



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #493

Vital Records Program -- Funding and Fee Increases (DHFS -- Public Health)

[LFB 2001-03 Budget Summary: Page 373, #6]

CURRENT LAW

The Department of Health and Family Services (DHFS), Office of Vital Statistics administers the state vital records program. A vital record is defined by statute as a certificate of birth, death, divorce or annulment, marriage documents and related data. Local registrars are required to transmit to the state registrar original vital records within ten working days of receipt. The fees charged for issuing records, providing copies of records and modifying existing records are established by statute. The revenue collected from fees supports the DHFS vital records program. In addition, \$7 of the \$12 fee charged for a certified copy of a birth certificate is used to support grants and operations of the Child Abuse and Neglect Prevention (CANP) Board.

Base funding for the DHFS vital records program is \$1,252,300 PR, which currently supports 16.65 PR positions.

GOVERNOR

Provide \$915,000 PR in 2001-02 and \$496,500 PR in 2002-03 and 2.0 PR three-year project positions, beginning in 2001-02, to: (a) develop and manage an on-line record keeping system for the vital records program (\$531,300 in 2001-02 and \$169,300 in 2002-03); (b) preserve and protect vital records through contracts with vendors and to purchase a microfilm reader and other equipment related to the preservation project (\$214,800 in 2001-02 and \$144,400 in 2002-03); (c) meet workload associated with requests for genealogical searches (\$28,900 in 2001-02 and \$32,800 in 2002-03); and (d) adjust expenditure authority to reflect services provided to the Department of Workforce Development in establishing paternity (\$150,000 annually).

Fees. Modify fees for vital records as follows: (a) increase the fee for each additional certified copy of a vital record from \$2 to \$3; (b) create a \$3 fee for each additional uncertified copy of a vital record; (c) create a \$10 fee for expedited service in issuing a public record; (d) specify that a \$10 fee be charged for changing a name on an original birth certificate under a court order, and that a \$20 fee be charged for any new vital record registered as a result of a court order; (e) increase from \$10 to \$20 the fee for changing a birth certificate resulting from a rescission of a statement of paternity; and (f) authorize the state registrar to charge a reasonable fee for providing searches of vital records and for providing copies of vital records to state agencies for program use. Specify that these fee changes would take effect on the first day of the second month beginning after the bill's publication.

Electronic Filing. Modify the current statutes relating to the vital records program to allow records to be filed and recorded electronically. Expand the definition of vital records to include worksheets and electronic transmissions relating to certificates of birth, death, divorce annulment and marriage. Require the state registrar to approve or prescribe formats for electronic submissions. Modify the method in which the state or local registrar makes changes to a vital record to allow for the changes to be made electronically. Finally, require DHFS to promulgate rules to control access to electronic records, protect vital records from fraudulent use and protect privacy rights of registrants and their families.

DISCUSSION POINTS

Fee Increases

1. The Office of Vital Records files approximately 67,000 birth records, 46,000 death records, 36,000 marriage records and 18,000 divorce records annually. Revenues DHFS collects from issuing vital records, providing copies of vital records and making modifications to records fund the state vital records program.

2. It is estimated that \$1,276,300 will be collected from vital records fees in 2000-01. Of this amount, \$448,000 will be allocated for the CANP Board to fund the Board's general operations and grants.

3. Table 1 summarizes the current vital records fees and the fees proposed in the Governor's budget bill.

TABLE 1

Current and Proposed Vital Records Fee

<u>Record</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Birth certificate – certified	\$12	\$12
Other vital record - certified	7	7
Other vital record – uncertified	7	7
Additional copy – certified	2	3
Additional copy - uncertified	None*	3
Changes to a vital record	10	10
Registering a new vital record	20	20
Delayed birth registrations	25	25
Fee for expedited service	None	10

*DHFS currently charges a \$2 fee for additional copies of uncertified records. However, the statutes do not specify a fee for this service.

4. Most of the additional revenue that would be generated under the Governor's proposed fee increases would result from: (1) creating a \$10 fee for expedited service for issuing a public record; and (2) increasing the fee for additional copies of vital records from \$2 to \$3. The bill also includes provisions to clarify how certain fees are to be charged, and to provide for consistent treatment of fees for new records issued because of a court order or an administrative action.

5. Vital record fees have not increased since 1984, except to provide funding for the CANP Board. Consequently, the only increases in revenues to the vital records program have been generated from growth in vital records activity - increases in the numbers of records issued, copies requested and changes to vital records – which typically generates 1% to 3% of additional revenue annually.

6. Vital records program staff currently provide expedited services for requests received by FAX or in person. However, the vital records program does not have the authority to charge an additional fee, except to cover shipping costs. The fee increase in the bill would enable DHFS to recover some of the cost of reallocating staff time to process expedited requests, in addition to generating some additional revenue for the service. Based on current requests for expedited services and the effective date in the bill relating to these fee increases, it is projected that DHFS would receive approximately 3,900 requests for expedited services in 2001-02 and 5,400 requests in 2002-03. Based on the \$10 proposed fee, it is estimated that charging fee for expedited services would increase revenue to support the program by \$39,000 in 2001-02 and \$54,000 in 2002-03.

7. The \$1 increase in fees for copies of vital records would apply to additional copies

of a vital record that have been requested at the same time as the initial request. DHFS estimates that it will receive 65,000 requests for additional copies of records in 2000-01, and that this number will increase by 3% in each year of the biennium. Based on these assumptions, it is anticipated that this \$1 fee increase would increase revenues for the program by \$50,300 in 2001-02 and \$69,000 in 2002-03.

8. The Governor's budget assumed that the total revenue that would be available for the vital statistics program would be \$2,443,200 in 2001-02 and \$1,990,200 in 2002-03, including carryover revenues from 2000-01. However, these projections did not take in to account the transfer of revenue to the CANP Board, the delayed effective date of the increased fees under the bill or more recent expenditure estimates for 2000-01.

9. Based on current estimates, the total available revenues to the program under the bill would be \$1,860,500 in 2001-02 and \$1,380,100 in 2002-03. This is \$1,192,800 (\$582,700 in 2001-02 and \$610,100 in 2002-03) less than the amount the administration assumed would be available. Unless funding in the bill is reduced, the vital records program would end the biennium with a deficit of approximately \$1.2 million under the bill, as shown in Table 2.

TABLE 2
Vital Record Program
Projected Fund Balances Governor's Budget
2001-03 Biennium

	<u>2001-02</u>	<u>2002-03</u>
Opening Balance	\$548,500	-\$555,200
Revenues	\$1,774,000	\$1,856,100
Transfer to CANP Board	<u>-462,000</u>	<u>-476,000</u>
Net Revenues	\$1,860,500	\$824,900
Budgeted Expenditures and Reserves	\$2,415,700	\$2,019,100
Balance	-\$555,200	-\$1,194,200

10. Based on the current revenue projections, even if the Committee approves the increased fees under the bill, it should reduce PR expenditures in the bill by at least \$1,194,200 to maintain a positive balance in the program revenue appropriation that supports this function. This would reduce from \$1,411,500 to \$217,300 the amount that could be provided to support funding increases for the vital statistics program.

11. If the increased fees are not approved and the Governor's recommendations relating

to funding for the vital records program were deleted from the bill, the program revenue appropriation would end the biennium with a projected balance of \$4,800.

12. Based on the current revenue projections, both DHFS and DOA have agreed on priorities for the use of \$204,000 of the \$217,300 that would be available for program increases if the Committee approves the Governor's recommended fee increases. These priorities include: (a) \$75,000 in 2001-02 to preserve impounded records; (b) \$28,900 in 2001-02 and \$32,800 in 2002-03 to support 1.0 PR three-year project position for a research technician to assist with the preservation project and vital records customer services; (c) \$38,400 in 2002-03 to begin development of an on-line system for birth records; and (d) \$28,900 in 2002-03 to fund 1.0 PR three-year project position, beginning in 2002-03 to assist with developing an on-line system.

13. The Office of Vital Records currently has approximately 500,000 impounded records. These are original birth records that have been impounded following the creation of a new record as a result of a proceeding, such as an adoption or change in paternity. When the original record is impounded, the state orders the local registrar to destroy their record to avoid prohibited release of the document. As a result, the state has the only official copy of the record. The impounded records are not available to the public, and can only be released by court order or under the adoption search program.

14. The impounded records are currently stored at DHFS' central office in Madison. Program staff indicate that the records are not adequately protected from accidents involving fire or water, nor are they in a climate-protected environment. The rooms have automatic sprinklers, but either fire or water would destroy these records.

15. The \$75,000 for preservation of these records would be used to contract for microfilming services to film each impounded record and create an index to be loaded to a searchable electronic database. Once filmed, the records would be stored at an off-site, climate-protected location.

16. A 1.0 research technician position, beginning in 2001-02, would assist with the preservation of impounded records. In addition, the position would help current staff process genealogy requests. The vital records program had a backlog of up to six months for genealogy requests last year. Genealogy requests typically take an estimated four times longer than other requests, because they usually involve older records that are harder to locate, and require photocopying, rather than computer printouts. In order to reduce the backlog, the program used overtime and two LTEs, in addition to existing staff resources. While the Office has reduced the amount of time it takes to process a request to five to six weeks, some additional assistance would allow the program to minimize overtime, and provide better service on an ongoing basis.

17. The \$38,400 for an on-line system would be used to develop a module for birth records. While filing birth certificates is currently an automated process, the system is 12 years old and outdated, and does not allow for online ordering.

18. The bill would have provided funds to begin developing electronic filing and

ordering systems for all vital records. However, according to DHFS, upon further examination, the cost would be much higher than originally estimated (\$690,600 over the biennium). The cost for an on-line system for birth certificates alone could be \$350,000. Therefore, DHFS plans to phase-in electronic records systems as funding becomes available. The \$38,400 in 2002-03 and the additional 1.0 project position in 2002-03 would allow DHFS to do some initial development of an online system for birth records.

19. If the Committee approves the fee changes under the bill, it could approve funding for the items described above. Protection of impounded records would preserve important personal information regarding a person's identity that may not be available if the records were destroyed. Providing some additional assistance for processing genealogy requests would allow quicker turnaround of information, and better customer service. Funding initial development of a new automated system for birth records would allow the program to begin developing a secured system for on-line submittal and purchase of vital records.

20. However, if the Committee funds these initiatives, the projected balance for the vital records program would be \$13,300 at the end of the 2001-03 biennium, assuming a 3% increase in revenues each year. Depending on the actual program activity, revenues over the biennium could be lower than the assumed 3%. Given the low balance, the Committee may want to delay authorizing additional projects, and reassess the program's balance in the next biennium.

21. The proposed statutory changes in the bill would modify the definition of vital records to include electronic transmissions, and allow DHFS to implement electronic filing and ordering for all types of vital records. While current projections of funding and the cost to implement such systems would only fund initial development of electronic systems for birth records in 2001-03, DHFS intends to proceed with phasing in electronic filing for all records as funding becomes available. Therefore, DHFS staff indicate that the statutory changes should remain in the bill. However, if the Committee does not want DHFS to proceed with the electronic filing initiative, the language could be removed from the bill.

ALTERNATIVES TO BILL

A. Fees

1. Approve the Governor's recommendations to: (a) increase the fee for each additional certified copy of a vital record from \$2 to \$3; (b) create a \$3 fee for each additional uncertified copy of a vital record; (c) create a \$10 fee for expedited service in issuing public record; (d) specify that a \$10 fee be charged for changing a name on an original birth certificate under a court order, and that a \$20 fee be charged for any new vital record registered as a result of a court order; (e) increase from \$10 to \$20 the fee for changing a birth certificate resulting from a rescission of a statement of paternity; and (f) authorize the state registrar to charge a reasonable fee for providing searches of vital records and for providing copies of vital records to state agencies for program use. The changes would take effect on the first day of the second

month beginning after the bill's publication. Reduce estimates of revenue that would be generated by the proposed fee by \$89,000 in 2001-02 and \$53,300 in 2002-03.

Alternative A1	PR
2001-03 REVENUE (Change to Bill)	- \$142,300

2. Maintain current law. (If this alternative is selected, alternative B3 must also be selected, since there would be insufficient revenue to support any funding increases for the state's vital records program.)

Alternative A2	PR
2001-03 REVENUE (Change to Bill)	- \$354,600

B. Funding and Electronic Filing

1. Reduce funding in the bill by \$811,100 PR in 2001-02 and \$396,400 PR in 2002-03 so that \$103,900 PR in 2001-02 and \$100,100 PR in 2002-03 would be provided as follows: (a) \$75,000 PR in 2001-02 to preserve impounded records; (b) \$28,900 PR in 2001-02 and \$32,800 PR in 2002-03 for 1.0 PR three-year project position for a research technician to assist with the preservation project and vital records customer services; (c) \$38,400 in 2002-03 to begin development of on an on-line system for birth records; and (d) \$28,900 in 2002-03 for 1.0 PR three-year project position, beginning in 2002-03 to assist with developing an on-line system.

In addition, approve the Governor's recommendations to allow records to be filed and recorded electronically including: (a) expanding the definition of vital records to include worksheets and electronic transmissions; (b) requiring the state registrar to approve and prescribe formats for electronic submissions; (c) modifying the method to change vital records to allow the changes to be made electronically; and (d) requiring DHFS to promulgate rules to control access to electronic records, protect vital records from fraudulent use and protect privacy rights of registrants and their families.

Alternative B1	PR
2001-03 FUNDING (Change to Bill)	- \$1,207,500

2. Adopt the funding modifications in Alternative B1, but reduce funding by an additional \$67,300 PR in 2002-03 and delete 1.0 PR three-year project position in 2002-03 to delete funding for implementing an on-line vital records system. Delete the statutory language allowing vital records to be filed and recorded electronically.

Alternative B2	PR
2001-03 FUNDING (Change to Bill)	- \$1,274,800
2002-03 POSITIONS (Change to Bill)	- 1.00

3. Maintain current law.

Alternative B3	PR
2001-03 FUNDING (Change to Bill)	- \$1,411,500
2002-03 POSITIONS (Change to Bill)	- 2.00

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