



***Cal* OES**
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

9-8-8 Surcharge

State Emergency Telephone Number Account
January 2024



Presentation Overview

- California Statutes related to 9-8-8 Surcharge
- Overview of the state funding process
- Fund Condition Statement Example



California Statutes

- The following statutes apply to the 988 Surcharge Process. Nothing in this presentation implies an authoritative source for funding authority or is an interpretation of the statutes and is offered for information purposes only.
- Gov Code Section 53123.1 - 53123.6

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=5.&part=1.&chapter=1.&article=6.3

- Revenue and Tax Code Section 41001-41176

https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=RTC&division=2.&title=&part=20.&chapter=&article=



SETNA 9-8-8 Surcharge

- The 9-8-8 surcharge is set at \$0.08 for 2023 and 2024 in state statute
- Fee calculation for 2025 and beyond
 - Budget requests are sent to Department of Finance for eligible expenditures for the 9-8-8 surcharge
 - The CA State Legislature approves the budget, which sets the revenue that must be generated from the 9-8-8 surcharge
 - Access line service providers send number of access lines to Cal OES
 - 9-8-8 surcharge is based on the budget and number of access lines
 - Letter is sent to CDTFA by October of each year



SETNA 9-8-8 Surcharge and the Fund Condition Statement

	2021-22*	2022-23*	2023-24*
<u>3414 988 State Suicide and Behavioral Health Crisis Services Fund ^S</u>			
BEGINNING BALANCE	-	-	22,138
Adjusted Beginning Balance	-	-	\$22,138
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4140505 Suicide and Behavioral Health Telephone Surcharge	-	22,138	44,276
Total Revenues, Transfers, and Other Adjustments	-	\$22,138	\$44,276
Total Resources	-	\$22,138	\$66,414
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
0530 Secretary for California Health and Human Services Agency (State Operations)	-	-	5,500
0690 Office of Emergency Services (State Operations)	-	-	9,533
0690 Office of Emergency Services (Local Assistance)	-	-	20,280
4260 State Department of Health Care Services (State Operations)	-	-	773
4260 State Department of Health Care Services (Local Assistance)	-	-	19,000
7600 California Department of Tax and Fee Administration (State Operations)	-	300	661
Less funding provided by General Fund (State Operations)	-	-300	-
Total Expenditures and Expenditure Adjustments	-	-	\$55,747
FUND BALANCE	-	\$22,138	\$10,667
Reserve for economic uncertainties	-	22,138	10,667



SETNA 9-8-8 Surcharge Calculation Example

Description	Ref.	Amount
Authorized Budget Expenditure	B1	\$44,000,000
Balance from Fund Condition Statement	B2	\$0
Revenue Needed for next Budget Year	B3	\$44,000,000
Estimated number of Access Lines	B4	46,121,214
Surcharge per month	B5	\$0.08
Projected Annual Revenue	B6	\$44,276,365
Formulas: B3 = B1-B2, B6=B4*B5*12		



California Budget Process – 18 Months

- **January - April:** Each state agency will begin an analysis of what funding authority will be needed the following year and develop Budget Change Process (BCP) concept documents based on budget needs
- **April – August :** State Agencies will discuss budget needs and finalize BCP concepts. Agencies begin discussions with Department of Finance. This process will be used to ensure alignment with Governor’s priorities and guidelines.
- **September (First Week):** Completed BCPs are submitted to the Department of Finance.
- **September-December:** the Department of Finance staff builds the Governor’s Budget and questions and clarifications are discussed related to all BCPs that were submitted to determine what will be included in Governor’s Budget.
- **January 10:** The Governor releases the Governor’s Budget.
- **January – May:** Questions will be received and answered from Legislative Analysis Office. Budget Hearings are conducted. BCPs are drafted and sent to DOF for any new budget needs that will be included in May revise budget
- **May-June:** May Revise Budget is released. Budget Bill is voted on and passed by Senate and Assembly and signed into law by Governor.
- **July –** State Agencies are able to encumber and expend funds for any approved BCPs that were included in the budget