatory Agencies, which amount is further reappropriated to the Department of Education; and
- \$4,958,625 cash funds from the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund to the Department of Human Services, which includes \$306,157 that reflects 3.0 FTE.

Of the cash funds appropriated to the Department of Human Services, \$66,870 is further reappropriated to the Department of Law and reflects 0.3 FTE.

If the Committee adopts **L.003** (and **J.002**), it should not adopt **J.001**.

Points to Consider

General Fund Impact

The Joint Budget Committee (JBC) is developing a budget package for FY 2025-26. This bill requires a General Fund reduction of \$250,000 for FY 2025-26, increasing the General Fund available for other FY 2025-26 appropriations by this amount.

Legislative Authority

Continuous spending authority, also known as **continuous appropriation**, allows state agencies to spend money for statutorily specified purposes up to the total amount available in a specified fund source without seeking further legislative approval through the budget process.

The term *appropriation* is broadly understood as expressing or conveying legal spending authority. However, the term *appropriation* also inherently expresses fundamental legislative fiscal authority by communicating a *limit* on or maximum amount of spending from a specified fund source for a defined period such as a fiscal year. While continuous spending authority also expresses or conveys legal spending authority it does so by eliminating legislative fiscal authority and oversight.

An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority. This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.

Is it necessary for the Department of Human Services to **not** seek annual authority from the General Assembly to spend money from Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund?

Is it necessary for the Department of Education to **not** seek annual authority from the General Assembly to spend money from Reading Services for the Blind Cash Fund?

If **L.003** is adopted, then the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund and Reading Services for the Blind Cash Fund are changed to annually appropriated.

TABOR/Excess State Revenues Impact

If the March 2025 revenue forecast adopted by the Joint Budget Committee (JBC) projects a TABOR surplus liability for FY 2025-26 or for FY 2026-27, these sums must be refunded to taxpayers out of the General Fund. Legislation that decreases non-exempt revenue (such as cash funds) to the State will decrease the TABOR refund made out of the General Fund. This will increase the amount of General Fund available for programs.

The Joint Budget Committee (JBC) is developing a budget package for FY 2025-26. This bill is estimated to decrease cash fund revenues subject to TABOR by \$4,851,625 in FY 2025-26 and FY 2026-27, which will increase the available General Fund in each fiscal year by an equal amount.