



## 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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**Fiscal note status:** The revised fiscal note reflects the reengrossed bill, as amended by the Senate Business, Labor, and Technology Committee and updated for new information.

### 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.** For FY 2025-26, the bill makes adjustments to appropriations in multiple state agencies and requires an appropriation to the Department of Revenue. No appropriation is required from the Colorado Division of the Deaf, Hard of Hearing, and Deafblind Cash Fund, which is continuously appropriated to the Department of Human Services. See State Appropriations section.

**Table 1**  
**State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$128,529	\$100,392
State Expenditures	-\$224,685	-\$252,822
Transferred Funds	\$0	\$0
Change in TABOR Refunds	-\$4,723,625	-\$4,751,625
Change in State FTE	1.3 FTE	1.1 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A**  
**State Revenue and Enterprise Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Telephone Users with Disabilities Fund	-\$4,851,625	-\$4,851,625
Enterprise Cash Funds	\$4,958,687	\$4,952,017
Prepaid Wireless Trust Cash Fund	\$21,467	\$0
<b>Total Revenue</b>	<b>\$128,529</b>	<b>\$100,392</b>

**Table 1B**  
**State Administrative Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	-\$353,214	-\$353,214
Cash Funds <sup>1</sup>	\$69,277	\$41,140
Federal Funds	\$0	\$0
Centrally Appropriated	\$59,252	\$59,252
<b>Total Expenditures</b>	<b>-\$224,685</b>	<b>-\$252,822</b>
<b>Total FTE</b>	<b>1.3 FTE</b>	<b>1.1 FTE</b>

<sup>1</sup> 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, which is continuously appropriated to the enterprise. These fees replace similar fees on wireless voice services and prepaid wireless retail transactions, which the bill repeals.

## Background

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### 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**

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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 \$107,000 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.

Finally, revenue to the Prepaid Wireless Trust Cash Fund will increase by \$21,467 in FY 2025-26 only to cover administrative costs for the Department of Revenue, discussed below. This revenue is a portion of the fee revenue collected from the Prepaid Telephone Disability Access Charge that is credited to the fund to cover any departmental expenses for administering the charge. Revenue is subject to TABOR.

## **State Expenditures**

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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. 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. It also increases costs in the Department of Revenue by \$21,467 in FY 2025-26 only, paid from the Prepaid Wireless Trust Cash Fund. Additionally, the bill 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**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Department of Human Services—Enterprise (CF)	\$373,027	\$332,922
Department of Human Services—Commission (GF)	-\$103,214	-\$103,214
Department of Revenue (CF)	\$21,467	\$0
Department of Education (GF)	-\$250,000	-\$250,000
Department of Regulatory Agencies (CF)	-\$265,965	-\$232,530
<b>Total Costs</b>	<b>-\$224,685</b>	<b>-\$252,822</b>
General Fund Subtotal	-\$353,214	-\$353,214
Cash Funds Subtotal	\$128,529	\$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**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
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
<b>Total Costs</b>	<b>\$373,027</b>	<b>\$332,922</b>
<b>Total FTE</b>	<b>3.3 FTE</b>	<b>3.1 FTE</b>

## **Department of Revenue**

In FY 2025-26, expenditures will increase by \$21,467 to modify systems to implement the enterprise fees on 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.

### **DPA Tax Form Update Costs**

Expenditures will increase by \$3,674 to update tax forms for the surcharge changes. Costs to update forms will be reappropriated to the Department of Personnel and Administration.

**Table 2B**  
**State Expenditures**  
**Department of Revenue**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
GenTax Update	\$17,793	\$0
Tax Form Update	\$3,674	\$0
<b>Total Costs</b>	<b>\$21,467</b>	<b>\$0</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.0 FTE</b>

### **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

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The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that Section 30 of this act takes effect only if the Long Bill becomes law, in which case this section takes effect when the bill takes effect, or the Long Bill takes effect, whichever is later.

## State Appropriations

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No appropriation is required to the Department of Human Services, as funds from the Colorado Division of the Deaf, Hard of Hearing, and Deafblind Cash Fund are continuously appropriated to the department.

In FY 2025-25, the Department of Revenue requires an appropriation of \$21,467 from the Prepaid Wireless Trust Cash Fund, of which \$3,674 is reappropriated to the Department of Personnel and Administration.

The bill also adjusts FY 2025-26 appropriations for agencies whose programs are moving to the enterprise, including:

- a decrease of \$250,000 to the Department of Education from the General Fund, and a corresponding increase of reappropriated funds from the Department of Regulatory Agencies from the Telephone Users with Disabilities Fund;
- a decrease of \$265,965 to the Department of Regulatory Agencies from the Telephone Users with Disabilities Fund, and 2.0 FTE; and
- a decrease of \$3,413,703 to the Department of Human Services of reappropriated funds from the Telephone Users with Disabilities Fund.

## State and Local Government Contacts

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Education	Personnel
Governor	Regulatory Agencies
Human Services	Revenue

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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](#).