

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-1074/1	Introduction Number SB-199	
Description Requiring certain identification in order to vote at a polling place or obtain an absentee ballot, verification of the addresses of electors, absentee voting procedure in certain residential care apartment complexes and adult family homes, and the fee for an identification card issued by the Department of Transportation		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.395 (5) (cq)		
Agency/Prepared By DOT/ Richard Kleist (608) 266-1449	Authorized Signature Julie Johnson (608) 267-3703	Date 7/14/2009

Fiscal Estimate Narratives

DOT 7/14/2009

LRB Number	09-1074/1	Introduction Number	SB-199	Estimate Type	Original
Description Requiring certain identification in order to vote at a polling place or obtain an absentee ballot, verification of the addresses of electors, absentee voting procedure in certain residential care apartment complexes and adult family homes, and the fee for an identification card issued by the Department of Transportation					

Assumptions Used in Arriving at Fiscal Estimate

BILL SUMMARY

Under existing law, WisDOT charges a fee to all persons renewing (\$28) or obtaining an original (\$28) or duplicate (\$16) identification document. Current law also requires all WISDOT issued identification (ID) cards contain a photograph of the applicant. This bill proposes that an applicant for an original or renewal ID card, and for reinstatement after certain cancellations of the ID card, may request and be issued the document at no charge. All applicants for duplicate IDs would continue to be charged a \$16 fee. Applicants for an ID would be eligible for a "valid without photo" ID card if they have sincerely held religious belief against being photographed. They would also be able to use this document to vote.

ASSUMPTIONS

Although it appears this proposal is intended to provide ID cards at no cost to assist in providing proof of identity for persons attempting to register or vote at the polls, the language would actually provide ID cards at no cost to ALL applicants, provided they ask for the product at no cost, whether or not they are eligible to vote. This would include those persons under the age of 18 or convicted felons as examples.

This proposal may cause some customers who paid a fee for an ID card to attempt to get a refund once they find out they could have obtained the card at no charge. This will result in an increased number of non-standard customer service contacts with possible fee refunds. Computer system changes will be necessary to allow an ID card to be issued without payment of a fee. These changes would be necessary to avoid the continual need to "over-ride" fees and provide a method for tracking the number of products issued under the provisions of this proposal to avoid financial auditing problems.

There may be an indeterminable increase in issuance of ID cards for individuals who wish to vote but don't have proper identification. This may cause spikes in service needs at DMV service centers before and on elections days. Some potential voters may not be able to vote if they go to their polling place without ID after service hours have ended for DMV service centers in their area.

Computer system changes will be necessary to allow an ID card to be issued without a photograph. These applicants will also be considered non-standard applicants requiring longer processing time due to additional paperwork being required to provide proof of their sincerely held religious belief against being photographed.

- 20% of Wisconsin residents who do not currently hold a driver's license or identification card will require service.
- 90% of applicants for an original or renewed identification card will request a free card.
- The department will not refund any fees paid for identification cards prior to the effective date of this bill.

CONCLUSION

COST SUMMARY

- \$50,160 estimated one-time costs for modifications to DMV issuance systems to allow for IDs without photographs.
- \$2,305,573 net loss of annual revenue for issuing free IDs to customers for which we previously collected fees.

- \$83,030(1.9 FTE) net annual cost increase for issuing IDs to new customers who obtain them because they are now available for free.
- \$11,210 ongoing annual cost increase to pay DL ID vendor for additional ID products issued to new customers.
- \$50,160 estimated one-time costs to allow ID cards to be produced without a photograph as follows:
 - \$12,000 for modifications to digitized photo-ID system allowing "valid w/o photo" ID production.
 - \$38,160 for modifications to driver license / identification card issuance system to add "valid w/o photo" data element to issuance application for identification cards (40 days @ \$704 per day programmer cost plus \$250 per day CPU costs).
- Estimated Annual WisDOT revenue from ID fees (based on 2008 statistics):
 - Originals – 40,707 @ \$28 = \$1,139,796
 - Renewals – 50,784 @ \$28 = \$1,421,952
 - Total Annual Revenue \$2,561,748 @ 90% = \$2,305,573
- Assuming 90% of those who currently pay for the ID card will now request it to be issued for no charge, the net loss of annual revenue will be \$2,305,572 (90% of total ID Original and Renewal revenue).
- If the department receives many complaints from angry customers who pay for the service and demand a refund, this proposal could lead to DMV issuing all ID cards at no charge as a policy to avoid this situation. This would cause an annual revenue loss of \$2,561,748.
- The average number of original ID cards issued in 2006, 2007, and 2008 was 52,880. We estimate that an additional 20% of this number, or 10,576 residents, hold neither a driver license nor ID card and will take advantage of access to a free ID card. Each ID takes 18.6 minutes to issue. This new work requires 1.9 FTE at an annual ongoing cost of \$83,030 (1.9 FTE @ \$43,700 DMV Field Agent Salary and Fringe).
- Under contract WisDOT pays \$1.06 for each driver license ID product issued to cover equipment and materials costs. The 10,576 new customers would cause an ongoing annual cost increase of \$11,210 under WisDOT's new contract with our DL/ID vendor.

If DMV determines that refunds would be issued to those who previously paid for ID documents, an additional indeterminable number of staff would be needed to process these refund requests.

Long-Range Fiscal Implications

See above.

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): · \$50,160 estimated one-time costs for modifications to DMV computer driver license issuance systems to allow for identification cards without photographs and provide a method for issuing an identification card without collecting a fee.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$83,030		\$
(FTE Position Changes)	(1.9 FTE)		
State Operations - Other Costs	11,210		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$94,240		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (s. 20.395 (5)(cq))	94,240		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (s.)		-2,305,573	
TOTAL State Revenues	\$	\$-2,305,573	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$94,240	\$	
NET CHANGE IN REVENUE	\$-2,305,573	\$	
Agency/Prepared By		Authorized Signature	Date
DOT/ Richard Kleist (608) 266-1449		Julie Johnson (608) 267-3703	7/14/2009