

Fiscal Estimate Narratives

DOT 11/12/01

LRB Number	01-3519/1	Introduction Number	AB-597	Estimate Type	Original
Subject					
Drivers' licenses and identification cards					

Assumptions Used in Arriving at Fiscal Estimate

AB597 allows valid licensed drivers to obtain a WisDOT issued photo ID in addition to their license. It also extends the expiration of "Original" IDs from 4 years to 8 years and raises the fee from \$9 to \$18. Under AB597, renewed IDs continue to expire after 4 years and the fee remains \$9.

CONCLUSION

- 1.) Since we cannot precisely estimate an increase in demand for IDs as a result of AB597, this estimate assumes a range of 0% - 10%.
- 2.) The fiscal estimate worksheet shows the high end of the range or 10%.
- 3.) \$8,700 One-time cost for 12 days of programming/cpu time to modify licenses/ID issuance system.
- 4.) \$541,800 - \$649,800 ongoing revenue increase from collection of additional \$9 ID issuance fee.
- 5.) \$0 to \$27,500 ongoing cost increase (.7 FTE) from up to a 10% increase in issuance of original IDs.

BASIS FOR CONCLUSION

1a.) The low end of 0% is based on the idea that most licensed drivers have no need or want for an additional photo ID and would not obtain one for \$18.

1b.) The high end of 10% allows for an increase in the number of ID holders because some licensed drivers may have a need for an additional photo ID or may wish to have a back-up form of ID in case they misplace their license.

3a.) \$8,700 for one-time programming and cpu costs at \$500/day + \$2,700 cpu. Modify systems to:

- Allow valid licensed drivers to be Issued a Photo ID Card.
- Change the renewal time for original ID Cards to 8 years.
- Change the fee for original ID Cards to \$18.
- Modify related systems, reports... to reflect these changes

4a.) DMV issues approximately 60,200 original ID cards each year.

4b.) \$541,800 with no increase in IDs (60,200 x \$9 increase = \$541,800)

4c.) \$649,800 with 10% increase in IDs (6,000 x \$18 = \$108,000 added to \$541,800)

5a.) 10% of 60,180 = 6,018. It takes 12.8 minutes per unit (MPU) to issue an original ID card. DMV processors issuing IDs are typically at the Transportation Customer Representative (TCR) 4 pay range (\$36,877 salary and fringe).

$6,018 \times 12.8 \text{ MPU} = 77,030 \text{ minutes}/60 = 1,284 \text{ hours} / 1,725 = .7 \text{ FTE} \times \$36,877 = \$27,446$

Long-Range Fiscal Implications

Starting with the 5th year after implementation through the 0th year (4 years total) there is an estimated revenue decrease of \$541,600 per year and an estimated workload cost decrease of \$210,200 (5.7 FTE) per year. Revenue and workload costs return to normal levels in the 9th year and continue indefinitely.

This anomaly is due to the lack of renewing ID holders during this 4-year period caused by the initial issuance cycle of 8 year Original IDs following implementation.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Drivers' licenses and identification cards			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$8,700 One-time cost for 12 days of programming/cpu time to modify licenses/ID issuance system.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$27,500	
(FTE Position Changes)		(0.7 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$27,500	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (s.20.395(5)(cq))		27,500	
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 (s.20.395(5)(cq))		649,800	
TOTAL State Revenues		\$649,800	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$27,500	\$
NET CHANGE IN REVENUE		\$649,800	\$
Agency/Prepared By		Authorized Signature	Date
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