

Fiscal Estimate Narratives

DOT 7/5/2011

LRB Number	11-0927/2	Introduction Number	SB-068	Estimate Type	Original
Description Requiring the Department of Transportation to maintain a toll-free telephone number for certain purposes					

Assumptions Used in Arriving at Fiscal Estimate

At present, the Division of Motor Vehicles (DMV) maintains a toll-free public phone number that connects the caller to the top of the Division's Interactive Voice Response (IVR) system. This system allows the caller to navigate to the DMV program area that can meet the customer's needs - including driver licensing and vehicle registration issues. The Division stopped publicizing its existing toll-free number in 2008, for reasons that will be described below, and replaced the listing with its Madison-area customer service number.

In 2007, the Division paid AT&T, the state's contract provider for phone services, \$213,408 for calls received at its toll-free customer service hotline. In 2008, as the Division began to remove the number from telephone directories, that annual cost fell to \$134,748. In calendar year 2009, despite a modest increase in the per-minute cost of incoming calls charged to the state, that annual bill had fallen to \$109,155. In the first six months of 2010, the Division paid \$48,619 to operate the toll-free customer service hotline.

If the Division were again required to publish the toll-free customer service hotline number in phone directories statewide, the number of minutes of incoming calls received by the Division may increase to 2007 levels. If this were to occur, at current per-minute rates, the Division's cost to operate the toll-free line would increase by \$146,656 annually, to \$243,894 per year.

Long-Range Fiscal Implications

A report by the National Center for Health Studies concluded that, as of June 2010, fully 25 percent of Wisconsin residents have no landline phone in their homes, and use cellular phones exclusively for their calling needs. The study also concluded that, nationally, an additional 15.9% of households are "wireless mostly," which is to say that they maintain landlines for emergency purposes but utilize cell phones for daily calling needs. Cell phone prevalence and the trend toward the abandonment of switched-circuit phone lines have both been rising for years, and are expected to continue to climb. Among the remaining landlines, a growing share are actually voice-over-IP lines that come with a complement of free long distance calling minutes. Most cell phone calling plans also include a fixed number of no-cost long distance calling minutes.

The result of this is that calls placed to the Division's toll free lines are increasingly calls that produce an expense for taxpayers, but have the same cost to the caller whether placed to a toll free line or to a long-distance number. Overall incoming public call volume to the DMV has not changed as a result of the Division's decision to publish the local toll number rather than the toll-free number, but call volume to the toll-free line has fallen dramatically. This would indicate that the apparent loss of the toll-free number has not proven to be an insurmountable barrier to citizens in reaching the Division by phone.

As cell phone adoption and the abandonment of land line phones continue, a statutory mandate that the Division maintain and publicize a toll-free customer service number is likely to result in a growing number of calls to the DMV that are being paid for both by the Division and by the call originator, in the form of calling minutes.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Requiring the Department of Transportation to maintain a toll-free telephone number for certain purposes			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs	146,656		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$146,656		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (20.395(5)(cq), stats)	146,656		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$146,656		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
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