

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 784 (Senator Della. *et al.*) (Bv Request)
Economic and Environmental Affairs

Department of Health and Mental Hygiene - Vital Records

This bill increases the fee for a birth, death, or marriage certificate or record search from \$4 to \$6. The Department of Health and Mental Hygiene (DHMH) is to transfer all fee revenues to the general fund. The bill authorizes a local health department to access electronically from DHMH a copy of a birth certificate and to provide that copy to an authorized individual on request. A local health department is authorized to charge a certificate fee that covers, but does not exceed, administrative costs incurred; of the fee charged, \$4 is to be transferred to the general fund. The bill authorizes DHMH and a local health department to collect a fee for a certificate requested by a State or local agency. It repeals the requirement that DHMH send a copy of an original birth certificate to a county registrar and repeals the duties of a county registrar regarding county birth records.

Fiscal Summary

State Effect: General fund revenues increase by up to \$1 million in FY 1999. A portion of the increased revenues will accrue to local jurisdictions, depending on the extent to which local jurisdictions, rather than the State, receive birth certificate requests. Future year revenues reflect annualization and an increased number of birth certificate requests due to enhanced access and then level off. Potential significant savings in future years due to a decentralized system.

| (in millions) | FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-----------------|---------|---------|---------|---------|---------|
| GF Revenues | \$1.0 | \$1.4 | \$1.5 | \$1.5 | \$1.5 |
| GF Expenditures | 0 | 0 | 0 | 0 | 0 |
| Net Effect | \$1.0 | \$1.4 | \$1.5 | \$1.5 | \$1.5 |

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

Local Effect: Expenditures increase by \$376,700 in FY 1999, assuming that all jurisdictions except Baltimore City would choose to participate in a decentralized vital records system.

Revenues would increase by an equal amount.

Small Business Effect: None.

Fiscal Analysis

Background: Beginning in fiscal 1999, vital records can be obtained through local health departments rather than through DHMH headquarters in Baltimore, due to expanded electronic access. The fiscal 1999 budget for Vital Records is \$1.5 million.

State Revenues: An estimated 653,399 certificates are anticipated to be issued in fiscal 1999, of which 296,419 are birth certificates, 344,300 are death certificates, and 12,680 are marriage certificates.

Under the current fee structure, \$2.6 million in general fund revenues would be generated. Under the bill, \$3.9 million in general fund revenues would be generated to the extent that birth certificates are issued by DHMH rather than by local health departments. It is not possible at this time to reliably estimate the number of birth certificate requests that would be handled by the local health departments rather than by DHMH. Hence, up to an additional \$1 million would be generated in fiscal 1999 (which accounts for the bill's October 1, 1998 effective date), or \$1.3 million on an annual basis. This estimate assumes 653,399 certificates issued on an annual basis and a \$2 increase in the fee.

The bill authorizes local health departments to set and collect a fee for issuing birth certificates that covers, but does not exceed, the administrative costs incurred. From the fee collected by local health departments, \$4 is to be transferred to the State general fund. Because the State general fund already receives \$4 for each certificate issued, there is no fiscal impact from birth certificates issued by local health departments rather than DHMH.

Future year estimates (fiscal 2000 and 2001) assume an annual 8% increase in the number of requests due to increased access under a decentralized vital records system; subsequent year revenues remain constant.

State Expenditures: Decentralization of the vital records system could result in significant expenditure savings in future years, depending on the extent to which certificate requests are received at the local rather than State level. For example, the fiscal 1999 budget assumes general fund salary savings of \$46,000 (elimination of three contractual Office Clerk positions) due to a decentralized vital records system as well as a new mainframe computer system to store and retrieve vital records.

Local Revenues: The bill authorizes local health departments to set and collect a fee for issuing birth certificates that covers, but does not exceed, the administrative costs incurred. Therefore, local revenues from fee collections would increase by up to an estimated \$376,706 in fiscal 1999, to the extent that birth certificates are issued by local health departments rather than by DHMH. It is not possible at this time to reliably estimate the number of birth certificate requests that would be handled by the local health departments rather than by DHMH.

Local Expenditures: Expenditures in the local health departments could increase by an estimated \$376,706 in fiscal 1999, which accounts for the bill's October 1, 1998 effective date. This estimate reflects the cost of hiring 13.5 Administrative Specialists to handle requests for birth certificates. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- one position required in Prince George's, Baltimore, Montgomery, and Anne Arundel counties; Baltimore City will not participate;
- 0.5 positions required in each of the other 19 jurisdictions; and
- one new personal computer per jurisdiction.

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|---|------------------|
| Salaries and Fringe Benefits | \$285,237 |
| Computers | 62,100 |
| Other Operating Expenses | <u>29,369</u> |
| Total FY 1999 Local Expenditures | \$376,706 |

Information Source(s): Department of Health and Mental Hygiene (Deputy Secretary for Operations); Maryland Association of County Health Officers; Allegany, Calvert, Caroline, Montgomery, and Prince George's counties; Baltimore City, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 1998
Inc Revised - Updated Information - March 19, 1998
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