Vermont Legislative Joint Fiscal Office

Fiscal Note
Date: March 3, 2017
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H.111 – An act relating to amending the laws regarding Vital Records
As Introduced, for the House Committee on Government Operations discussion on March 3

Summary
The Bill would require the State Registrar of Vital Records to operate a Statewide Registration System that would be the sole official repository for birth and death certificates and for marriage and civil union certificates. Town clerks would issue certified and noncertified copies of vital event certificates from the Statewide Registration System. The Bill would raise fees for certified copies of vital event certificates from $10 to $15 and set the fee for noncertified copies or searches of vital records at $5. Of the $15.00 fee for a certified copy, $5.00 would be allocated to the Department of Health special fund.

Fiscal impact per year is based on VDOH estimates. The cost of developing software is split across two years, and the cost of entering historical marriage records is split across two years (although it could take up to three years).

Total Costs	Marriage System Development	
	Low Cost	High Cost
FY 2018	$375,000	$475,000
FY 2019	$375,000	$475,000
FY 2020	$124,467	
FY 2021	$130,690	
FY 2022	$137,225	

The total cost range for state fiscal years 2018 to 2022 is $1,142,382 to $1,342,382. If all new revenues of $320,000 per year go to the Department of Health special fund, it would take about four years to break even; thereafter, the fund would increase quite rapidly.

Timing
Implementation would start July 1, 2018, for birth and death certificates, and July 1, 2019, for marriage and civil union certificates. Increased fees would also start on July 1, 2018. The Statewide Registration System (System) would be the sole official repository of data from vital event certificates registered on or after January 1, 1909.

Start-up Costs
The Vermont Department of Health (VDOH) provided estimates of start-up costs to establish a new system for centralizing the management of marriage and civil union records. VDOH would require a state appropriation to undertake the work as directed in the proposed bill. They estimate

separate costs and additional time required to enter and clean 100 years of historical records of marriages and civil unions.

VDOH estimates it would take at least 6 months at the start to set up the Request for Proposals and carry out the contracting process. Following that period, it would take 18 to 24 months prior to implementation of the electronic marriage registration system to get a new system up and running.

VDOH would experience personnel costs for IT staff and Vital Records staff as follows:

- 0.5 FTE in Information Technology
- 0.5 FTE in Vital Records

In addition, VDOH estimates 24 to 36 months would be required to load and clean 100 years of marriage records to complete the historical records. VDOH describes this as a "monumental task." Expense for this work includes hiring a subcontractor to assist with creating the database indexes and data entry from images of the marriage records as well as data quality steps requiring several new, temporary staff for two to three years.

	Estimated system start-up costs	
Over 2 Years	Low	High
Initial purchase	$ 350,000	$ 400,000
VDH personnel	$ 100,000	$ 150,000
Annual maintenance	$ 100,000	$ 150,000
Cost over 2 years	**$ 550,000**	**$ 700,000**
Over 2-3 Years	**Estimated costs to enter historical data**	
Cost over 2-3 years	**$ 200,000**	**$ 250,000**
Total cost	**$ 750,000**	**$ 950,000**

On-going Costs
Following the establishment of the new Electronic Marriage Registration System, on-going costs would be almost entirely personnel costs to address bugs and small enhancements, enroll and train new users each year, fix historical records, and the like. Office space expenses are included as an indirect cost in personnel expenses. VDOH estimates those personnel costs as follows:

On-going Personnel Costs	
FY 2020	$124,467
FY 2021	$130,690
FY 2022	$137,225

VDOH expects other miscellaneous expenses not included in this cost estimate, such as travel time to town offices for training and trouble-shooting as well as for inspecting the premises for compliance with the audit aspect of the Vital Records bill. Those travel costs would be minimized by bringing town clerks to a common location if possible.

Revenue Generated by Increased Fees

Raising fees for certified copies of vital event certificates from $10 to $15 and setting the fee for noncertified copies or searches of vital records at $5 would likely raise about $320,000 in new revenues, effective July 1, 2018. Town clerks issue about 60,000 certified copies each year, and VDOH issues about 2,000 each year. Two town clerks contacted through the Vermont League of Cities and Towns reported that they currently collect the existing $10 fee on certified vital event certificates and divorce forms, but they generally do not collect fees on noncertified certificates or on searches of vital records. The Vital Records Office currently receives less than $50,000 per year from collecting fees for certified copies; the remainder of the approximately $620,000 collected in current fees goes to town offices.

	New Annual Revenue effective July 1, 2018	Total Annual Revenue effective July 1, 2018
Extra $5 on 62,000 certified vital event certificates and divorce forms	$310,000	$930,000
Extra $5 on 1,000 noncertified vital event certificates and divorce forms	$5,000	$5,000
Extra $5 on 1,000 searches of vital records	$5,000	$5,000
Total	**$320,000**	**$940,000**

Overall Balance for State Funds

Costs to the Department of Health in fiscal years 2018 through 2022 are based on information from the Department. New revenues to the Department of Health special fund going forward would come from the increased fees of about $320,000 per year, assuming that 100 percent of those new fees go to the special fund. Fund balance would not be achieved until FY 2021 under the high-cost estimates.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Cost to State (high)	$475,000	$475,000	$124,467	$130,690	$137,225
Revenue to State	$320,000	$320,000	$320,000	$320,000	$320,000
Balance	($155,000)	($310,000)	($114,467)	$74,843	$257,618

Additional Information from Vermont State Archives & Records Administration

The State Archivist from Vermont State Archives & Records Administration offered information regarding their business process and statewide system for notary appointments because that system has some features similar to the proposed marriage license system. All notary appointments expire on the same date in February every four years, requiring rapid re-registration of 12,000 to 13,000 notaries public. Of course, the current-day notary appointments may be more easily scanned than decades-old marriage licenses.

County clerks record each notary appointment and then must submit a copy of the appointment to the Secretary of State for indexing and filing in a statewide registry. In 2009, the State Archives purchased a software and imaging system for $8,400, including associated labor costs, to manage the 2011 renewal cycle. The same system was used for the 2015 renewal cycle at no extra cost, and it remains in use today. The system automates the capture of certain typed information from the notary appointment form via a scan through a copier to create an electronic index of pertinent appointment information; it also provides a digital image to the appointments themselves. For handwritten forms, the software provides a designated view of the form to facilitate quick data entry for missing or incorrect fields. The software also facilitates exporting some basic information for an online searchable database of notaries public.

As an example of the time required to index and electronically file the appointments into the single statewide system, State Archives shared the hours required to process appointments during the 2015 renewal cycle. No staff members are assigned to notary appointment processing because it occurs only every four years. Hence the work is done mostly during overtime hours, largely provided in the form of comp time rather than overtime pay. During four months starting with February 2015, staff put in 198.5 hours of overtime to process 12,748 notary appointments.

The State Archivist also shared recent efforts in State Government to make Adobe LiveCycle and comparable systems available statewide at an affordable cost. Such systems would allow applicants to complete an online form, for example, and bring the form into an office for processing. Such a system might facilitate marriage application and licensing aspects of the proposed bill as well.