

REPORT TO THE TWENTY-NINTH HAWAII STATE LEGISLATURE

2017 SESSION

**IN ACCORDANCE WITH THE PROVISIONS OF ACT 043, PART VI, SESSION LAWS OF HAWAII 2016,
RELATING TO NON-GENERAL FUNDS**

Prepared by

DEPARTMENT OF HEALTH

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Executive Summary

All branches of government and the community at large have important roles in assuring social norms, cultural values, public discourse, and systems and policies create environments free from family violence. As a result, State support for prevention of domestic violence and family abuse is a critical resource.

The Hawaii Department of Budget and Finance and the Hawaii Department of Health (DOH), in collaboration with the Hawaii Department of Human Services (DHS) and the Hawaii State Judiciary, pursuant to Act 043, Part VI, Session Laws of Hawaii 2016, recommend the following.

The intent of these recommendations is to maintain the continuity and level of funding for domestic violence-related programs, regardless of the means of finance.

- Continue the distribution of vital record fee revenues, without modification, to the Spouse and Child Abuse Special Account administered by the Department of Human Services, pursuant to the finding of auditor's report no. 15-19, that the fund serves the purpose for which it was created. The Department of Human Services disagrees with the auditor's opinion in report no. 15-19 that there is no clear link with the revenues derived from the vital records fees. The information maintained in vital records, not only serve as a registry of life events and establishes legal relationships, vital records statistics serve as important indicators of a community's health and well-being, the data influences policy development, funding of programs and research. Providing services to residents experiencing domestic violence, trafficking, maltreated children, and others with special needs, has a direct link to the needs of the community's health and well-being, and for some, a direct impact on the status of their legal relationships. In the alternative, redistribute all of the vital records fee revenue to the general fund, and appropriate to the base budget of the Department of Human Services the amount of \$350,000 in general funds.
- Continue the distribution of fee revenues to the spouse and child abuse special account administered by the Judiciary and established under 601-3.6, HRS without modification, pursuant to findings of auditor's report no. 15-16 that the fund meets the criteria for a special fund.
- As of July 1, 2017, abolish the Domestic Violence and Sexual Assault Special Fund administered by the Department of Health, redistribute all of the fee revenue to the general fund, and appropriate to the base budget of the Department of Health the amount of \$406,000 in general funds. The Department of Health respectfully disagrees with findings from Auditor's Report 15-17 that recommended its repeal. DOH reiterates the position that this special fund bears a clear nexus between benefits sought and its source of revenue. Nevertheless, the department acknowledges the benefits of a change in means of financing to general funds and requests that current levels of funding be appropriated in the department' base budget;
- Continue the distribution of fee revenues to the vital statistics improvement special fund administered by the Department of Health without modification, pursuant to findings of auditor's report no. 15-17 that the fund meets the criteria for a special fund.

The purpose of Act 043, Part VI, Session Laws of Hawaii 2016, is to require the Department of Health to examine the distribution of revenues derived from fees for birth, marriage, divorce, and death certificates.

The Department of Health, with the cooperation of relevant agencies, shall conduct a study to include the following:

1. Estimated total revenues derived from the fees through fiscal year 2024-2025;
2. Estimated distribution of fee revenues among the non-general funds specified in section 338-14.5, Hawaii Revised Statutes, through fiscal year 2024-2025;
3. Estimated budgetary needs of the agencies and programs supported by the non-general funds listed in section 338-14.5, Hawaii Revised Statutes, through fiscal year 2024-2025;
4. Differences between the estimated budgetary needs of the agencies and programs under paragraph (3) and their estimated share of fee revenues; and
5. A recommendation on whether to:
 - a. Continue the distribution of fee revenues to the non-general funds, with or without modification; or
 - b. Redistribute all or most of the fee revenues to the general fund and change the means of financing of affected agencies and programs to general funds.

Introduction

Act 216, Session Laws of Hawaii (SLH) 1997, created the vital statistics improvement special fund to modernize and automate the vital statistics system in the State of Hawaii. The fund is administered by the Hawaii Department of Health, Office of Health Status Monitoring (OHSM), the mission of which is to administer a statewide program to collect, analyze, and disseminate high quality, population-based public health statistics in a timely manner to assess the health status of Hawaii's population and to fulfill vital statistics legal requirements.

As of July 1, 2016 and pursuant to section 338-14.5, Hawaii Revised Statutes (HRS), fees for certified copies of birth, marriage, divorce, or death certificates issued by the department of health are distributed to the general fund, the vital statistics improvement special fund, as well as three special accounts administered by the Executive Branch and Judicial Branch:

- Spouse and child abuse special account, established in Act 232 SLH 1994 and administered by the Department of Human Services;
- Spouse and child abuse special account, established in Act 232 SLH 1994 and administered by the Judiciary;
- Domestic violence prevention special fund, established in Act 216 SLH 1997 and administered by the Department of Health; and

One dollar for each certified copy is deposited into the vital statistics improvement special fund, both spouse and child abuse special accounts, and the domestic violence prevention special fund. The balance is deposited into the general fund.

Background and Importance of Vital Records

Vital records are the official records of birth, death, fetal death, marriage, and divorce that are collected by the registrars of vital statistics in every state. Vital statistics are the combined data or indicators that come from vital records. These vital statistics are used to measure the health of the populace and to plan and evaluate public health programs that improve health. For example, statistics describing the latest teen pregnancy rates or the number of cancer and heart disease deaths in Hawaii use vital records as a source.

On a daily basis, the public at large relies on OHSM to process vital records transactions for critical life events such as:

- Birth certificates for proof of citizenship for driver's licenses, passports, establishing paternity, or eligibility for government programs such as Hawaiian homestead, but also for genealogical research
- Death certificates for burials or cremation of deceased persons, disinterment, etc.
- Marriage licenses or civil unions, the majority of which are for out-of-state residents and thus provide a direct economic benefit to Hawaii

Estimated Total Revenues Derived from the Fees Through Fiscal Year 2024-2025

Pursuant to section 338-14.5, HRS, the fees for certified copies of birth, marriage, divorce, or death certificates issued by the department of health shall consist of \$10 for the first copy issued and \$4 for each copy issued thereafter.

Projections are based on trends of the number of vital records transaction from data provided by DOH Office of Health Status Monitoring.

Fiscal Year	Fees from First Copies¹	Fees from Subsequent Copies²
2016-2017	\$940,000	\$671,336
2017-2018	\$902,400	\$618,703
2018-2019	\$831,652	\$593,955
2019-2020	\$798,836	\$570,197
2020-2021	\$766,450	\$547,389
2021-2022	\$735,792	\$525,493
2022-2023	\$706,361	\$504,474
2023-2024	\$678,106	\$484,295
2024-2025	\$650,982	\$464,923

¹4% rate of decline based on historical trends

²8% rate of decline based on historical trends

Estimated Distribution of Fee Revenues Among the Non-General Funds Specified in Section 338-14.5, HRS, Through Fiscal Year 2024-2025

Unless otherwise noted, projections are based on trends of the number of vital records transaction from data provided by DOH Office of Health Status Monitoring.

Fees from Vital Records Copies				
Fiscal Year	DHS SCASA¹	Jud SCASA²	DOH DVSA³	DOH VSI⁴
2016-2017	\$324,643 ⁵	\$324,643 ⁵	\$324,643 ⁵	\$324,643 ⁵

2017-2018	\$306,463	\$306,463	\$306,463	\$306,463
2018-2019	\$287,223	\$287,223	\$287,223	\$287,223
2019-2020	\$275,825	\$275,825	\$275,825	\$275,825
2020-2021	\$264,705	\$264,705	\$264,705	\$264,705
2021-2022	\$254,117	\$254,117	\$254,117	\$254,117
2022-2023	\$243,952	\$243,952	\$243,952	\$243,952
2023-2024	\$234,194	\$234,194	\$234,194	\$234,194
2024-2025	\$224,826	\$224,826	\$224,826	\$224,826

¹ DHS SCASA – \$1 for each certified copy to the credit of the spouse and child abuse special account established under section 346-7.5

² Jud SCASA – \$1 for each certified copy to the credit of the spouse and child abuse special account established under section 601-3.6

³ DOH DVSA – \$1 for each certified copy to the credit of the domestic violence and sexual assault special fund established under section 321-1.3

⁴ DOH VSI - \$1 for each certified copy to the credit of the vital statistics improvement special fund established under section 338-14.6

⁵ Based on actual FY15-16 deposits per legislative reports submitted December 2015

Estimated Budgetary Needs of the Agencies and Programs Supported by the Non-General Funds Listed in Section 338-14.5, HRS, Through Fiscal Year 2024-2025

Program Budget Needs				
Fiscal Year	DHS SCASA ¹	Jud SCASA ²	DOH DVSA ³	DOH VSI ⁴
2016-2017	\$855,000	\$559,600	\$406,000	\$2,620,262
2017-2018	\$855,000	\$625,000	\$406,000	\$2,620,262
2018-2019	\$855,000	\$625,000	\$406,000	\$2,620,262
2019-2020	\$855,000	\$625,000	\$406,000	\$2,620,262
2020-2021	\$855,000	\$625,000	\$406,000	\$2,620,262
2021-2022	\$855,000	\$625,000	\$406,000	\$2,620,262
2022-2023	\$855,000	\$625,000	\$406,000	\$2,620,262
2023-2024	\$855,000	\$625,000	\$406,000	\$2,620,262
2024-2025	\$855,000	\$625,000	\$406,000	\$2,620,262

Differences Between the Estimated Budgetary Needs of the Agencies and Programs And Their Estimated Share of Fee Revenues

Program Budget Needs				
Fiscal Year	DHS SCASA ¹	Jud SCASA ²	DOH DVSA ³	DOH VSI ⁴
2016-2017	(\$530,357)	(\$234,957)	(\$81,357)	(\$332,826)
2017-2018	(\$548,537)	(\$318,537)	(\$99,537)	(\$354,003)
2018-2019	(\$567,777)	(\$337,777)	(\$118,777)	(\$376,215)
2019-2020	(\$579,175)	(\$349,175)	(\$130,175)	(\$390,599)
2020-2021	(\$590,295)	(\$360,295)	(\$141,295)	(\$404,717)
2021-2022	(\$600,883)	(\$370,883)	(\$151,883)	(\$418,318)
2022-2023	(\$611,048)	(\$381,048)	(\$162,048)	(\$431,509)
2023-2024	(\$620,806)	(\$390,806)	(\$171,806)	(\$444,306)
2024-2025	(\$630,174)	(\$400,174)	(\$181,174)	(\$456,728)

Discussion

Spouse and Child Abuse Special Account, Department of Human Services: This account was established under 346-7.5, HRS, and supports staff programs, and grants or purchases of service, consistent with

chapters 42F and 103F, that support or provide spouse or child abuse intervention or prevention as authorized by law. Although Auditor's Report 15-19 recommended its repeal, the Department of Human Services reiterates its position that this special fund bears a clear nexus between benefits sought and its source of revenue. Nevertheless, the department prefers there be no modification to the funding mechanism; however, in the alternative, replacement of vital records fee to a dollar-for-dollar general fund replacement at current levels of funding be appropriated in DHS' base budget.

In 2015, the Department of Human Services used moneys from the spouse and child abuse special account it administers to fund activities for:

- Intensive home-based services to families whose children would have entered foster care without the intervention
- Wrap-around services for families with children in foster care engaged with multiple agencies to help serve their complex issues
- Hawaii State Citizen Review Panel, a requirement of federal law, to evaluate state performance on child protection responsibilities
- Assuring compliance to the state special fund assessments that was four years in arrears

Spouse and Child Abuse Special Account, Judiciary: Auditor's Report 15-16 found that the spouse and child abuse special account "continues to serve the purpose for which it was created and meets the criteria for a special fund."

- Created in 1994, the fund supports and provides domestic violence and child abuse intervention and prevention by developing and expanding new and existing programs. This account, administered by the Judiciary pursuant to section 607-3.6, HRS, is financed through a portion of the monies collected by the Department of Health from the issuance of birth, death, and marriage certificates, as well as any fines collected from violations of protection orders, and voluntary tax refund donations. Funds from the Special Account can be used for "staff programs, and grants or purchase of services, consistent with chapters 42F and 103F, that support or provide spouse or child abuse intervention or prevention as authorized by law. These proceeds shall be used for new or existing programs and shall not supplant any other funds previously allocated to these programs."
- Use of the special funds to address the issues of domestic violence (intimate partner violence) and child abuse have made Hawaii one of the safest states. There is an average of 11 domestic violence homicides per year, which is one of the lowest in the nation.
- In addition to the incidence of homicides, as well as both documented and undocumented near deaths and serious injuries, there is also a correlation with births.
- Perpetrators of domestic violence frequently use impregnation of an intimate partner to increase their control and dependence. While data is unavailable, anecdotal reports found in fatality reviews and examination of other case reports, substantiate that this pattern can also be found from one generation to the next.
- Vital statistics are reflective of the health and well-being of the state. Fees generated from the issuance of vital statistics are used for intervention and prevention services, which have a significant impact on the incidence of deaths and births in Hawaii.

Domestic Violence and Sexual Assault Special Fund, Department of Health: This special fund was established under 321-1.3, HRS, and currently funds a full-time domestic violence coordinator. Although Auditor's Report 15-17 recommended its repeal, the Department of Health reiterates its position that this special fund bears a clear nexus between benefits sought and its source of revenue. Nevertheless, the department acknowledges the benefits of a change in means of financing to general funds and requests that current levels of funding be appropriated in DOH's base budget.

General funds to support this program were eliminated and the Department of Health has not been able to carry out domestic violence prevention efforts that include the Domestic Violence Fatality Reviews. For the Domestic Violence Prevention Program in general, resources are needed, whether special funds or general funds, to support the development and implementation of public awareness and education messages to change established norms and cultural beliefs to prevent violence from occurring at all. It is a matter of critical public health policy that prevention efforts remain uninterrupted.

Vital Statistics Improvement Fund, Department of Health: Auditor's Report 15-17 found that the vital statistics improvement fund "continues to serve the purpose for which it was created and meets the criteria for a special fund."

Created in 1997, the fund is used to assist in the modernization, automation, and offsetting of costs for the daily operations of the system of vital statistics within the Department of Health.

Recommendations

The Hawaii Department of Budget and Finance and the Hawaii Department of Health, in collaboration with the Hawaii Department of Human Services and the Hawaii State Judiciary, pursuant to Act 086, Part VI, Session Laws of Hawaii 2016, recommend the following:

- Continue the distribution of vital record fee revenues, without modification, to the Spouse and Child Abuse Special Account administered by the Department of Human Services, pursuant to the finding of auditor's report no. 15-19, that the fund serves the purpose for which it was created. The Department of Human Services disagrees with the auditor's opinion in report no. 15-19 that there is no clear link with the revenues derived from the vital records fees. The information maintained in vital records, not only serve as a registry of life events and establishes legal relationships, vital records statistics serve as important indicators of a community's health and well-being, the data influences policy development, funding of programs and research. Providing services to residents experiencing domestic violence, trafficking, maltreated children, and others with special needs, has a direct link to the needs of the community's health and well-being, and for some, a direct impact on the status of their legal relationships. In the alternative, redistribute all of the vital records fee revenue to the general fund, and appropriate to the base budget of the Department of Human Services the amount of \$350,000 in general funds.
- Continue the distribution of fee revenues to the spouse and child abuse special account administered by the Judiciary and established under 601-3.6, HRS without modification, pursuant to findings of auditor's report no. 15-16 that the fund meets the criteria for a special fund.
- As of July 1, 2017, abolish the Domestic Violence and Sexual Assault Special Fund administered by the Department of Health, redistribute all of the fee revenue to the general fund, and appropriate to the base budget of the Department of Health the amount of \$406,000 in general

funds. The Department of Health respectfully disagrees with findings from Auditor's Report 15-17 that recommended its repeal. DOH reiterates the position that this special fund bears a clear nexus between benefits sought and its source of revenue. Taxpayers demonstrate their connection/link to the fund with the understanding that by donating to this fund, they are contributing to efforts which raise awareness, provide education, and develop strategies to prevent domestic violence and sexual assault. Marriage license fees are relevant for the purpose of helping married victims of domestic violence leave violent marriages. Funds are used to promote safe and healthy relationships, educating students, faculty, and staff at the University of Hawaii's ten campus system, developing curriculum to address violence with the at-risk population of people with disabilities, and implementing recommendations from the Domestic Violence Fatality Review to conduct systems training across State and County first responders and treatment providers on domestic violence prevention. Nevertheless, the department acknowledges the benefits of a change in means of financing to general funds and requests that current levels of funding be appropriated in the department's base budget.

- Continue the distribution of fee revenues to the vital statistics improvement special fund administered by the Department of Health without modification, pursuant to findings of auditor's report no. 15-17 that the fund meets the criteria for a special fund.