

HF162 - 0 - Homeless Youth Birth Record and ID Card Issuance

Chief Author: **Peter Fischer**
 Committee: **Health Finance and Policy**
 Date Completed: **2/24/2021 12:32:59 PM**
 Lead Agency: **Health Dept**
 Other Agencies:
 Public Safety Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	72	32	32	32
Public Safety Dept					
Restrict Misc. Special Revenue	-	58	19	19	19
State Total					
General Fund	-	72	32	32	32
Restrict Misc. Special Revenue	-	58	19	19	19
Total	-	130	51	51	51
Biennial Total			181		102

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept					
General Fund	-	.25	.25	.25	.25
Public Safety Dept					
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	.25	.25	.25	.25

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Health Dept						
General Fund	-	72	32	32	32	32
Public Safety Dept						
Restrict Misc. Special Revenue	-	58	19	19	19	19
Total	-	130	51	51	51	51
	Biennial Total		181		102	102
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Dept						
General Fund	-	72	32	32	32	32
Public Safety Dept						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	72	32	32	32	32
	Biennial Total		104		64	64
2 - Revenues, Transfers In*						
Health Dept						
General Fund	-	-	-	-	-	-
Public Safety Dept						
Restrict Misc. Special Revenue	-	(58)	(19)	(19)	(19)	(19)
Total	-	(58)	(19)	(19)	(19)	(19)
	Biennial Total		(77)		(38)	(38)

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State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	72	32	32	32	32
Total	-	72	32	32	32	32
Biennial Total			104			64

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	.25	.25	.25	.25
Total	-	.25	.25	.25	.25

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Carlos Guereca **Date:** 2/24/2021 12:29:24 PM
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State Cost (Savings) Calculation Details

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Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	72	32	32	32	32
Total		-	72	32	32	32
Biennial Total				104		64
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	72	32	32	32	32
Total		-	72	32	32	32
Biennial Total				104		64
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill establishes new procedures for homeless youth to obtain birth certificates and Minnesota Identification Cards, at no charge. The bill creates a new section in the Minnesota Vital Records Act, waives fees, and introduces an expiration date for birth certificates issued to homeless youth. The bill is effective immediately after enactment for identification cards issues after January 1, 2022. The bill has a blank appropriation to the commissioner of health in fiscal year 2022 from the general fund to administer and issue birth certificates to homeless youth.

Assumptions

It is difficult to know how many \$0 fee birth certificates will be issued to homeless youth from MDH and local issuance offices in each fiscal year. A 2018 Wilder report on homelessness in Minnesota suggests that approximately 4,749 youth are homeless in the state on any given night. It is unknown how many of those homeless youth were born in Minnesota and, of those, how many would request their birth certificate one or more times under the bill.

Because identity documents are critical to homeless youth who need to access benefits and services and to seek stability and housing, we assume that 50 percent of the estimated 4,749 homeless youth may request a \$0 fee birth certificate annually. Per the terms of the legislation, we assume that 1,187 homeless youth in fiscal year 2022 (January 1 to June 30, 2022) and 2,375 homeless youth in fiscal year 2023, and each year thereafter will request \$0 fee birth certificates. We also assume that half of the homeless youth who get a \$0 birth certificate will have the document expire and exchange it for a second certificate in the same year, resulting in 1,187 exchanges annually, beginning in fiscal year 2023. We also assume that half of the homeless youth who get a \$0 birth certificate will misplace, lose, or have the document stolen and reapply for a \$0 certificate the same year, resulting in 1,187 replacement certificates annually, beginning in fiscal year 2023. This results in a projection of 1,187 \$0 fee certificates in fiscal year 2022, and 4,749 \$0 fee certificates in fiscal year 2023 and each year thereafter.

We assume that only the homeless youth, as the subject of the birth record, may request their \$0 birth certificate under the bill and that the application and other documents submitted require no notarization. We assume all other requirements in law must be met to obtain the certificate. We assume no refunds for certificates obtained prior to enactment of the law.

We assume that MDH and local issuance offices that receive requests have no obligation or burden to verify the application contents or homelessness status; validate identities of employees of a human services agency, school staff person, or school social worker who provide statements; or authenticate documents submitted for the purpose of issuing the certificate. We assume that all data and information collected for the purpose of issuing these birth certificates is public data unless specified otherwise under the bill. We assume that MDH is not required to reimburse local issuance offices for costs incurred.

MDH would require additional staff and resources to implement the bill.

·Enhanced functionality in the statewide vital records database is needed to allow for: issuance of a new birth certificate type and related programming, and imaging documentation, and data and records management. MN.IT estimates it will take 367 hours to make these system changes for an estimated cost of \$35,740 in fiscal year 2022 and \$2,091 per year on an ongoing basis for maintenance.

·MDH requires the addition of staff to prepare for the law change, implement changes effective January 1, 2022, and manage ongoing operations. MDH would need to hire additional 0.25 FTE management analyst staff, prior to implementation, to create new forms for the purpose of obtaining a \$0 birth certificate, to update its website, create new procedures, communicate law changes, and train MDH and local issuance staff on procedures and system functionality. Once implemented, MDH would need to hire additional 0.25 FTE customer service staff to provide ongoing service and support to homeless youth and to review, process, and fulfill requests for \$0 birth certificates to be issued to homeless youth. Estimated staffing costs would be \$23,673 in fiscal year 2022 and \$19,234 each year thereafter.

The bill waives vital records fees set in Minnesota Statutes, section 144.226, subdivisions 1 and 3 to 6. In addition to waiving fees for obtaining a birth certificate and for a certification of no record found, the bill references fees in subdivision 1, in its entirety, which includes parts (c), (e), (f), and (g), containing fees for additional actions to birth records including fees for birth record replacements/amendments \$40, and verifications \$9, though these are not mentioned in the bill narrative. For birth certificate orders, MDH and local issuance offices have the authority under Minnesota Statute, chapter 144.226, subdivision 1(b), to charge a \$9 non-refundable fee due at the time of application for review and processing of a request even when the office finds no record or the office cannot fulfill the request for reasons such as ineligibility or insufficient documentation. Other revenue typically generated in this process that is also impacted includes the Vital Record surcharge of \$4 per record, the Children’s Trust Fund Surcharge of \$3 per record and the Birth Certificate Surcharge of \$10 per record, all of which would not be collected. We do not forecast a change in revenue from the waived fees as those assumed to request a birth record are not part of the prior revenue forecast.

Expenditure and/or Revenue Formula

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
Management Analyst 3	94,691	0.25	0.25	0.25	0.25
	FTE	0.25	0.25	0.25	0.25
	Subtotal	23,673	23,673	23,673	23,673
Information Technology:					
Computing & IT support per FTE	2,712	678	678	678	678
IT System upgrades		35,062			
Ongoing IT System Maintenance			1,413	1,413	1,413
	Subtotal	35,740	2,091	2,091	2,091
Other Operating Costs:					
Materials, supplies & training per FTE	600	150	150	150	150
	Subtotal	150	150	150	150
Grants, Aids & Subsidies:					

	Subtotal	0	0	0	0
Indirect (21.7% Eligible Costs)	Subtotal	12,925	5,623	5,623	5,623
Expenditure	Total	72,488	31,537	31,537	31,537
Fiscal Tracking (Dollars in Thousands)	BACT	FY 2022	FY 2023	FY 2024	FY 2025
Health Improvement	1	72	32	32	32
Administration		72	32	32	32
Grants		0	0	0	0

Long-Term Fiscal Considerations

Local Fiscal Impact

Local issuance offices across the state issue approximately 95% all birth certificates in Minnesota. While the bill provides MDH a one-time appropriation for administration and issuance of \$0 birth certificates issued to homeless youth, it does not provide reimbursement to local issuance offices. Minnesota Statutes, chapter 144, section 226, subdivision 1 (b) allows the department and local vital records offices to charge a non-refundable fee of \$9 paid at the time of application, for the administrative review and processing of a request for birth certificate whenever the office cannot find a record or issue the certificate. The bill provides no reimbursement, thereby reducing the revenue the local issuance offices would typically receive for their work under the base non-refundable fee.

References/Sources

Agency Contact:

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 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

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Biennial Total			77			38

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 2/23/2021 1:03:12 PM
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State Cost (Savings) Calculation Details

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1 - Expenditures, Absorbed Costs*, Transfers Out*					
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Restrict Misc. Special Revenue	-	(58)	(19)	(19)	(19)
Total	-	(58)	(19)	(19)	(19)
Biennial Total			(77)		(38)

Bill Description

The proposed legislation provides a Minnesota ID card issued to Minnesota Homeless Youth at no fee.

Assumptions

Assume that the ID card for Homeless Youth will be free. According to the 2018 Wilder Foundation Homelessness Report, there are 4,749 homeless youth in Minnesota (defined as age 24 or younger).

Assume that in subsequent years an estimated homeless youth population of 1,583, or one-third of the initial year population (4,749 x 1/3 = 1,583) will require the (re)issuance of an ID card due to changes in the base number of the homeless youth population, changes in addresses, loss of the ID card, etc.

Assumes an estimated loss of revenue in the first year of \$53,426 in filing fees (4,749 x \$11.25 ID card fee = \$53,426) from the issuance of ID cards. Assumes in subsequent years there will be an estimated loss of revenue of \$17,809 in fees (1,583 applicants x \$11.25 ID card fee = \$17,809) from the issuance of ID cards.

Currently, 13% of all transactions occur at DVS exam stations with the remaining 87% occurring at Driver License (DL) agent locations.

Assume the transaction percentage will remain constant and result in 13% of the 4,749 homeless youth in Minnesota (4,749 x 13% = 617 applicants) will apply for ID cards at DVS exam stations with the remaining 87% applying for ID cards at DL agent locations. Assumes a loss of revenue of \$4,936 from filing fees in the initial year for DVS (617 applicants x \$8.00 filing fee = \$4,936).

Assumes in subsequent years, an estimated 205 homeless youth, or one-third of the initial year population (617 x 1/3 = 205 applicants) will conduct transactions at DVS exam stations, resulting in an estimated loss of \$1,640 (205 applicants x \$8.00 filing fee = \$1,640) from filing fees in subsequent years.

Assume 80 hours of programming will be needed to update the driver license system to adjust the application requirements and fee structure. Assume an hourly rate of \$200 for a total cost of \$16,000 (80 programming hours x \$200 = \$16,000) that will be absorbed in the current support and maintenance contract with FAST Enterprises, at no additional cost to DVS. Assume that programming must be completed in FY 2022 in order to meet effective date of January 1, 2022.

Assume that \$97,260 will be appropriated from the general fund to the department in FY 2022 and available until June 30,

2024. Assume this is a onetime appropriation and that any projected revenue loss after FY24 will be absorbed by the department.

Expenditure and/or Revenue Formula

FY 2022 Revenue

Restrict. Misc. Special Revenue - Driver Services Operating Account

ID Card Fee (4,749 applicants x \$11.25) = (\$53,426)

Filing Fee (617 applicants x \$8.00) = (\$4,936)

Total Special Revenue Fund Revenue loss FY 2022 = \$58,362

FY 2023 & beyond Revenue

Restrict. Misc. Special Revenue - Driver Services Operating Account

ID Card Fee (1,583 applicants x \$11.25) = (\$17,809)

Filing Fee (205 applicants x \$8.00) = (\$1,640)

Total Special Revenue Fund Revenue loss FY 2023 & beyond = \$19,449

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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