

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-2734/4		Introduction Number AB-564
Subject History of organized labor; curriculum and license plate		
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 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 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By DOT/ Victoria Van Deventer (608) 266-0965	Authorized Signature Carol Buckmaster (608) 267-6979	Date 10/14/2003

Fiscal Estimate Narratives

DOT 10/14/2003

LRB Number 03-2734/4	Introduction Number AB-564	Estimate Type Original
Subject History of organized labor; curriculum and license plate		

Assumptions Used in Arriving at Fiscal Estimate

AB 564 creates an authorized special group specifically enumerated in state law for persons interested in obtaining special distinguishing registration plates supporting the efforts of organized labor and the development of an educational curriculum related to the history of organized labor in America. This is a fund-raising plate which will require a one-time \$15 fee for issuance or reissuance and an additional \$25 annual fee that provides funds to DPI for the development of a curriculum on the history of organized labor in America, in addition to the regular registration fee.

ONE-TIME COST:

DMV will migrate to a redesigned vehicle registration system in January 2004. This fiscal estimate assumes that programming changes will be done only in the new environment, not in the current environment. If programming changes were done in the current environment, the cost would be extremely high, moreover, the system will be obsolete in a few months. Programming modifications would cost \$20,400. This is higher than programming costs for a non-fundraising plate because of the required interface with the financial system. Plate design cost is approximately \$7,200. These costs are incurred regardless of the number of plates sold. These one-time costs appear to be funded in the bill in section 5, however there does not appear to be a provision to appropriate the costs to DOT.

VOLUME:

Since groups must pay the cost of establishing their special plates, the projected and annual sales volume is critical in determining when the group will begin to see profit. Based on the one-time cost of \$27,600, the break-even point is 1,100 plates sold. Based on our actual sales volume with similar plates, we assume plate sales of 500 in the first year.

Historically, most fund-raising plates experience their highest volume sales within the first 2 years of issuance. The following data is the actual plate sales obtained in the first year of issuance for our 5 fund-raising plates:

Endangered Resources 13,000

Celebrate Children 2,200

University System 900

Green Bay Packer 8,357 (the Packers estimated 40,000 plates)

Ducks Unlimited 985 (DU estimated 10,000)

We don't know exactly who this authorized special group is; section 7 of the bill identifies the group as "persons interested in obtaining a plate supporting the efforts of, and educational curriculum related to, organized labor in this country." We also don't know how extensively the group plans to advertise and promote the plate. Our experience with Ducks Unlimited was that a heavily promoted plate (billboards, free one-year membership and magazine) still only resulted in 985 plates sold.

DESIGN:

We assume the committee responsible for selecting plate design will follow the established parameters set forth in s.341.14 (6r) (c), that the plate shall display the word "Wisconsin," the name of the authorized special group, and a symbol representing the special group (not exceeding one position). DOT isn't named as a member of or advisor to the committee meaning the chosen design may not be compatible with materials and processes used in plate production.

ANNUAL COST:

DMV's cost to issue a special license plate is on average slightly more than \$16 per transaction. This includes plate, validation stickers, postage cost and staff cost to process the transaction.

If 500 plates are sold the first year of plate availability, DOT would incur a cost of \$8,000. Because this level of

activity would occur for a short time, the staffing need is met with LTEs. The bill does not increase the DMV appropriation to cover this cost.

REVENUE:

An issuance fee of \$15 is charged for all special plates. If 500 plates were sold in the first year, the revenue generated would be \$7,500. This revenue appears to go to the DPI appropriation created by s. 20.255 (2) (kc).

Long-Range Fiscal Implications

DMV's experience is that special group plate sales are strongest in the first year or two of availability, and then plateau or decline. Over the long term, plate sales resulting from AB 564 may average about 20 – 25 per year. This level of workload could be absorbed within DOT's current staff.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2734/4		Introduction Number AB-564	
Subject			
History of organized labor; curriculum and license plate			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
One-time cost to DOT of \$27,600 to modify data processing system programs. This cost appears to be funded in the bill, but is not actually credited to the appropriation under s. 20.395 (5) (cq).			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$3,800	
(FTE Position Changes)			
State Operations - Other Costs		4,200	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$8,000	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (s.)		8,000	
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		7,500	
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$7,500	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$8,000	\$
NET CHANGE IN REVENUE		\$7,500	\$
Agency/Prepared By		Authorized Signature	Date
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