

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 3, 2003

TO: Honorable Jaime Capelo, Chair, House Committee on Public Health

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2990 by Capelo (Relating to fees for copies of birth and death certificates.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2990, As Introduced: a negative impact of (\$3,531,817) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$2,048,483)
2005	(\$1,483,334)
2006	(\$733,334)
2007	(\$733,334)
2008	(\$733,334)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Savings/ (Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from VITAL STATISTICS ACCOUNT 19	Probable Revenue Gain/(Loss) from Counties
2004	(\$153,150)	(\$1,895,333)	\$3,102,650	\$2,281,500
2005	(\$153,150)	(\$1,330,184)	\$3,102,650	\$2,281,500
2006	(\$153,150)	(\$580,184)	\$3,102,650	\$2,281,500
2007	(\$153,150)	(\$580,184)	\$3,102,650	\$2,281,500
2008	(\$153,150)	(\$580,184)	\$3,102,650	\$2,281,500

Fiscal Year	Change in Number of State Employees from FY 2003
2004	10.0
2005	10.0
2006	10.0
2007	10.0
2008	10.0

Fiscal Analysis

The bill would allow the Texas Department of Health (TDH) and Local Registration Officials to collect \$5 for birth certificate fees and \$2 for death certificate fees. Three of each \$5 collected for birth certificate copies and searches would be deposited into the Vital Statistics Account in the General Revenue Fund (GR-Dedicated Account 0019) and \$1 of every \$2 collected for issuing a death certificate would be deposited into General Revenue Fund 0001. Under the provisions of the bill, local registration officials would retain \$1.70 of each birth certificate fee and \$1 for each death certificate fee for administrative costs. The bill would allow funds appropriated by the legislature to be used by TDH to award grants to local registration offices to enhance local vital statistics systems. The bill would take effect September 1, 2003.

Under current law, \$2 is collected by a local registrar for each birth certificate copy or search and \$1.80 of that is remitted to the Comptroller for deposit into GR Fund 0001, with the remaining 20 cents retained by the local registrar. The full \$2 collected by TDH is deposited into GR Fund 0001. There is currently no required fee collected for issuing death certificates.

The Comptroller of Public Accounts indicates the bill would have a positive effect on the state's cash flow.

Methodology

For transactions performed by the Texas Department of Health (TDH) Bureau of Vital Statistics, the Comptroller of Public Accounts (CPA) assumes the following:

For certified copies of birth certificates, wallet-sized certified copies of birth certificates and searches for a certificate of birth, the fee would increase from \$2 to \$5. Of the five dollars, \$2 would be deposited into Fund 0001, and \$3 would be deposited into GR Account 0019. According to TDH, annually at the state level, copies are made or searches are conducted for about 202,000 birth certificates to which the fee would apply. For certified copies of death certificates, the bill would create an additional \$2 fee, which would be deposited into GR Account 0019. According to TDH, at the state level there are about 31,000 death certificates issued annually to which the fee would apply.

For transactions performed by local registrars and county clerks, the CPA assumes the following::

For certified copies of birth certificates, the fee would increase from \$2 to \$5. Of the five dollars, \$1.70 would be retained locally, and \$3.30 would be remitted to the Comptroller. Of the \$3.30, half (\$1.65) would be deposited into Fund 0001 (instead of the \$1.80 that is deposited there under current law), and the remaining \$1.65 would be deposited into GR Account 0019. According to TDH, 1,021,000 birth certificate copies or searches to which the fee would apply are conducted each year. For certified copies of death certificates, of the new \$2 additional fee, \$1 would be remitted to the Comptroller to be deposited into GR Account 0019. According to TDH, about 750,000 death certificate copies to which the fee would apply are issued each year. It is assumed that the remaining \$1 would be retained locally.

Using the amounts collected by TDH and by local registrars that would be remitted to Fund 0001, there would be a total of \$2,088,650 deposited into that fund annually, which would be \$153,150 less than would be deposited to Fund 0001 under the current fee structure.

Combining the amounts that would be collected by both TDH and by local registrars that would be remitted to Fund 0019, there would be a total of \$3,102,650 deposited to that fund annually.

In addition to the fiscal impact estimated to result from fee increases, TDH made the following assumptions:

1. TDH would generate public notices (paper and Internet) to reflect the fee change. Associated costs could be absorbed within existing agency funding.
2. TDH staff would provide technical/educational assistance, training, and on-site monitoring visits for

the newly enhanced and/or created systems at the local level in fiscal years 2004 through 2008. The agency may choose to utilize a vital statistics vendor, selected via the Request for Proposal procurement process to provide some on-site and regional location trainings for hospitals and local registration offices. Costs for staff, travel for site visits, and other additional operational costs are estimated to be \$152,263 in fiscal year 2004, \$125,950 in fiscal year 2005, and \$41,250 in the remaining fiscal years.

3. If the funds collected for GR Fund 0019 were to be appropriated to TDH for upgrading the vital statistics operations and for assisting local registrars in doing the same, the amounts collected would cover the necessary costs and would have amounts remaining for use as grants to local registrars. The agency estimates grants to the local registrars totalling \$981,828 statewide in fiscal year 2004, \$1.53 million in fiscal year 2005, and \$2.28 million in each of fiscal years 2006–2008.

4. For staffing and in-house systems maintenance, it is assumed it would take the first three months of fiscal year 2004 to complete the hiring process. The agency estimates it would need six programmers, three system support specialists, and one database administrator, for a total of 10 FTEs in fiscal years 2004–2008, at a cost of \$254,178 in fiscal year 2004 (9 months) and \$338,904 annually in fiscal years 2005–2008.

Technology

The Department of Health (TDH) indicates the development and enhancements of new and existing systems would likely be provided through contracts secured via a Request for Funding Proposal process and in-house TDH resources. TDH estimates the technology costs for software, in-house training, and equipment would be almost \$1.49 million in fiscal year 2004, \$862,330 in fiscal year 2005, and \$200,000 per year in fiscal years 2006–08. These costs are included in the second column of the table.

Local Government Impact

Statewide, the total estimated collections resulting from the fee for birth certificate copies and searches would be \$1,735,700 (\$1.70 allocation X 1,021,000 copies/searches). Local registrars cumulatively statewide currently retain 20-cents (\$204,200 total) of each \$2 collected, therefore, the increase in revenue for birth certificates copied/searched cumulatively statewide would be over \$1.5 million (\$1,735,700 minus \$204,200 = \$1,531,500). Statewide, the total estimated collections resulting from the fee for issuing death certificates would be \$750,000 (\$1.00 allocation X 750,000 certificates). The cumulative revenue gain would be \$2,281,500 (\$1,531,500 + \$750,000).

As an example of the impact per county, according to the manager of vital statistics in Tarrant County, the county would experience a total increase in annual revenue of \$76,800 as a result of implementation of the bill. Any costs associated with adjusting computer programs for the new fees would be considered insignificant. The county clerk in Fort Bend County reported that the fee increase related to birth certificates would generate an additional \$4,222 in revenue annually and that the fee related to death certificates would generate \$10,980.

Source Agencies: 304 Comptroller of Public Accounts, 501 Department of Health

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