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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/09

SPONSOR Garcia, M. P. LAST UPDATED \_\_\_\_\_ HB 519

SHORT TITLE Establish Statewide Operator Hotline SB \_\_\_\_\_

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$500.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

House Bill 519 proposes to amend the Department of Finance and Administration Act to include a statewide operator hotline to help citizens obtain state services from appropriate agencies or programs and appropriates \$500.0 from the general fund to the Department of Finance and Administration to establish and operate the hotline.

### FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall not revert to the general fund.

The DFA notes that the bill proposes an appropriation of \$500 thousand dollars for use in fiscal year 2010 and subsequent years, however that initial amount may only be sufficient to cover the feasibility of the program.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

## SIGNIFICANT ISSUES

The DFA states:

For this program to be successful, the state would have to create this function from the ground up and assume all costs associated with establishing and administering the new bureau. This may include office space, computers, furnishings, and salary and benefits for 5 or more full-time employees. Considering the lowest estimates the state can expect to pay approximately \$28,000 per year in salary and benefits for the hotline operators and \$35,000 per year for a webmaster. This program can expect to incur on-going administrative and operating costs at minimum between \$150,000 to \$200,000 annually. First year costs would be substantially higher.

Based on estimates provided by the City of Albuquerque's 311 hotline it may take more than three million dollars to establish this program. From the program inception to its current use it may take 3 years to get the program up and running including 6 months to establish policies and procedures and 6 months to test the system and ensure that all resources are user friendly. Training of employees can range from 4 to 6 weeks.

Based on performance from the City of Albuquerque's 311 hotline which receives approximately 135,000 calls per month the State can anticipate three to four times that volume. The 311 hotline is available 24 hours a day and 7 days a week. At an estimate of 3 minutes per call which includes after call processing time we may require 4 full time employees for assistance Monday through Friday 8:00am to 5:00pm. The hotline will need to have a dedicated webmaster to ensure that the information on the website is current.

This program can expect to have the same functionalities as the 311 hotline the City of Albuquerque currently uses, however the state can anticipate a larger volume of phone calls coming into the hotline.

As drafted the bill proposes to establish a hotline to assist the citizens in obtaining information for available services or programs and the appropriate agency. The mission of the Department of Finance and Administration is to assist state agencies and Local Governments in budget matters, and to ensure proper fiscal oversight using state dollars. This would be outside of our department's normal scope in that we would have direct contact with the constituents of the state.

GH/svb