

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: SB1302

House of Origin Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. Patron: McPike

3. Committee: Education and Health

4. Title: Crisis call center; Crisis Call Center Fund established.

5. Summary: Provides that the crisis call center, which under current law is administered by the Department of Behavioral Health and Developmental Services (DBHDS), shall be designated as the 9-8-8 Crisis Hotline Center for purposes of participating in the National Suicide Prevention Lifeline. The bill directs DBHDS, in its development of the crisis call center, community care teams, and mobile crisis teams, to comply with any applicable requirements of the National Suicide Hotline Designation Act of 2020, and to provide for consistency with federal guidelines promulgated under such law.

The bill increases, from \$0.75 to \$0.94, the wireless E-911 surcharge and increases, from \$0.50 to \$0.63, the prepaid wireless E-911 charge. The bill provides that part of the revenue attributable to the increase would be distributed to the Crisis Call Center Fund, established by the bill, to fund the costs of establishing and administering the call center, and that the remainder of the revenue be distributed to public safety answering points (PSAPs).

6. Budget Amendment Necessary: Yes, Item 321.

7. Fiscal Impact Estimates: See Item 8 for explanation of new fund and revenues.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021			
2022	\$9,200,000		New NGF
2023	\$10,000,000		New NGF
2024	\$10,000,000		New NGF
2025	\$10,000,000		New NGF
2026	\$10,000,000		New NGF
2027	\$10,000,000		New NGF

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2021		
2022	\$14,600,000	New NGF

2023	\$16,000,000	New NGF
2024	\$16,000,000	New NGF
2025	\$16,000,000	New NGF
2026	\$16,000,000	New NGF
2027	\$16,000,000	New NGF

- 8. Fiscal Implications:** This bill adds additional requirements and conditions for the development and implementation of the Marcus Alert system established by HB5043 and SB5038 that were passed at 2020 Special Session I. The majority of items added respond to the recently passed National Suicide Hotline Designation Act of 2020.

As part of the review process for HB5043/SB5038, the Department of Behavioral Health and Developmental Services (DBHDS) identified the following costs associated with establishing a crisis hotline:

	FY 2021	FY 2022	FY 2023+
Call Center Staffing		\$4,732,000	\$9,464,000
Call Center Maintenance		\$375,000	\$500,000
Call Center Development (DBHDS Trust Fund)	\$5,000,000	\$0	\$0

With the exception of system maintenance costs in FY 2022, the costs of operating the crisis hotline in the current biennium are included in Chapter 56, 2020 Acts of Assembly, Special Session I. The costs for maintaining the system in FY 2022 are included in the amendments to the biennial budget introduced by the Governor on December 16, 2020.

Assuming all funds currently included in Chapter 56 and the Governor’s introduced budget are approved, this legislation does not require an additional amendment in FY 2022. Beginning in FY 2023 and beyond, an additional \$4.7 million to fully staff the call center and an additional \$125,000 to fully fund system maintenance will be needed annually. There also will be a need to continue to invest in mobile crisis teams and services, however, these requirements already were included in the Marcus Alert legislation. DBHDS anticipates it can meet all of the federal requirements of the National Suicide Hotline Designation Act if the crisis hotline is fully funded.

Crisis Call Center Fund

This legislation establishes a non-reverting fund to be called the Crisis Call Center Fund that would receive funds from surcharges on wireless service. The amounts deposited into this fund would be used solely for the establishment and operation of the crisis call center required by this legislation. Based on information provided by the Department of Taxation, it is anticipated that the Crisis Call Center Fund would receive \$9.2 million in FY 2022 and \$10.0 million in FY 2023 and each year beyond. This revenue would be adequate to cover the currently identified costs of operating the crisis call center. DBHDS will need a dedicated special revenue appropriation to authorize any planned expenditures and to correspond with the revenue created by this bill for the Crisis Call Center Fund.

Tax Implications

Current Law - Under current law, each wireless service carrier and reseller must collect a surcharge of \$0.75 per month on each wireless service number of its postpaid customers through its regular billing. Each carrier or reseller may retain an amount equal to three percent of the amount collected as dealer compensation. Additionally, a prepaid wireless E-911 fee of \$0.50 is imposed on each retail purchase of prepaid wireless calling service and collected by retail merchants at the point of sale.

The Wireless E-911 Fund consists of revenues from both the postpaid wireless E-911 surcharge and the prepaid wireless E-911 fee. The 9-1-1 Board (“the Board”) is responsible for allocating the Wireless E-911 Fund revenues and managing moneys appropriated for emergency telecommunication services in local jurisdictions. The Board distributes 60 percent of funds in the E-911 Fund through the Department of Accounts (DOA) to the public safety answering points (PSAPs) based on a formula allocation. The remaining 40 percent is distributed by the Virginia Department of Emergency Management (VDEM) to PSAPs or on behalf of PSAPs based on grant requests received by the Board.

State law also imposes a prepaid wireless E-911 fee of \$0.50 on each retail purchase of prepaid wireless calling service. The prepaid wireless E-911 fee is not subject to any other state or local fee or tax. This fee is collected at the point of sale and separately stated on the invoice or receipt or otherwise disclosed to the customer by the retail merchant.

Proposed Change - The bill would increase the wireless E-911 surcharge from \$0.75 to \$0.94 and increase the prepaid wireless E-911 charge from \$0.50 to \$0.63. Part of the revenue attributable to the increase would be distributed to the Crisis Call Center Fund, established by the bill, to fund establishing and administering the call center. The remainder of the revenue would be distributed to PSAPs.

Under this bill, \$0.12 of the total monthly wireless E-911 surcharge of \$0.94 would be designated the “postpaid wireless crisis call center allocation” for allocation into the Crisis Call Center Fund, and \$0.08 of the total prepaid wireless E-911 charge of \$0.63 would be designated the “prepaid wireless crisis call center allocation” for allocation into the Crisis Call Center Fund.

Based on this legislation and the formulas laid out in § 56-484.17, Code of Virginia, it is estimated that revenues would be distributed in the following manner:

	FY 2022	FY 2023+
Crisis Call Center Fund	\$ 9,200,000	\$ 10,000,000
Virginia Department of Emergency Management	\$ 2,200,000	\$ 2,400,000
Department of Accounts Transfer Payments	\$ 3,200,000	\$ 3,600,000
Total	\$ 14,600,000	\$ 16,000,000

Based on historical expenditure information, it does not appear that VDEM or DOA require additional appropriation to account for this revenue increase as their current appropriations are adequate. If enacted during the regular session of the 2021 General Assembly this bill would become effective July 1, 2021.

Department of Tax Administrative Costs - The Department considers implementation of this bill as routine and does not require additional funding.

Revenue Impact - This bill would result in a positive revenue impact for \$14.6 million in Fiscal Year 2022 and \$16.0 million in FY 2023 through FY 2027. The allocation to the Crisis Call Center Fund would be approximately \$9.2 million in FY 2022 and \$10.0 million in FY 2023 through FY 2027, with the remainder allocated to the Wireless E-911 Fund.

9. Specific Agency or Political Subdivisions Affected Department of Behavioral Health and Developmental Services, Community Services Boards, Department of Taxation, Virginia Department of Emergency Management.

10. Technical Amendment Necessary: No

11. Other Comments: None