

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 641 (Delegate Kagan, *et al.*)

Commerce and Government Matters

Ref. to Economic & Environmental Affairs

State Government - Toll Free Telephone Access

This amended bill requires each unit of State government to install and maintain a telephone system that allows the employees of the unit to be accessible from anywhere in the State via a toll-free telephone during regular business hours to conduct official State business. The bill also requires that this number be printed on all of the unit's official stationary and documents that are distributed to the public and are ordered after the bill's effective date. The toll-free access number must be listed in any directory created after the bill's effective date.

Fiscal Summary

State Effect: Indeterminate effect on expenditures as discussed below. Revenues would not be affected.

Local Effect: Expenditures could decrease a minimal amount to the extent that local governments currently incur costs associated with calling units of State government that would be accessible toll-free under the bill. Revenues would not be affected.

Small Business Effect: Minimal effect on all small businesses. To the extent that small businesses currently incur telephone toll fees in conducting official business with the State, their expenditures could be reduced.

Fiscal Analysis

Background: General fund expenditures for State toll-free telephone access has increased from approximately \$189,000 in fiscal 1993 to an estimated \$1.8 million in fiscal 1996. It is estimated that the State will spend over \$1.9 million on toll-free telephone access in fiscal 1997. There are currently more than 220 toll-free numbers currently serving various executive and administrative agencies. However, according to the Department of Budget and

Management (DBM), relatively few of these telephone numbers are used exclusively for general information purposes. In addition, the public often reaches the incorrect unit of State government and may or may not be routed to the correct unit depending upon the knowledge of the party answering the call.

State Expenditures: According to the Department of General Services, requiring all units of State government to be accessible via a toll-free telephone system may reduce general fund expenditures and improve access if a call center were established that would allow a person to call a toll-free number and speak with a trained attendant who would redirect the call to the appropriate unit of State government. These toll-free numbers and call center services would be competitively bid and be made available for State and local governments as well as universities to use. The call center is expected reduce the need for some of the existing toll-free numbers.

The Department of Fiscal Services advises that the cost of the call center and associated toll-free number cannot be reliably estimated at this time. It is also unknown whether the savings resulting from the reduction of certain existing toll-free numbers would be greater or less than the cost of the new call center. Thus, any effect on State expenditures cannot be reliably estimated at this time. For informational purposes, it is noted that the cost of toll-free telephone access is estimated at \$20 per month per additional line and 10.5 cents per minute such lines are in use.

Information Source(s): Department of General Services, Department of Health and Mental Hygiene (Board of Nursing), Department of Management and Budget, Department of Transportation

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