



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

November 30, 2018

SENT VIA ELECTRONIC MAIL

The Honorable Louis Pate, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 311, Legislative Office Building
Raleigh, NC 27603

The Honorable Josh Dobson, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 301N, Legislative Office Building
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

Session Law 2018-5, Section 11E.2, requires the Department of Health and Human Services, Division of Public Health, to examine and report on whether the revenue generated from the fees charged for vital records is sufficient to cover the operational costs of the vital records system. This report is due to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on or before December 1, 2018. Pursuant to the provisions of law, we are pleased to submit the attached report.

Should you have any questions regarding this report, please contact Beth Lovette, Interim Director for the Division of Public Health, at 919-707-5000.

Sincerely,

 Mandy Cohen, MD, MPH
Secretary

cc:	Beth Lovette	Marjorie Donaldson	Katherine Restrepo	Theresa Matula
	Rod Davis	Joyce Jones	Susan Perry-Manning	Leah Burns
	Matt Gross	Mark Benton	Lisa Wilks	Pam Kilpatrick
	Zack Wortman	reports@ncleg.net	LT McCrimmon	Deborah Landry

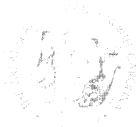
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GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

November 30, 2018

SENT VIA ELECTRONIC MAIL

Mr. Mark Trogdon, Director
Fiscal Research Division
Suite 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Trogdon:

Session Law 2018-5, Section 11E.2, requires the Department of Health and Human Services, Division of Public Health, to examine and report on whether the revenue generated from the fees charged for vital records is sufficient to cover the operational costs of the vital records system. This report is due to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on or before December 1, 2018. Pursuant to the provisions of law, we are pleased to submit the attached report.

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Study of North Carolina Vital Records Fees

Session Law 2018-5, Section 11E.2



Report to
The Joint Legislative Oversight Committee on
Health and Human Services
and
Fiscal Research Division

By
North Carolina Department of Health and Human Services

November 30, 2018

Introduction

Section 11E.2 of Session Law 2018-5 directs the Department of Health and Human Services' Division of Public Health to examine and report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 1, 2018 on whether the revenue generated from the fees charged for vital records is sufficient to cover the operational costs of the vital records system, including costs for equipment and information technology systems.

This report will provide an overview of North Carolina Vital Records' primary functions and additional services they provide, as well as information on its budget and fees.

Review of N.C. Vital Records' Primary Functions and Additional Services

Primary Functions

N.C. Vital Records resides in the N.C. Department of Health and Human Services' (DHHS) Division of Public Health (DPH) and is responsible for:

- Legally registering all births, deaths, fetal deaths, marriages, and divorces which occur in North Carolina.
- Modifying an existing vital record or making certificates due to a court order or other legal process (e.g., adoption, adding/removing father's name, name changes, etc.).
- Providing copies of all changed or new certificates to local county Registers of Deeds (ROD) offices in the county where the event occurred.
- Providing fraud detection and prevention activities, to ensure the integrity of vital events records for the state and to protect the identities of North Carolinians (e.g., verifications of birth or death certificate information, responding to subpoenas for records, etc.).
- Serving as the statewide depository of certificates for all North Carolina vital event records.
- Providing contract services to numerous state and federal agencies, to support activities like background checks, benefits eligibility, and public health surveillance work, among others.

Additional N.C. Vital Records Services

N.C. Vital Records is also responsible for:

- Providing Electronic Verification of Vital Events (EVVE) - Any state or federal agency approved by the State Registrar and the National Association of Public Health Statistics and Information Systems (NAPHSIS) uses EVVE to search and verify birth information.
- Reviewing data and certificate requests from researchers, per NCGS 130A-93.
- Providing trainings, such as:
 - To account for staff turnover, Vital Records provides on-going statewide training to its partners for the making of any vital events certificate, for using the Electronic Birth Registration System (EBRS), and for meeting all statutory regulations for vital event registration.
 - To account for staff turnover, Vital Records provides ongoing training workshops for county RODs to learn the process for changing and correcting information on vital records.
- Providing call-in customer service to citizens, statewide vital records partners, and local, state, and federal agencies.
- Providing case management of customer inquiries for record matters.
- Providing verification of fees and issuance or search history on birth records as needed to assist a citizen or county RODs, or to respond to a subpoena.

A summary of Vital Records' primary functions, certificate issuance, and other services can be found in **Appendix I**, along with associated fees (where applicable and even if not referenced in the body of this report). Not all Vital Records primary functions are outlined in statute, nor do all Vital Records functions and services have associated fees. **Appendix 1** also includes relevant North Carolina General Statutes and Administrative Code (NCAC) references that govern Vital Records, where applicable.

Vital Records Issuance and Fees

North Carolina is a “dual issuance” state for vital records certificates. This means individuals can obtain certificates for vital events from both the state and the county. That process and the associated fees are outlined below:

- Citizens can obtain copies of vital records certificates at either the State Vital Records Office or in the county in which the vital event took place at the local Register of Deeds (ROD) office. However, for county ROD offices that choose to use the statewide Vital Records Electronic Birth Registration System (EBRS) to issue birth certificate copies, citizens can obtain a birth certificate at these ROD offices regardless of where the birth occurred in the state.

- County ROD offices charge \$10 for issuance of a county certificate, per N.C. General Statute (NCGS) 161-10.
- The State Vital Records Office charges \$24 for the first copy of a state certificate and \$15 for each additional copy, per NCGS 130A-93.1.
- When county ROD offices use the state EBRS for issuance of birth certificates from other counties:
 - County ROD offices charge \$24 for the issuance of a birth certificate (first copy) from the state EBRS, per NCGS 130A-93.1.
 - The county ROD office keeps \$10 of the \$24 fee.
 - The State Vital Records Office invoices the ROD office for the remaining \$14 of each \$24 fee.
 - Of each \$14 received into Vital Records from the ROD office, \$5 is applied to the Vital Records Automation Fund and \$9 is applied to the Vital Records general operating fund.
 - County ROD offices charge \$15 for the issuance from the state EBRS for each additional copy of the same birth certificate, per NCGS 130A-93.1.
 - The county ROD keeps \$10 of the \$15 fee.
 - The State Vital Records Office invoices the ROD office for the remaining \$5 of each \$15 fee.
 - The \$5 received into Vital Records from the ROD office is applied to the Vital Records Automation Fund.
- Deposits into the Vital Records Automation Fund are governed by NCGS 130A-93.1.

Higher certificate issuance fees charged by the State Vital Records Office (as compared to fees charged to citizens by county ROD offices) are used to support infrastructure required to maintain a statewide vital records system. That system includes the State Vital Records Office's primary functions outlined above, as well as its additional services outlined in this report. In contrast, a county ROD office's fees support only its specific county's services.

Current Vital Records Information Technology Infrastructure

All Vital Records registration, certificate issuance, and other services are completed using manual processes, except for the Electronic Birth Registration System (EBRS) for births from 1971 forward. EBRS was implemented in 2010, and currently all births in the state of North Carolina are registered electronically.

An Electronic Death Registration System (EDRS) will allow for death certificates to be registered electronically, and thereby eliminate the current manual paper process used by Vital Records. On average, approximately 94,000 death certificates are generated each year. Additionally, EDRS will allow all death registration business partners (e.g., funeral directors, physicians, physician assistants, nurse practitioners, medical examiners, local health departments, State Vital Records Office, and county RODs) to complete their roles and responsibilities

electronically. The EDRS project team has completed 10 months of work with the contracted vendor, with anticipated EDRS implementation in late calendar year 2019 or early 2020.

N.C. Vital Records Budget

The Vital Records' State Fiscal Year (SFY) 2018-2019 budget is as follows:

\$2,442,814	Fees*(53.74%)
\$1,217,449	Appropriations (26.79%)
\$ 819,875	Other Receipt Revenue (18.04%)
\$ 63,853	Federal Grants (1.4%)
\$ 1,223	Other Sources (0.03%)
<hr/>	
\$4,545,214	Total

*Includes certificate issuance fees and other fees such as expedited delivery

Vital Records received the following legislatively approved funding for implementation of the Electronic Death Registration System (EDRS):

- SFY 2015-2016 - \$106,587 recurring (to support 2 Full Time Equivalent positions, or FTEs); \$368,000 nonrecurring (to support the project)
- SFY 2016-2017 - \$138,531 recurring (to support 2 FTEs); \$1,331,500 nonrecurring (to support the project)

Vital Records derives other receipt revenue through the sale of data sets on vital statistics to various federal agencies. These receipt-based contracts are reflected in **Appendix I**. The rate of payments for states for the sale of data sets is set nationally.

The full adoption of EDRS among all death registration business partners will continue after this project transitions into the 'Operations and Maintenance' (O&M) phase. The Division is evaluating whether additional resources may be needed for temporary staffing, training and/or help desk support.

Summary

N.C. Vital Records is funded by a mixture of citizen user fees (for vital records certificate issuance), state appropriations, and other revenues.

N.C. Vital Records does not recommend increasing citizen user fees at this time.

Appendix I

N.C. Vital Records Primary Functions, Certificate Issuance and Other Services (with associated fees where applicable)

N.C. Vital Records Fees & Associated Statutory Authority and Administrative Code References				Distribution of Fee	
Fees for Issuance of a State Certified or State Non-Certified Certificate, or Search to see if a state registered record exists	Certificate Issuance Fees	N.C. General Statute Reference	N.C. Administrative Code or Applicable Federal Citation	To Vital Records Operating Accounts	To Vital Records Technology Fund
Birth Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Adoption Birth Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Adoption Birth Certificate of ID for Foreign-Borns	\$24	130A-93.1 (a)(1)	10ANCAC 41H.0701	\$19	\$5
Gender Change Birth Certificates	\$24	130A-93.1 (a) (1)	10A NCAC 41H.0701	\$19	\$5
Legitimation Birth Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Amended Birth Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Court Order Name Change Birth Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Delayed Birth Certificates - Standard	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Delayed Birth Certificates- Registration by Judgment	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Father's Name Removed from Birth Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Paternity Birth Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Death Certificates	\$24	130A-93.1 (a) (1)	10A NCAC 41H.0701	\$19	\$5
Amended Death Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Fetal Death Certificates	\$24	130A.93.1 (a)(1)	10ANCAC 41H.0701	\$19	\$5
Fetal Certificate & Certificate of Birth Resulting in Stillbirth	\$24	130A.93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Search Fetal/Certificate of Birth Resulting in Stillbirth	\$24	130A.93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Marriage Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5

Divorce Certificates	\$24	130A-93.1 (a)(1)	10A NCAC 41H.0701	\$19	\$5
Additional Copy of a birth, death, marriage or divorce certificate	\$15	130A-93.1 (a)(1)		\$10	\$5
Electronic Verification of Vital Events (EVVE) - Any state or federal agency approved by N.C. State Registrar and National Association for Public Health Statistics & IT Systems (NAPHSIS) uses EVVE to search & verify Birth and Death Information.	\$24	130A-93.1 (a)(1)		\$19	\$5
Verification/Certification requests from agencies which do not access EVVE.	\$24	130A-93.1 (a)(1)		\$19	\$5
Interagency Memorandum of Agreement (IMOA) with NC DHHS Division of Social Services' Child Support Enforcement - Certificates or Affidavits of Paternity (Payment transferred within DHHS)	\$24	130A-93.1 (a)(1)	DHHS IMOA	\$19	\$5
Charge to Local Registers of Deeds (RODs) for each use of a state Vital Records database (First Copy)	\$14	130A-93.1 (a)(1)		\$9	\$5
Register of Deeds (RODs) Additional Copy of a birth, death, marriage or divorce certificate	\$5	130A-93.1 (a)(1)		\$0	\$5
U.S. Office of Personnel Management, Federal Investigative Services	\$24	130A-93.1 (a)(1)		\$19	\$5
U.S. Consumer Product Safety Commission	\$24	130A-93.1 (a)(1)		\$19	\$5
N.C. Veterans Organizations Junior/Youth Baseball - Birth Certificates	No Fee	130A-120		NONE	NONE
N.C. Department of Administration Certificate Requests for Veterans	No Fee	165-11 (a)		NONE	NONE

Corrections: A correction to an error or omission can be made only BEFORE official state registration of a birth or death record, and correction is at no charge, as the record has not been officially registered. State staff may find an error, or the sender of the record may tell staff of an error. With appropriate documentation, state staff will correct and register the State's record. AFTER state registration, a registered record can be changed or amended only as allowed in NC General Statute and may be subject to a fee as detailed below.

Fees to Amend or Change Information on Registered Vital Records: Charges for state staff to review, accept, research and record changes to a birth or death recorded Certificate at customer request.	Certificate Change Process Fee at \$15	General Statute Authority for Certificate Change Process Fee	Administrative Code Authority for Certificate Change Process Fee	To Vital Records Operating Accounts	To Vital Records Technology Fund
Adoption- Preparation of New Birth Record	\$15	130A-118 (d)	10A NCAC 41H.0704	\$15	NONE
Adoption: Preparation of New Birth Record for Foreign Born Children	\$15	130A-118 (d)	10A NCAC 41H.0704	\$15	NONE
Gender Change: Preparation of New Birth Record	\$15	130A-118 (d)		\$15	NONE
Legitimation: Preparation of New Birth Record	\$15	130A-118 (d)	10A NCAC 41H.0704	\$15	NONE
Court Order Name Change: Amend Birth Record of a child	\$15	130A-118 (d)	10A NCAC 41H.0703	\$15	NONE
Father Removal: Action to Remove Father's name from Birth Record based on Court Order - may result in either new or amended record	\$15	130A-118 (d)	10A NCAC 41H.0703	\$15	NONE
Paternity: Action to Add Father's Name to Birth Record - May be voluntary or as result of Court Order	No Fee			NONE	NONE
Other Amendments to a Birth or Death Record	\$15	130A-118 (d)	10A NCAC 41H.0703	\$15	NONE
Fees for Expedited Service and Special Delivery for Mail/On-Line Orders (at customer request)	Amount	General Statute Authority for Fee	Administrative Code Authority for Certificate Change Process Fee	To Vital Records Operating Accounts	To Vital Records Technology Fund
Expedited Service Fee:	\$15	130A-93.1 (a)(2)	10A NCAC 41H.0701 (b)	\$15	NONE
Special Delivery Fee if In-State (Fed Ex, UPS, USPS)	\$15	130A-93.1 (a)(2)		\$15	NONE
Special Delivery Fee if Out-Of-State (Fed Ex, UPS, USPS)	\$20	130A-93.1 (a)(2)		\$20	NONE
Marriage and Divorce Record Amendments: Any change to a marriage or divorce record must be prepared by the county in which the event occurred and does not generate revenue for the state. The local register of deeds and the clerk of court will forward amendments to Vital Records to make the amendment to the state's copy of the registered record.					

Data Sales Revenue from Social Security Administration (SSA) and Centers for Disease Control & Prevention (CDC) - Revenue under 4 federal data sales Purchase Orders (PO). NAPHSIS, on behalf of member states and territories, negotiates with the federal agencies as to rates paid, submission deadlines, etc., so that factors are pre-set in each PO. Agreements may be multi-year with annual renewal documents. To be approved for any payment, Vital Records must submit data in prescribed format on prescribed time table and must receive federal approval of the data submitted. VR cannot invoice until each federal agency calls for the invoice for approved data. Once the federal agency has received an invoice, payment is usually sent within 30 days of billing date, NOT data submission dates.

Federal Purchase Orders for Data Sets by Type of Type of Purchase Order (PO)	Amount	General Statute Reference	Federal Purchase Order Contract Number Varies	To Vital Records Operating Accounts	To Vital Records Technology Fund
DEATH DATA SSA PO (AKA Electronic Death Records) - Revenue from Social Security Administration for specified death data.	Varies Yearly - Federal Government controls	130A-116		Yes	NONE
ENUMERATION AT BIRTH (EAB) SSA PO - Payment from Social Security Administration for Enumerations (S.S. number registrations at birth) in North Carolina.	Varies Yearly - Federal Government controls	130A-102		Yes	NONE
NATIONAL DEATH INDEX (NDI) CDC PO - Revenue from Centers for Disease Control Revenue for data for National Death Index (NDI) and to assure qualitative reliability and timely availability of those data.	Varies Yearly - Federal Government controls	130A-116		Yes	NONE
VITAL STATISTICS CDC (VSCP) PO - Revenue from Centers for Disease Control for purchase of data on births, demographic and medical data on deaths, linked birth-infant death rates, Fetal Death Data and optional special Projects.	Varies Yearly - Federal Government controls	103A-102 and 130A-116		Yes	NONE