



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1154: COMM SERVICES PEOPLE WITH DISABILITIES ENTERPRISE

Prime Sponsors:

Rep. Brown; Froelich
Sen. Jodeh; Amabile

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Summary Information

Overview. The bill creates the Communication Services for People with Disabilities Enterprise in the Department of Human Services, moves existing programs within the enterprise, and updates the funding mechanism for the enterprise and related services.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- State Transfers
- TABOR Refunds

Appropriations. The bill requires and includes an appropriation of \$4.9 million in FY 2025-26 to the Department of Human Services, as well as a net reduction in appropriations of about \$246,000 to multiple state agencies. It also requires an appropriation to the Department of Revenue. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$124,855	\$100,392
State Expenditures	-\$228,359	-\$252,822
Transferred Funds	\$0	\$0
Change in TABOR Refunds	-\$4,726,625	-\$4,751,625
Change in State FTE	1.3 FTE	1.1 FTE

¹ Fund sources for these impacts are shown in the tables below.

Table 1A
State Revenue and Enterprise Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
Telephone Users with Disabilities Fund	-\$4,851,625	-\$4,851,625
Enterprise Cash Funds	\$4,976,480	\$4,952,017
Total Revenue	\$124,855	\$100,392

Table 1B
State Administrative Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	-\$353,214	-\$353,214
Cash Funds ¹	\$65,603	\$41,140
Federal Funds	\$0	\$0
Centrally Appropriated	\$59,252	\$59,252
Total Expenditures	-\$228,359	-\$252,822
Total FTE	1.3 FTE	1.1 FTE

¹ These amounts reflect net changes to administrative expenditures, and do not include expenditures from enterprise cash funds, which are reflected in Table 1A.

Summary of Legislation

The bill creates the Communication Services for People with Disabilities Enterprise (enterprise) in the Department of Human Services (CDHS) to provide services and resources for individuals who are blind, print-disabled, deaf, hard of hearing, or deafblind. The bill consolidates programs under the enterprise and creates a funding mechanism to support the enterprise and other related programs.

Enterprise

The bill moves all programs and services currently managed by the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind in CDHS to the Communication Services for People with Disabilities Enterprise. It also transfers the management of telephone relay services from the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) to the enterprise. The bill outlines the role of the commission, division, and the enterprise.

The enterprise is governed by a Board of Directors appointed by the Governor by June 30, 2025. It is designated as an enterprise for the purposes of TABOR and any fee revenue collected is required to be less than \$100 million over its first five years of operation, which means voter approval is not required.

Fees

The enterprise's administrative and program costs are funded by the Telephone Disability Access Surcharge and the Prepaid Telephone Disability Access Charge, paid by wireline voice service providers and by consumers purchasing prepaid wireless services. The enterprise and the PUC will adjust fees as necessary to ensure sufficient funding is available for its operations. The PUC will collect the fees on behalf of the enterprise and remit revenue to the enterprise's cash fund, the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund. These fees replace similar fees on wireless voice services and prepaid wireless retail transactions, which the bill repeals.

Background

Telephone Users with Disabilities Fund

Currently, the Telephone Users with Disabilities Fund (TUDF) supports telephone relay services in the PUC, which allow persons with hearing or speech disabilities to place and receive telephone calls for free. To fund this service, the PUC imposes a monthly surcharge on all residential and business telephone access lines and a charge on retail transactions for prepaid wireless services paid by consumers at the point of sale. The fees are remitted to the PUC and the funds are deposited in the TUDF. The surcharge is currently set at \$0.03 per telephone line, with a statutory cap of \$0.15 per line. The charge is currently one-tenth of one percent of the price of each retail transaction.

In addition to funding telephone relay services, the TUDF also supports the commission in CDHS, as well as the Department of Education's (CDE) Talking Book Library and Reading Services for the Blind programs. The remaining funding for these programs comes from the General Fund, as well as federal funds in the case of CDE's programs.

The bill replaces the TUDF funding mechanism with similar fees wireless voice services and prepaid wireless retail transactions. Specifically:

- the Telephone Disability Access Surcharge, which places a monthly surcharge on service providers and maintains the statutory cap of \$0.15 cents per line; and
- the Prepaid Telephone Disability Access Charge, a charge on retail transactions for prepaid wireless services paid by consumers at the point of sale, which is capped at \$0.15 cents per transaction.

The PUC will collect these fees and remit fee revenue to the enterprise cash fund and the Reading Services for the Blind Cash Fund. The enterprise cash fund will distribute funds for the telephone relay services and to support the work of the enterprise, commission, and division.

General Fund Impact

By allowing the enterprise and existing CDE programs to use funds collected by PUC to cover the full costs of these services, the portion of General Funds allocated for these programs currently is no longer required. This relieves approximately \$353,214 in General Funds (\$103,214 for the commission in CDHS and \$250,000 for Reading Services for the Blind in CDE).

State Revenue

Beginning in FY 2025-26, fee revenue in the TUDF will decrease by an estimated \$4,851,625, as fees will instead be directed to the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund, increasing revenue to the enterprise cash fund by the same amount.

Additionally, enterprise cash fund revenue will increase by an additional \$125,000 in FY 2025-26 and \$100,000 in ongoing years to cover the new administrative expenses for the enterprise, outlined below. This additional revenue may come from either the Telephone Disability Access Surcharge or the Prepaid Telephone Disability Access Charge, with the fee increase method determined by the PUC and the enterprise.

To the extent that the enterprise and the PUC adjust the surcharge in future fiscal years to cover the costs of covering enterprise service and operation costs, state cash fund revenue to the enterprise cash fund will increase or decrease, depending on the fee adjustments.

State Expenditures

The bill increases expenditures from the enterprise cash funds in the bill, as discussed in the State Revenue section above. Additionally, the bill increases administrative state expenditures in the Department of Human Services by \$373,000 in FY 2025-26, and \$333,000 in ongoing years. It also increases costs in the Department of Revenue by \$17,800 in FY 2025-26 only. These costs are paid from the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund and are summarized in Table 2 and discussed below. The bill also decreases administrative General Fund expenditures in CDHS and CDE by \$353,214, and decreases expenditures in DORA by \$266,000 paid by the Telephone Users with Disabilities Fund. The bill also minimally affects workload in the Governor's Office.

Table 2
State Administrative Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Human Services—Enterprise (CF)	\$373,027	\$332,922
Department of Human Services—Commission (GF)	-\$103,214	-\$103,214
Department of Revenue (CF)	\$17,793	\$0
Department of Education (GF)	-\$250,000	-\$250,000
Department of Regulatory Agencies (CF)	-\$265,965	-\$232,530
Total Costs	-\$228,359	-\$252,822
General Fund Subtotal	-\$353,214	-\$353,214
Cash Funds Subtotal	\$124,855	\$100,392

Department of Human Services

Beginning in FY 2025-26, expenditures in CDHS will increase for new staff and legal services to support establishment of the new enterprise and oversee the shift in programs, as shown in Table 2A below. These costs are funded by enterprise cash funds from the TUDF, and include:

- 1.0 FTE to support the enterprise, including providing administrative and fiscal support and program oversight;
- 2.0 FTE to manage the telephone relay services provision (previously managed within DORA); and
- 500 hours of legal services initially in FY 2025-26 and 250 hours in ongoing years to support the enterprise in initial rulemaking and for ongoing legal support around enterprise fees. Legal services will be provided by the Department of Law at a rate of \$133.74 per hour.

General Fund expenditures in CDHS will also decrease by \$103,214, as the portion of commission expenditures that are paid currently from General Fund to CDHS will be replaced in the same proportion with enterprise cash funds, as described in the Background section above. The overall costs to shift programs and services of the commission to the new enterprise are assumed to be neutral.

Table 2A
State Expenditures
Department of Human Services

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$236,395	\$236,395
Operating Expenses	\$3,840	\$3,840
Capital Outlay Costs	\$6,670	\$0
Legal Services	\$66,870	\$33,435
Centrally Appropriated Costs	\$59,252	\$59,252
FTE – Personal Services	3.0 FTE	3.0 FTE
FTE – Legal Services	0.3 FTE	0.1 FTE
Total Costs	\$373,027	\$332,922
Total FTE	3.3 FTE	3.1 FTE

Department of Revenue

In FY 2025-26, expenditures will increase by \$17,793 to modify systems to implement the enterprise fees on wireless voice services and prepaid wireless retail transactions.

DOR GenTax Costs

This bill requires expenditures of \$17,793 to program, test, and update database fields in the Department of Revenue's/DOR's GenTax software system. Programming costs are estimated at \$10,892, representing 47 hours of contract programming at a rate of \$231.75 per hour. Costs for testing at the department include \$4,725 for 135 hours of innovation, strategy, and delivery programming support at a rate of \$35 per hour, and \$2,176 for 68 hours of user acceptance testing at a rate of \$32 per hour.

Table 2B
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
GenTax Update	\$17,793	\$0
Total Costs	\$17,793	\$0
Total FTE	0.0 FTE	0.0 FTE

Public Utilities Commission — Department of Regulatory Agencies

The bill will decrease cash fund expenditures in DORA by \$265,965 in FY 2025-26 and \$232,530 in FY 2026-27. This reflects 2.0 FTE that oversee the telephone relay services that will shift to CDHS and be paid for with enterprise funds.

Department of Education

Beginning in FY 2025-26, General Fund expenditures in the CDE will decrease by \$250,000 from changing the funding source of the Reading Services for the Blind Program, as described in the Background section.

Governor's Office

Workload will minimally increase in the current FY 2024-25 for the Governor's Office to appoint board members to the enterprise. This is expected to be minimal and can be absorbed within existing resources.

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. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

TABOR Refunds

The bill creates new fee revenue to support the enterprise. Because existing fees are subject to TABOR, the bill reduces TABOR refund obligations by the amounts shown in Table 1. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue subject to TABOR will increase the amount of General Fund available to spend or save.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2025-26, the bill requires a total appropriation of \$4,976,480 from the Colorado Division for the Deaf, Hard of Hearing, and Deafblind Cash Fund, of which:

- \$4,958,687 is appropriated to the Department of Human Services, and 1.0 FTE, with \$66,870 reappropriated to the Department of Law; and
- \$17,793 to the Department of Revenue.

The bill also requires a reduction in appropriations for agencies whose programs are moving to the enterprise, including:

- \$103,214 from the Department of Human Services from reappropriated Telephone Users with Disabilities Fund;
- \$250,000 from the Department of Education from the General Fund;
- \$265,965 from the Department of Regulatory Agencies from the Telephone Users with Disabilities Fund.

State and Local Government Contacts

Education

Human Services

Governor

Regulatory Agencies

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 the [General Assembly website](#).