

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-2301/1		Introduction Number SB-119			
Subject Funding for identification cards issued without charge to voters					
Fiscal Effect					
State:					
<input type="checkbox"/> No State Fiscal Effect					
<input type="checkbox"/> Indeterminate					
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget		
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input 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 20.395(5)(cr)					
Agency/Prepared By		Authorized Signature		Date	
DOT/ Erin Egan (608) 266-1449		Carol Buckmaster (608) 267-6979		4/13/2005	

Fiscal Estimate Narratives

DOT 4/13/2005

LRB Number	05-2301/1	Introduction Number	SB-119	Estimate Type	Original
Subject					
Funding for identification cards issued without charge to voters					

Assumptions Used in Arriving at Fiscal Estimate

The fiscal effect of SB119 is to reimburse DOT up to \$250,000 for costs incurred issuing free ID cards to persons under AB63 or SB42. This bill takes effect only if AB63 or SB42 is enacted into law.

Bill Summary:

- Creates appropriation 20.395(5)(cr) for issuing and renewing identification cards without charge under s. 343.50 (5) and (6)
- Allows the Elections Board to review costs for issuing free identification cards incurred by DOT, and determine if costs are correct
- Transfers funds up to \$250,000 to appropriation 20.395(5)(cr) from federal funding, if elections board certifies that the costs are correct

Assumptions:

- AB 63 / SB 42 requires the department to issue an identification card at no charge to ANY applicant that requests it. There is no provision in AB 63 / SB 42 requiring the applicant prove the identification card is needed to vote, or to prove that they are indigent.
- Existing identification card holders will request the card at no charge, once they become aware of the new provision in the law that waives the fee.
- 80% of existing applicants for an original or renewed identification card will request a free card.
- ALL of the persons who apply for identification cards for voting purposes will request them at no charge.
- SB 119 does not address the revenue loss incurred to the transportation fund.
- We would have no way of knowing which cards were issued for voting purposes. As such, we would request reimbursement for all costs associated with issuing any identification card at no charge.

Conclusion:

- Total Costs incurred by the department to issue identification cards at no charge = \$780,136
- \$129,136 increased material costs for issuing identification cards at no charge.
- \$651,000 salary and fringe costs associated with issuing identification cards at no charge.

Costs to be reimbursed by Elections Board = \$250,000

Net costs to department that will not be reimbursed while HAVA funds are still available = \$530,136
(\$780,136 - \$250,000)

After four years, the Elections Board estimates that HAVA funds will be depleted. At that time, the net costs to the department that will not be reimbursed is \$780,136 annually.

Basis for Conclusion:

Identification cards counts:

- Total number of free ID cards issued annually = 121,826
- Estimated number of EXISTING ID cards that will be issued at no charge: 97,266 (121,583 Cards Issued in 2004 * 80%)
- Estimated annual number of NEW ID cards that will be issued to people who need them to vote: 24,560

Supply Costs

- The department pays \$1.06 per card issued, under contract to cover equipment and material costs.
- \$1.06 * 121,826 = \$129,136

Salary/Fringe Costs

- It takes 12.8 minutes to issue an identification card.
- Salary/fringe for a TCR4 Field Examiner is \$43,400 annually.
- $121,826 * 12.8 \text{ minutes per card} / 60 \text{ minutes per hour} / 1725 \text{ hours per year} = 15.0 \text{ FTE}$
- $15.0 \text{ FTE} * \$43,400 \text{ salary fringe} - \text{TCR 4 Field Examiner} = \$651,000$

Long-Range Fiscal Implications

The bill does not cover all of the costs incurred by DMV to issue free identification cards.

The federal funding provided under P.L. 107-252 (HAVA) to the Elections Board is one-time funding. The Elections Board estimates that there will only be funds available to reimburse DMV costs to issue free identification cards for a maximum of four years.

In addition, this bill does not address the revenue loss for customers who currently hold an identification card. The total annual revenue from ID cards = \$1,094,247 ($121,583 * \9). Assuming 80% 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 \$875,398 (80% 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 \$1,094,247.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Subject			
Funding for identification cards issued without charge to voters			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$250,000 will be transferred to appropriation 20.395(5)(cr) for a maximum of four years.			
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		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
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		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Erin Egan (608) 266-1449		Carol Buckmaster (608) 267-6979	4/13/2005