

27n11

(Base) Agency: DATCP - Electronic Processing

Recommendations:

Burke - 3

Paper No. 220: Alternative 3

Comments: Yes, DATCP should be accepting applications, license renewals, etc., electronically. Alternative 3 lets them do this and charge fees for the service, but they have to set the fees in rule - so there is some accountability and legislative oversight.

prepared by: Barry



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Joint Committee on Finance

Paper #220

Electronic Processing (DATCP)

[LFB 1999-01 Budget Summary: Page 106, #32]

CURRENT LAW

DATCP administers a wide variety of licenses and registrations and provides numerous inspections, testing and certification services on a user fee basis. These registrations and payments for services are not conducted electronically.

GOVERNOR

Allow the Department to electronically process applications and payments for goods and services as well as DATCP-issued licenses, permits, registrations and certificates. The Department could also charge additional fees to cover the electronic processing costs. Fees would be deposited into a new, continuing PR appropriation to be used for electronic processing.

DISCUSSION POINTS

1. DATCP believes that in many cases, electronic filing and payment may be more efficient for both applicants and the Department. Efficiencies in electronic processing could save the Department time in processing, compiling and storing information, as well as lowering response times to applicants. The time saved by authorizing electronic transactions may offset any costs of providing the electronic processing services authorized under the Governor's recommendation.

2. The recommendation also allows the Department to charge a fee for electronic processing. However, the Department does not know whether the costs of providing electronic processing will be more than the savings. The Committee could allow DATCP to electronically process applications and payments, without authorizing the Department to charge a fee for electronic processing costs. Charging fees could discourage users from electronically processing

applications and payments. Further, higher volumes of electronic processing may create larger economies of scale, reduce the cost per transaction and maximize efficiencies.

3. Initial costs of providing electronic services may be prohibitively high and ongoing credit card processing fees would also have to be absorbed by the Department's current budget. DATCP has not estimated either the costs or benefits of providing electronic processing. Nonetheless, allowing the agency to provide electronic processing would let the agency determine the costs and benefits of electronic processing and decide whether to accept items electronically.

4. If the Department is allowed to collect fees for electronic processing, the Committee may wish to ensure that these fees are reasonable and cover only the actual cost of electronic processing. Some legislative oversight would be provided if DATCP were required to set electronic processing fees by rule.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to allow the Department to electronically process applications and payments for goods and services as well as DATCP-issued licenses, permits, registrations and certificates and allow the Department to charge additional fees for electronic processing to cover the processing costs.

2. Approve the Governor's recommendation to allow the Department to electronically process applications and payments for goods and services as well as DATCP-issued licenses, permits, registrations and certificates. (DATCP would not be allowed to charge additional fees for electronic processing.)

3. Approve the Governor's recommendation. In addition, require the Department to set fees by administrative rule for the actual cost of electronic processing, if the Department chooses to collect such fees.

4. Maintain current law. MO# 1113

BURKE	<input checked="" type="radio"/>	N	A
DECKER	Y	<input checked="" type="radio"/>	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	<input checked="" type="radio"/>	A
PLACHE	<input checked="" type="radio"/>	N	A
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
PORTER	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A
RILEY	<input checked="" type="radio"/>	N	A

Prepared by: David Schug

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