

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE
Revised

House Bill 303 (Delegate Turner, *et al.*)

Judiciary

Referred to Judicial Proceedings

Adoption Contract Services and Access to Adoption Records

This amended bill authorizes an adopted individual over 21 years of age and a birth parent to apply to the Social Services Administration (SSA) within the Department of Human Resources (DHR) to receive assistance in contacting birth relatives (contact services). The SSA must compile a list of confidential intermediaries who would initiate contact with the birth relative and is authorized to charge a reasonable administrative fee for contact services. A written agreement between the adopted individual or birth parent and the confidential intermediary concerning contact services must include the fee to be paid for contact services to the intermediary and must be filed by the intermediary with SSA. The confidential intermediary must file a report with SSA within 30 days of the agreement on the status of the contact service. A confidential intermediary may apply to (1) the Department of Health and Mental Hygiene (DHMH) to receive a copy of the birth records, which DHMH must supply; and (2) SSA for additional assistance in locating a birth relative. SSA is authorized to charge the intermediary a fee for assistance services.

For adoptions finalized on or after January 1, 1999, DHMH is required to give copies of birth records to an adopted individual over 21 years of age or a birth parent, unless a birth relative has filed a disclosure veto with DHMH. The adopted individual or birth parent must pay a fee for a copy of the requested records.

The bill takes effect October 1, 1998, except for the open adoption records provision, which takes effect January 1, 1999.

Fiscal Summary

State Effect: General fund expenditures could increase by up to \$415,300 in FY 1999, of which up to \$342,400 could be offset by revenues. Future year expenditures grow with annualization and inflation. General fund revenues (cost recovery) could increase by up to \$342,400 in FY 1999. Future year revenues grow with annualization and inflation.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	\$342,400	\$372,900	\$380,600	\$388,500	\$396,600

GF Expenditures	415,300	443,300	453,400	463,800	474,400
Net Effect	(\$72,900)	(\$70,400)	(\$72,800)	(\$75,300)	(\$77,800)

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

Local Effect: None.

Small Business Effect: Potential meaningful effect on a limited number of small businesses as discussed below.

Fiscal Analysis

State Effect: It is difficult at this time to reliably estimate the number of positions needed to carry out the bill's requirements. For this reason, contractual positions should be used (with the exception of program administrators) for the first few years of the program's operation, until experience allows a re-assessment of the actual number of permanent positions required. At that time, the number of positions can be adjusted upward or downward to reflect demand for the program. In the meanwhile, operating the program with contractual employees should give the State flexibility to respond to circumstances as needed. The staffing levels discussed below reflect the bill's delayed effective date and assume that the year's delay will allow the program's existence to become widely known and generate program participants in large numbers.

Department of Human Resources

General fund expenditures could increase by up to \$318,400 in fiscal 1999 (which reflects the bill's October 1, 1998 effective date) for contact service applications, maintaining a list of confidential intermediaries, record keeping, and assisting confidential intermediaries with contact services. In particular, the requirement to assist confidential intermediaries implies an open-ended involvement on the part of SSA, depending on the extent to which confidential intermediaries turn to SSA for assistance. The \$318,400 estimate reflects the cost of hiring one administrator and 12 contractual employees, and associated operating expenses. The 12 contractual employees include 1 Clerk Typist, 1 Office Secretary, and 10 Social Workers. The information and assumptions used in calculating the estimate are stated below:

- there were 2,200 annual public and private adoptions in Maryland 25-30 years ago. Currently, there are 3,300 annual adoptions;
- individuals between 21 and 50 years old are most likely to seek location

- assistance;
- an estimated pool of 63,800 adopted individuals and 127,600 birth parents could potentially seek location assistance; and
- 6,000 persons a year will seek location assistance.

Salaries and Fringe Benefits	\$33,892
Contractual employees (12)	200,980
Other Operating Expenses	<u>83,528</u>

DHR FY 1999 Expenditures **\$318,400**

Future year expenditures reflect (1) 3.5% annual salary increases and 3% employee turnover; (2) 2% annual contractual salary increases; and (3) 2% annual increases in ongoing operating expenses. The bill's provision for open adoption records should eventually result in a decreased need for contact services. Therefore, SSA future year expenditures would decrease by an indeterminate amount in the long-term.

These expenditures could be offset by an equal amount of revenues because SSA may charge (1) an individual who applies for contact services a reasonable administrative fee; and (2) the confidential intermediary a reasonable fee for providing additional information and location assistance. Therefore, the amount of additional revenues will depend on fee levels established by SSA.

Department of Health and Mental Hygiene

The bill is likely to generate a substantial number of new requests for birth records, resulting in additional general fund expenditures of \$96,944 in fiscal 1999, which reflects the bill's October 1, 1998 effective date. This estimate reflects the cost of hiring one permanent Administrative Specialist position and two contractual positions (Administrative Specialist and Data Processing Specialist) to handle the increased number of applications for birth records and the handling of disclosure vetoes. The estimate also includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$23,134
Contractual employees	40,653
Other Operating Expenses	<u>33,157</u>

DHMH FY 1999 Expenditures **\$96,944**

Future year expenditures reflect (1) 3.5% annual salary increases and 3% employee turnover;

(2) 2% annual contractual salary increases; and (3) 2% annual increases in ongoing operating expenses. The bill's provision for open adoption records would result in additional demand for birth records. Therefore, DHMH future year expenditures would increase by an indeterminate amount in the long-term.

The adopted individual or birth parent applying for birth records must pay a fee for a copy of the birth record. Current vital records law requires a \$4 fee for each copy of a birth certificate. Birth certificate fee revenues could increase by \$24,000, assuming that 6,000 individuals seek the release of birth records each year.

Small Business Effect: Small businesses wishing to provide confidential intermediary services would be favorably affected. The bill requires SSA to adopt regulations specifying the qualifications necessary to become a confidential intermediary.

Information Source(s): Department of Health and Mental Hygiene, Department of Human Resources, Judiciary (Administrative Office of the Courts), Department of Fiscal Services

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