

LFC Requester:

Julisa Rodriguez

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.state.nm.us/AgencyAnalysis) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 3/6/2025

Check all that apply:

Bill Number: SB 372Original  Correction Amendment  Substitute Sponsor: Antoinette Sedillo Lopez and  
Meredith A. DixonAgency Name  
and Code  
Number:New Mexico Commission for Deaf  
and Hard of Hearing 604Short  
Title: Telecommunications Surcharges

Person Writing

Nathan GommePhone: (505) 796-5441Email Nathan.gomme@cdhh.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	11,377.0	12,852.0	Recurring	TRS

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

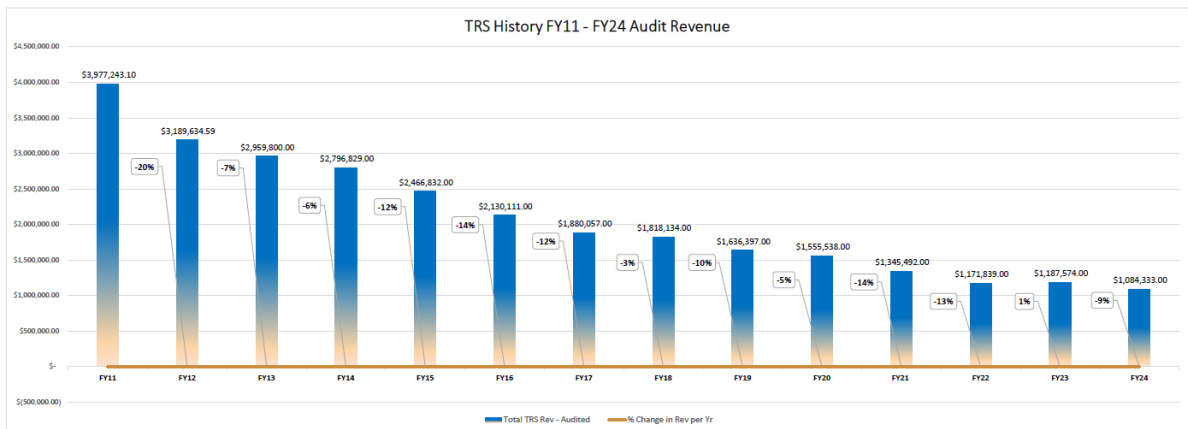
Synopsis: SB 372 changes the Telecommunications Relay Service Surcharge from thirty-three hundredths percent on the gross amount paid on certain telecommunications bills to fifty-one (\$.51) cents.

#### **FISCAL IMPLICATIONS**

The New Mexico Commission for Deaf and Hard of Hearing Persons was established and funded by the Telecommunications Relay Service Surcharge (TRS). This funding enables the agency to provide relay services for the state of New Mexico as required by federal law, Telecommunications Equipment, advocacy services, interpreter development, provide educational assistance, provide advocacy, and identify the needs of the Deaf, DeafBlind, Hard of Hearing, and speech disabled community. Three percent (3%) of the revenue collected is also provided to Taxation and Revenue as administrative costs for the purpose of collecting this funding.

Since FY11 the revenue collected from this surcharge at thirty-three hundredths percent has declined year after year from the amount of almost four million dollars (\$4,000,000) to just over one million dollars (\$1,000,000) in FY24. Declines of three to twenty percent (3-20%) year after year have resulted in continued challenges in financially relying solely on the revenue of the relay service surcharge. In FY17, there was an attempt to rectify the funding decline by applying the original surcharge language to the modernized telecommunications services available. The change slowed the decline but did not stop the decline. Attempts were made to work with Taxation and Revenue to see if there were any issues in collections and if people were unaware of the changes. Unfortunately, those efforts did not yield any significant changes, and as a result, the commission has been using fund balance and general funds to offset the reduced revenue to provide continued services and operational costs for the agency while at the same time reducing and limiting services where the commission is able to while still meeting our legislative measures.

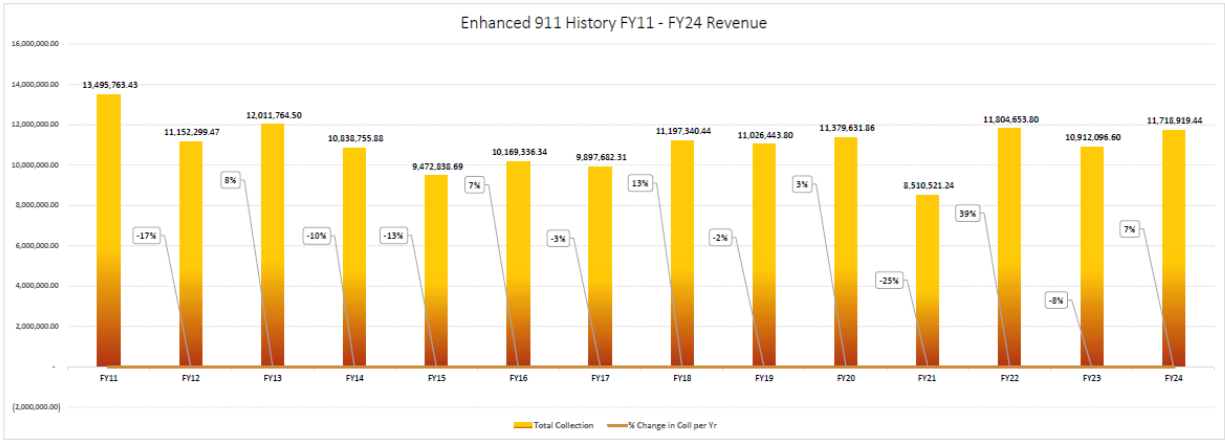
TRs History FY11 - FY24 Audit Revenue														
Fiscal Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Total TRS Rev - Audited	\$ 3,977,243.10	\$ 3,189,634.59	\$ 2,959,800.00	\$ 2,796,829.00	\$ 2,466,832.00	\$ 2,130,111.00	\$ 1,880,057.00	\$ 1,818,134.00	\$ 1,636,397.00	\$ 1,555,538.00	\$ 1,345,492.00	\$ 1,171,839.00	\$ 1,187,574.00	\$ 1,084,333.00
% Change in Rev per Yr	0%	-20%	-7%	-6%	-12%	-14%	-12%	-3%	-10%	-5%	-14%	-13%	1%	-9%



Requests for additional general fund began in the General Appropriations of 2021 and were in addition to general fund being received for a specific program for Support Service Providers. The agency has also, due to the limited available funding has had to make fiscal adjustments and scale back initiating additional services, making necessary operational purchases, as well as continued vacancy savings. In FY24, we began to see more challenges occurring specifically tied to the Support Service Program which had largely received a similar appropriation for several years. The program is facing significant growth, from FY23-FY24 we saw a user growth of just over fifty percent at 50.1% and we already see that the program can no longer be supported with the general fund appropriation that has been received in prior years. In FY24, we also saw the TRS revenue drop to just over one million dollars (\$1,000,000) and projected a continued conservative decline of at least five percent (5%) year after year, which will result in our TRS funding falling below one million dollars (\$1,000,000) by FY27. While at the same time costs for services such as Traditional Relay Services continues to increase as well as costs for equipment reflecting inflation increases which have continue to rise year after year while our revenue falls year after year.

The change to the TRS language from a percentage to a flat rate of fifty-one (\$.51) cents will stabilize this continued decline and fully fund the agency as well as the specific Support Service Program (SSP) if the revenue allows. We anticipate a revenue of between about nine million dollars in revenue (\$9,000,000) low end to a little over eleven million dollars (\$11,000,000) in revenue high end which will allow the agency to be fully funded by TRS revenue alone with no other funding source. In addition, any of the current programs which have any pauses due to funding limitations will be fully open with no waiting list and new programs within our scope of the agency can be reviewed and implemented such as an interpreter pool for other state agencies should the funding be sufficient in addition to the continued support for growing programs such as our SSP program. We are currently using the high-end estimate to give what we believe is the closest comparison to our revenue collection which is that of the E911 revenue chart below. However, the commission is not matching word-for-word the collection language of the E911, which means the collection amount will be slightly less resulting in the optimistic revenue collection of a little over eleven million dollars (\$11,000,000), which is before three percent (3%) of the collected funds which amounts to about three hundred thousand dollars (\$300,000), is transferred to Taxation and Revenue per statute. A more realistic expectation for the funding the commission can expect to collect, given the history and challenges, will likely be in the vicinity of just over nine million dollars (\$9,000,000) before the three percent (3%).

E911 Revenue FY11 - FY24														
Fiscal Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Total Collection	13,495,763.43	11,152,299.47	12,011,764.50	10,838,755.88	9,472,838.69	10,169,336.34	9,897,682.31	11,197,340.44	11,026,443.80	11,379,631.86	8,510,521.24	11,804,653.80	10,912,096.60	11,716,919.44
% Change in Coll per Yr	0%	-17%	8%	-10%	-13%	7%	-3%	13%	-2%	3%	-25%	39%	-8%	7%



**SIGNIFICANT ISSUES**

If the bill passes, we will see an agency fully funded with the appropriate funding source that has been tied to the agency since its inception. There will no longer be a request supplementing the costs of operations with general fund. The agency will be able to carry out the mission without declining revenue collections month to month, fill vacant positions, proceed with enacting programs which serve the community such as effective communication support for access during emergency telecommunications among other things.

Should the Federal Communications Commission implement any additional requirements of the states for example, taking over oversight of Real Time Text (or any of the currently available relay programs) the anticipated replacement to Traditional Relay Services or expanding the disseminating of Telecommunication Equipment specific to this underserved community will now have the necessary funding to support these initiatives via the Commission. Last year, a request for special funding was made to enact a Communication Facilitator program to serve our DeafBlind, Deaf with additional disabilities, and Senior community in supporting their ability to communicate via telecommunications services. We are one of four states with this initiative. The funding of this program would be provided by the TRS revenue Programs that have been discussed in the past within the agency such as funding a tele-based on demand interpreter services for incidental communications as well as supporting state agencies in providing interpreter and captioning services could be discussed and explored with the collected funds. The Support Service Program which is seeing continued growth would likely be able to be funded by the collections from the TRS if the bill is enacted.

The SSP program throughout the state has seen continued sustained growth, from FY23-FY24 we saw the number of users grow by over fifty percent (50.1%) with the growth in hourly usages growing by just over eighty two percent (82.1). In the first two quarters of FY25, we have already seen a 10% growth in users with several people looking to receive services from the program.

However, at the time there is not sufficient funding to continue the growing number of people needing these services through the general funding appropriation. If the bill is passed, we would be able to look at and provide data to the legislative body and support the continued growth of this program without general fund appropriations.

Without the bill, we will likely not be able to grow the program sufficiently enough to satisfy the needs of some of the more vulnerable members of our community and will have a cap on services for the foreseeable future.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

There will need to be some work done between the Commission and the office of Taxation and Revenue in order to address the language change. We anticipate a minimal impact since the collection bears so much similarity to how the E911 revenue is collected. Letters will need to go out to inform the carriers of this change and it may result in a slower than anticipated transition from the current language to the new collection language. During that time, we may not see the expected increased funding collection for several months.

Three percent of the estimated revenue will fund these additional administrative operations of Taxation and Revenue as explained in the fiscal implications.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If this bill is not enacted, we will see a continued decline of the TRS revenue of at least five percent (5%) year after year. This decline will result in a continued and subsequently increasing request for general fund by the agency to supplement this continued loss and continued restrictions on the capacity of the agency. Should there be no usage of general fund as well as a continued drop in TRS revenue and the Commission exhausts its fund balance, the state would be stopping all of the programs provided by this agency such as the SSP program and Communication Facilitator Program which is already facing limitations in FY26 due to the limited General Funds the commission is able to request. In addition, should the funding continue to drop and the commission is not able to offset the funding with general funds essential programs will need to stop completely, and we may be unable to fulfill our federal legal obligations for any of the possible relay services.

## **AMENDMENTS**

