



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #195

Grants Funding and Duplicate Birth Certificate Fee Increase (Child Abuse and Neglect Prevention Board)

[LFB 2005-07 Budget Summary: Page 98, #4]

CURRENT LAW

The current birth certificate fee is \$12, of which \$5 is retained by the issuing agency (either the Department of Health and Family Services (DHFS) or the county), and \$7 is credited to a program revenue appropriation that supports grants distributed by the Child Abuse and Neglect Prevention (CANP) Board and the Board's operations.

In 2004-05, the Board is budgeted \$2,726,000 (\$390,000 FED, \$2,312,900 PR, and \$23,100 SEG) to support three grant programs and the Board's operations costs. The federal funding is available under Title II of the Child Abuse Prevention and Treatment Act (CAPTA), which supports networks of community-based, prevention-focused family resource and support programs. The PR funding is available from three sources: (a) \$1,822,900 from birth certificate fees; (b) \$340,000 from temporary assistance for needy families (TANF) funds the Department of Workforce Development transfers to the Board; and (c) \$150,000 in federal access and visitation funds DHFS transfers to the Board. The SEG funding is supported by revenue from gifts and donations made to the Board, as well as interest on the revenue from the sale of "Celebrate Children" license plates.

GOVERNOR

Provide \$404,100 PR in 2005-06 and \$485,000 PR in 2006-07 to increase, from \$1,480,000 PR to \$1,884,100 PR in 2005-06 and \$1,965,000 PR in 2006-07, funding for grants distributed by the Board that are supported by revenue from birth certificate fees. Increase the fee assessed for birth certificates, from \$12 to \$15, and specify that \$9, instead of \$7 under current law, would be transferred to the Board to support grants.

In addition, increase from \$5 to \$15 the fee for issuing a duplicate birth certificate when the birth certificate is filed more than 365 days after the birth and clarify that \$9 of the \$15 fee is to be forwarded to the Board.

The Governor estimates \$606,300 in 2005-06 and \$727,600 in 2006-07 in additional revenue from this fee increase, of which approximately \$404,100 in 2005-06 and \$485,000 in 2006-07 would be forwarded to the Board. The rest of this revenue (\$202,200 in 2005-06 and \$242,600 in 2006-07) would be retained by the agency that issued the birth certificate, either DHFS or the county. Revenue DHFS retains is credited to a PR appropriation, which supports the state's vital records program.

DISCUSSION POINTS

1. In addition to some state operating costs, birth certificate fee revenue supports two grant programs administered by the Board: (a) family resource center grants; and (b) community-based family resource and support program grants.

Family Resource Centers

2. Family resource centers are based on the concept that an effective way to prevent child abuse and neglect is to enhance parent-child interaction, reduce family stress, improve family functioning, and provide community support. Family resource centers provide comprehensive services to families, including education and support. The centers primarily provide services for parents with children through age three, offer opportunities for parents and caregivers to learn new skills, interact with other parents, and learn to access community resources. Although each center provides different programs and activities, each is charged to be responsive to the needs of the community and universally accessible by all in the community. The centers provide an array of programming from the following four service areas: (a) outreach and family visiting services; (b) group-based parent education and support services; (c) individual center-based parent education and support services; and (d) community resource referral and follow-up services. Currently, there are approximately 80 family resource centers in Wisconsin.

3. In the 2003-05 biennium, the Board is budgeted \$1,700,000 [\$80,000 FED and \$1,620,000 PR (\$1,280,000 PR from birth certificate fee revenue and \$340,000 PR in TANF funds)] annually to support grants to family resource centers. In 2004-05, the Board allocated funds to 16 family resource centers, which are listed in Table 1. One previously funded grant was discontinued and those grant funds were not fully reallocated in 2004-05. Each family resource center receives a grant of \$100,000 annually on a state fiscal year basis. The initial grants were awarded under a competitive request for proposal (RFP) process.

TABLE 1

Family Resource Centers

<u>Program</u>	<u>Lead Agency</u>	<u>Location</u>
Exchange Family Resource Center	Children's Service Society of Wisconsin	Janesville
Family Center of Washington County		West Bend
Family Center	Grant Regional Health Center	Platteville
Family Center of Florence County	Florence County Health Department	Florence
Lakeshore Family Resources	Lakeshore CAP	Manitowoc
Family Resource Center	Renewal Unlimited	Portage
Family Resource Center	Prairie du Chien Memorial Hospital	Prairie du Chien
Family Resources	Family Resource Center of La Crosse	La Crosse
The Family Resource Center	Children's Service Society of Wisconsin	Wausau
Ft. Howard/Jefferson Neighborhood Family Resource Center		Green Bay
La Causa Family Resource Center	La Causa, Inc.	Milwaukee
Northern Lights Family Resource Center	Superior School District	Superior
River Source Family Center	Family Support Center	Chippewa Falls
The Vincent Family Resource Center	St. Vincent De Paul Society of Milwaukee	Milwaukee
Northwest Connection Family Resources		Hayward
Family Resource Center of Sherman Park	Children's Service Society of Wisconsin	Milwaukee

4. The Board has intended for the grants to be a continual source of base funding for the centers. However, to continue to receive funding, the grantees must reapply every year and meet certain requirements. New grants have been awarded only when a grant to a current recipient is discontinued or new funds become available. Grantees are required to provide a 20% match to their grant, which may be in cash, in-kind services, or both. If a program has received funding from the Board for three or more years, the program must have at least a 5% match in cash.

5. In 2002-03, the last year for which this information is available, family resource centers that received grants from the Board served 5,866 adults and 9,285 children, including 4,380 children who were younger than four years old.

Community-Based Family Resource and Support Program Grants

6. The Board distributes \$30,000 grants to 13 programs and \$15,000 grants to two programs to support primary prevention, community-based family resource and support programs aimed at preventing child abuse and neglect. These programs are to fill identified gaps within a community's family support network. Some of the program goals are to: (a) reduce family isolation, violence, and poverty; (b) increase parent knowledge and use of developmentally appropriate childrearing practices; (c) provide respite programs designed to decrease parental stress; (d) support programs within school districts designed to prevent child sexual abuse or bullying; and (e) promote father involvement with their children.

7. The Board has awarded these grants for a three-year period, with annual renewals,

contingent upon satisfactory performance. The grant funds cannot be used to supplant existing funds and grantees are required to provide a 25% match annually during the first three-year grant period and 50% during the second and subsequent grant periods (if applicable). The match can be made through cash, in-kind services, or both, and must be used only to enhance the services provided with the grant from the Board.

8. In 2004-05, the Board is budgeted \$420,000 (\$210,000 FED and \$210,000 PR) for these grants. The grants are awarded on a state fiscal year basis. 2002-03 was the first year of the current three-year grant cycle. The current grantees for family resource and support programs are shown in Table 2. In 2002-03, the 15 community-based program grantees served 5,829 adults and 7,409 children.

TABLE 2

Family Resource and Support Community-Based Program Grantees (2004-05)

<u>Program</u>	<u>Location</u>
Catholic Charities, Inc.	Madison
Children's Service Society of Wisconsin Marquette County	Montello
CSSW -- Milwaukee Respite Care Program	West Allis
Exchange Center for Prevention of Child Abuse	Madison
Family Resource Center of Fond du Lac County, Inc.	Fond du Lac
Family Resource Center of Iowa County	Dodgeville
Family Resource Center of Sheboygan County	Plymouth
Community Action-Family Building Blocks	Janesville
Family Resources of La Crosse*	La Crosse
Kenosha Achievement Center, Inc.	Kenosha
Lakeland Family Resource Center	Spooner
Prairie du Chien Memorial Hospital*	Prairie du Chien
Sacred Heart/St. Mary's Hospital, Inc.	Rhineland
The Parenting Network	Milwaukee
Wausau Area Hmong Mutual Association	Wausau

*These agencies received \$15,000 grants; all other agencies received \$30,000 grants.

Increase Birth Certificate Fee

9. Table 3 shows the Board's projected revenue deficit, assuming annual revenue of \$1.7 million in birth certificate fees. In 2004-05, the Board reduced the amount of fee revenue that supported operational costs from \$676,900 to \$300,000. In addition, the amount sent out as grants was reduced slightly. As the table shows, under current law, the amount of revenues available to the Board is less than the projected costs supported by this revenue source.

TABLE 3

**Birth Certificate Fee Revenue and Expenditures
Current Law**

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Opening Balance	\$506,500	\$75,240	\$28,240	-\$87,460
Program Revenues	1,698,391	1,700,000	1,700,000	1,700,000
Operation Costs	-676,873	-300,000	-300,000	-300,000
Act 33 Lapse Requirements		-21,000		
Contract Savings		14,000		
AB 100 Lapse	_____	_____	<u>-35,700</u>	<u>-35,700</u>
Amount Available for Grants	\$1,528,018	\$1,468,240	\$1,392,540	\$1,276,840
Total Expenditures (Actual and Projected)	<u>-1,452,778</u>	<u>-1,440,000</u>	<u>-1,480,000</u>	<u>-1,480,000</u>
Closing Balance	\$75,240	\$28,240	-\$87,460	-\$203,160

10. The bill would increase the birth certificate fee from \$12 to \$15 and \$2 of the \$3 increase would be forwarded to the Board. The total projected annual revenue from the increase is \$727,700, of which \$485,100 would be forwarded to the Board. The remaining portion of the fee is retained by the agency that issued the birth certificate, either DHFS or counties. Data from recent fiscal years indicate that the state issues approximately 30% of birth certificates and counties issue the remaining 70%. Therefore, of the proposed increase, an estimated \$72,600 would be received by DHFS and \$170,000 would be retained by counties. These are annual estimates; the bill assumes that there would be 10 months of revenues in 2005-06 instead of the full 12 months, to reflect the anticipated lag time in implementing the increase.

11. As Table 3 shows, the Board has been unable to support the budgeted level of grant funding (\$1,480,000 PR annually) with the amount of available revenue. An increase in the birth certificate fee would allow the Board to support these grants at the \$1,480,000 total level of funding and also provide additional funding in 2006-07 to support grants. The additional grant funding would be used to support child abuse prevention strategies identified in the 2004 "Call to Action" summit on child abuse and neglect prevention and could include respite care, supporting local coordinating councils, supporting child care providers as parenting educators, and other areas identified in the summit as effective strategies for preventing child abuse and neglect.

Table 4 shows the ending balances in both 2005-06 and 2006-07 after accounting for the higher level of projected revenue from the fee increase, and an increase in the amount of funding for grants.

TABLE 4

**Birth Certificate Fee Revenue Under AB 100
(With Fee Increase)**

	<u>2005-06</u>	<u>2006-07</u>
Opening Balance	\$28,200	\$316,600
Program Revenues	2,104,100	2,185,000
Operation Costs	-300,000	-300,000
AB 100 Lapse	<u>-35,700</u>	<u>-35,700</u>
Amount Available for Grants	\$1,796,600	\$2,165,900
Total Projected Expenditures	<u>-1,480,000</u>	<u>-1,965,000</u>
Closing Balance	\$316,600	\$200,900

12. The birth certificate fee was last increased in 1995-96, from \$10 to \$12. Table 5 shows the birth certificate fee, the amount allocated to the CANP Board, and each act that changed the fee, from 1983-84 through 2005 AB 100.

TABLE 5

History of Birth Certificate Fee

<u>Year</u>	<u>Birth Cert. Fee [§69.22(1)(c)]</u>	<u>Portion to CANP Board</u>	<u>Act That Changed The Fee</u>
1983-84	\$5	\$2	1983 Act 27
1985-86	7	2	1985 Act 315
1987-88	8	3	1987 Act 27
1989-90	8	3	
1991-92	10	5	1991 Act 39
1993-94	10	5	
1995-96	12	7	1995 Act 27
1997-98	12	7	
1999-00	12	7	
2001-02	12	7	
2003-04	12	7	
2005-06*	15*	9*	

*As proposed in AB 100.

13. If the fee were not increased, the Board would need to reduce funding for grants, either by reducing the amount of funding to each grant recipient or reducing the number of grant

recipients. If the Committee chose not to increase the birth certificate fee, funding in the bill for CANP Board grants would need to be reduced by \$509,100 PR in 2005-06 and by \$590,000 PR in 2006-07, such that the total amount of birth certificate fee revenue budgeted for grants would be \$1,375,000 PR annually.

DHFS Vital Records Program

14. The vital records office in DHFS is responsible for filing, preserving, changing, and issuing copies of birth, death, marriage, and divorce certificates. The Wisconsin vital records program is a state and local cooperative system composed of the DHFS state vital records office, 74 local registrars, and assorted business partners. State and local vital records are used for a variety of purposes, including: (a) providing proof of vital events to secure basic rights and benefits such as employment, child support, inheritance, insurance coverage, family research and foreign travel; and (b) supporting authorization or discontinuation of entitlement payments and to assist in fraud detection and prosecution. Additionally, vital records data aid in supplementing census data, administering health programs, and monitoring outbreaks of communicable diseases and sentinel events related to bioterrorism.

15. 2001 Wisconsin Act 16 required DHFS to appoint a committee to develop guidelines for an on-line, electronic filing system for Wisconsin's vital records that incorporates privacy, flexibility, and productivity. The Committee was also charged with recommending increases, if necessary, in vital records fees to implement the on-line system. Committee membership included: (a) the state registrar of vital statistics; (b) three local registrars, including one from a county with a population that does not exceed 22,000; one from a county with a population over 22,000 but that does not exceed 300,000; and one from a county with a population that exceeds 300,000; (c) three DHFS representatives; and (d) one genealogist. The committee also included members appointed as business partner stakeholders.

16. As required by Act 16, the committee submitted a report to the Legislature by January 1, 2003, recommending that the Wisconsin vital records program be directed to develop and implement an electronic vital records filing system for Wisconsin as specified in the guidelines funded by recommended fee allocations. The committee report noted one-time system development and implementation costs of \$2,175,000, and annual maintenance and preservation costs of \$570,000. The committee noted that the cost of automation is low relative to the benefits that will be realized by the public and by government programs that depend on the efficiency of the vital records program in their daily operations.

17. The committee report describes the current statewide vital records system as paper-intensive, requiring business partners to maintain outdated business practices, including redundant data entry. Further, the committee report states that a statewide electronic filing system for vital records "will allow vital records business partners to incorporate existing technology currently used to expedite other office processes, eliminate redundant activities and improve the quality and timeliness of all vital records functions." The committee also noted that fees collected will allow the state and other local vital records offices to purchase hardware needed to increase the efficiency

of their operations and improve services to the public. Although the committee's report suggested fee increases, none of the suggested fee increases has been implemented; consequently, system development has lagged. However, DHFS expects to send out a request for proposals (RFP) in the fall of 2006 for an on-line, electronic filing system for Wisconsin's vital records to be developed in modules. The first module to be developed in the proposed on-line electronic filing system would replace the existing systems for birth registration and certificate issuance. DHFS reports that it would apply the additional revenue it expects to receive from the proposed birth certificate fee increases (estimated at \$60,500 in 2005-06 and \$72,600 in 2006-07), toward developing the birth certificate module.

Summary

18. To support the Board's current grants and to provide additional funding for grants, beginning in 2006-07, the Committee could approve the Governor's recommendation to increase the birth certificate fee. To allow DHFS to use the projected revenues that it would receive from the increase for the on-line vital records filing system, the Committee could also provide \$60,500 PR in 2005-06 and \$72,600 PR in 2006-07 in DHFS for this cost. Alternatively, the Committee could delete the provision and reduce funding available to the Board to support grants, to align the projected expenditures with the projected birth certificate fee revenues.

ALTERNATIVES

1. Approve Governor's recommendation.

2. Approve Governor's recommendation. In addition, provide \$60,500 PR in 2005-06 and \$72,600 PR in 2006-07 in DHFS to authorize DHFS to expend the projected amount of revenue DHFS would receive from the higher birth certificate fee.

<u>Alternative 2 - DHFS</u>	<u>PR</u>
2005-07 REVENUE (Change to Bill)	\$133,100
2005-07 FUNDING (Change to Bill)	\$133,100

3. Delete the provision and reduce funding for grants in the CANP Board by \$509,100 PR in 2005-06 and \$590,000 PR in 2006-07 to reflect available funding from birth certificate fee revenue.

<u>Alternative 3 - CANP Board</u>	<u>PR</u>
2005-07 REVENUE (Change to Bill)	- \$889,100
2005-07 FUNDING (Change to Bill)	- \$1,099,100

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