

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1261/2	Introduction Number AB-0111	
Description Prohibiting certain telephone calls using electronically prerecorded messages, rules for requesting a listing in the nonsolicitation directory, granting rule-making authority, and making an appropriation		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" 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 type="checkbox"/> Decrease Existing Revenues <input checked="" 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"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115(1)(im)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DATCP/ Darlene Sliwa (608) 224-4965	Bill Walker (608) 224-4353	5/13/2011

Fiscal Estimate Narratives

DATCP 5/13/2011

LRB Number	11-1261/2	Introduction Number	AB-0111	Estimate Type	Original
Description Prohibiting certain telephone calls using electronically prerecorded messages, rules for requesting a listing in the nonsolicitation directory, granting rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

2011 AB 111 makes two significant changes to the No Call program, both of which are likely to have a fiscal impact on the department. However, it is assumed that all additional costs associated with the bill can be absorbed by increasing the department's spending authority through existing program funds.

First, the bill allows residential telephone customers to permanently add their phone number to the no call list. Currently, consumers who wish to remain on the no call list must renew their telephone number every two years. If the phone numbers become permanent under the bill, the department recommends periodic scrubbing to remove phone numbers that have been disconnected or changed and to ensure its accuracy. Scrubbing the list will help foster a fair marketplace for telemarketers and give the department more credibility if it makes an enforcement action in court.

The department's No Call program vendor estimates that scrubbing the list monthly will require an initial startup cost of roughly \$13,000 and an annual cost going forward of roughly \$12,000. The cost for scrubbing services rests on a variety of factors. The department will consult with multiple vendors to determine the appropriate service and best value to meet program needs.

Second, the bill requires any person (with some exceptions) who makes unsolicited "robocalls" to residential telephone customers to register with the department and use the no call list. We assume that nonprofit and political organizations that now make robocalls will register, which will result in increased revenues and increased workload for the department. Since we do not currently have data showing how many of those organizations now make robocalls, we cannot estimate additional revenues or workload with any degree of certainty. Because of the nature of these political and nonprofit organizations, we believe that registrations will fluctuate. We also expect that registrations will increase during election seasons and when controversial issues are debated at the national, state, and local levels.

Since the department's jurisdiction expands under the bill, the department anticipates an increase in consumer complaints. Additional staff time will be spent handling calls, mediating complaints, and conducting investigations. Staff will also need to educate the public about the new requirements of the law. The department estimates a minimum of \$2,500 for outreach and education.

Finally, the bill requires the department to promulgate rules to set registration fees for persons who make robocalls. The department estimates that development of the rule will increase workload for approximately two years, but the costs associated with this process can be absorbed.

Based on the assumptions above, the department expects that new registrations under the bill will increase program revenue and increase workload by at least 0.5 FTE. Additional staff time will be spent processing new registrations, mediating consumer complaints, conducting investigations, and promulgating the rule. The department estimates a minimum of \$2,500 is necessary to conduct outreach and educate the public on new provisions of the law. Lastly, it is estimated that scrubbing a permanent no call registry will require an initial startup cost of \$13,000 and an annual cost going forward of \$12,000. The department assumes that these additional costs can be absorbed by increasing its spending authority through existing program funds.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1261/2		Introduction Number AB-0111	
Description Prohibiting certain telephone calls using electronically prerecorded messages, rules for requesting a listing in the nonsolicitation directory, granting rule-making authority, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Office setup for 0.5 FTE, including desks, telephones, computers, and supplies \$10,000. Education and outreach to the public and industry about the new provisions \$2,500. Initial startup cost for scrubbing the No Call program directory \$13,000. Overall total one time costs equal \$25,500.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$23,100		\$
(FTE Position Changes)	(0.5 FTE)		
State Operations - Other Costs	19,100		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$42,200		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS (20.115(1)(im))	42,200		
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			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$42,200		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By Authorized Signature Date			
DATCP/ Darlene Sliwa (608) 224-4965		Bill Walker (608) 224-4353	5/13/2011