

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 271 (Delegates Kelly and Bagnall)
 Health and Government Operations

Budget and Taxation

9–8–8 Trust Fund – Funding

This bill requires the Governor to include in the fiscal 2025 annual budget bill an appropriation of \$12.0 million to the 9-8-8 Trust Fund. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: No effect in FY 2024. General fund expenditures and special fund revenues increase by \$12.0 million in FY 2025 only due to the mandated appropriation. Special fund expenditures increase by a likely significant, but indeterminate amount beginning in FY 2025 for authorized purposes, including the cost to hire staff in FY 2025, as discussed below. **This bill establishes a mandated appropriation for FY 2025.**

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SF Revenue	\$0	\$12.0	\$0	\$0	\$0
GF Expenditure	\$0	\$12.0	\$0	\$0	\$0
SF Expenditure	\$0	-	-	-	-
Net Effect	\$0.0	(\$-)	(\$-)	(\$-)	(\$-)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local revenues and expenditures may increase significantly for jurisdictions that provide behavioral health crisis response services, as discussed below.

Small Business Effect: Potential meaningful, as discussed below.

Analysis

Current Law: Pursuant to Chapters 145 and 146 of 2022 and the federal National Suicide Hotline Designation Act of 2020, the Maryland Department of Health (MDH) designated 9-8-8 as the State's behavioral health crisis hotline on July 16, 2022.

Chapters 145 and 146 of 2022 also established the 9-8-8 Trust Fund to provide reimbursement for costs associated with designating and maintaining 9-8-8 as the universal telephone number for a national suicide prevention and mental health crisis hotline and developing and implementing a statewide initiative for the coordination and delivery of the continuum of behavioral health crisis response services. The fund may also be used for behavioral health crisis response services in the State, including (1) crisis call centers; (2) mobile crisis team (MCT) services; (3) crisis stabilization centers; and (4) other acute behavioral health care services. The fiscal 2023 budget includes \$5.0 million in general funds for costs related to 9-8-8 implementation. Per Chapters 145 and 146, the Governor must include \$5.5 million for the fund in the annual budget bill for fiscal 2024.

MDH administers the fund and must submit a report by December 1 each year that includes (1) the amount of funds transferred and distributed from the fund; (2) the additional services provided by the funding in each local jurisdiction; (3) the amount of any unspent funds in the fund; and (4) the reasons why any unspent funds were not spent.

The fund is a special, nonlapsing fund consisting of money appropriated to the fund in the State budget, interest earnings of the fund, and any other money accepted for the benefit of the fund. Money expended from the fund is supplemental to and is not intended to supplant funding that would otherwise be appropriated for the fund's purpose. The fund is subject to audit by the Office of Legislative Audits pursuant to the State Government Article.

State Fiscal Effect: General fund expenditures and special fund revenues to the 9-8-8 Trust Fund increase by \$12.0 million in fiscal 2025, reflecting the bill's mandated appropriation. Special fund expenditures from the trust fund increase by a likely significant, but indeterminate amount beginning in fiscal 2025, to the extent that MDH expends money from the fund for authorized purposes in statute, including the hiring of one administrator to assist with the ongoing implementation and maintenance of 9-8-8.

Thus, special fund personnel expenditures increase by \$94,023 in fiscal 2025, which accounts for the bill's July 1, 2023 effective date and the fiscal 2025 mandated appropriation. The estimate reflects the cost of hiring one administrator, as specified. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- the administrator position begins July 1, 2024, at the start of fiscal 2025, due to the additional \$12.0 million mandated appropriation in fiscal 2025;
- 9-8-8 implementation and maintenance is ongoing; thus, a permanent rather than contractual position is necessary despite the bill’s mandated appropriation for fiscal 2025 only;
- the \$12.0 million mandated appropriation to the 9-8-8 Trust Fund will likely be expended over multiple fiscal years; and
- the 9-8-8 Trust Fund may be used to fund the necessary staff for continued implementation and maintenance of 9-8-8 as the universal telephone number for a national suicide prevention and mental health crisis hotline.

Position	1.0
Salary and Fringe Benefits	\$86,338
Operating Expenses	<u>7,685</u>
FY 2025 Personnel Expenditures	\$94,023

Future year personnel expenditures (\$91,290 in fiscal 2026, increasing to \$100,398 in fiscal 2028) reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Local Fiscal Effect: Local revenues and expenditures increase for jurisdictions that operate crisis call centers, MCT services, crisis stabilization services, and other acute behavioral health care services to the extent that money is awarded from the 9-8-8 Trust Fund in accordance with the State budget and expended to implement behavioral health crisis response services in the State.

Small Business Effect: Small businesses that provide acute behavioral health care services may receive funding from the 9-8-8 Trust Fund for costs associated with delivering behavioral health crisis response services in the State.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 3 (Senator Augustine, *et al.*) - Budget and Taxation.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2023
js/jc Third Reader - March 20, 2023

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