

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1901 - SB 1931

February 22, 2016

SUMMARY OF BILL: Prohibits the Department of Health from charging or collecting a fee for providing a second or subsequent copy of a birth certificate or death certificate that exceeds the actual cost to the Department of producing the copy. This legislation will take effect upon becoming law.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$3,589,500/FY16-17 and Subsequent Years

Increase State Expenditures - \$136,800/FY16-17
\$136,800/FY17-18
\$113,000/FY18-19

Decrease Local Revenue - \$433,100/FY16-17 and Subsequent Years

Assumptions:

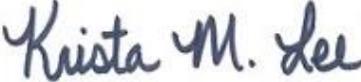
- According to the Department of Health, this legislation would require an immediate change in the current processes of the Office of Vital Records central office, web based services and to the processes of local health departments and local governments.
- In order to determine whether a birth or death certificate is the initial or a subsequent copy, the Office of Vital Records, local health departments, and local governments will need to be able to identify previous issuances.
- Identifying previous issuances is not currently possible with the computer systems utilized by the Office of Vital Records central office or local health departments; however, the central office can run an audit to determine previous issuances.
- Currently, the Department of Health is in the process of implementing a new online-based system, VRISM. VRISM will not be completed until the end of calendar year 2018.
- VRISM was never intended to provide tracking of initial and subsequent issuances of birth and death certificates; however, VRISM can receive maintenance by the vendor which allows it to track initial and subsequent issuances of birth and death certificates. Per contract, maintenance to the program will result in a one-time cost of \$44,619. This one-time cost will be incurred at the end of FY18-19.

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- Prior to the launch of VRISM, the central office will require 3 additional temporary positions beginning in FY16-17 through half of FY18-19 (December 2018) to run audits for both the central office and local health departments in order to check for prior issuances of birth and death certificates.
- One additional vital records supervisor, one vital records information assistant, and one medical records assistant. The increase in state expenditures is estimated to be \$136,782 (salaries \$90,600 + benefits \$40,182 + communications \$4,200 + supplies \$1,800).
- An increase in state expenditures in FY16-17 of \$136,782.
- An increase in state expenditures in FY17-18 of \$136,782.
- An increase in state expenditures in FY18-19 of \$113,010 [(\$136,782 x 0.50 due to temporary positions being terminated after December 2018) + \$44,619].
- This legislation prohibits the fee for second or subsequent issuance of a birth or death certificate from exceeding the cost of providing the certificate.
- Currently, initial and subsequent birth and death certificates are provided for a fee of \$15 each.
- According to the Department of Health, the cost to provide a certificate is approximately \$6.50. The cost to provide such certificate for local governments is assumed to equal the cost born by local governments to issue a copy of a birth or death certificate.
- The Department of Health, local health departments, and local governments will realize a decrease in revenue of \$8.50 per each copy of a birth or death certificate beyond the initial copy issued to a recipient (\$15.00 - \$6.50).
- Pursuant to Tenn. Code Ann. § 68-3-207(b), fee revenue from issuance of copies of birth and death certificates is deposited to the state General Fund.
- Based on information provided by the Department of Health, the Office of Vital Records issues approximately 422,294 copies subsequent to initial issues of birth and death certificates; therefore, a recurring decrease in state revenue to the General Fund of \$3,589,499 (422,294 x \$8.50).
- According to the Department of Health, the metro and local governments of Davidson, Hamilton, Knox, and Shelby counties respectively issue approximately 25,474 birth certificates annually which are subsequent to initial issuance of birth certificates. Revenue collected by these local governments from the issuance of birth and death certificates remains with the respective local government entity. The number of death certificates issued by metro, municipal, and other local governments is not recorded by such governments. The number of death certificates is assumed to equal the number of birth certificates issued, for a total number of birth and death certificates of 50,948 (25,474 birth + 25,474 death).
- A recurring decrease in local revenue reasonably estimated to exceed \$433,058 (50,948 x \$8.50).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jdb