

Fiscal Estimate Narratives
DOT 3/25/2004

LRB Number 03-4025/1	Introduction Number AB-957	Estimate Type Original
Subject Requiring living will and health care power of attorney on license document and information provided with renewals		

Assumptions Used in Arriving at Fiscal Estimate

Everyone 18 and older will receive the Living Will and Health Care power of attorney forms with their renewal. We have no way of knowing if a living will or health care POA has been rescinded since the prior interaction with the customer. As such, everyone will get the forms.

All persons renewing, or receiving original or duplicate license or identification card, must be asked about living will and health care power of attorney. We have no way of knowing if a living will or health care POA has been rescinded since the prior interaction with the customer. Transaction time is incurred regardless of applicant's decision.

It is estimated that 15% of applicants will indicate they have executed a living will and/or health care power of attorney and will require stickers.

Long-Range Fiscal Implications

CONCLUSION:

One time costs:

\$118,082 for data processing work

\$375,000 to alter driver license and identification cards.

On-going costs:

\$695,119 for postage and mailing costs to include living will and health care power of attorney forms with renewal notices.

\$142,000 (5.0 positions) to hand insert renewals including the living will and health care power of attorney forms.

\$167,191 to purchase living will and health care power of attorney forms from DHFS.

\$6,638 to purchase living will and health care power of attorney stickers.

\$790,400 FTE costs (19.0 positions) for field station staff to process living will and health care power of attorney transactions.

Additional costs to process applicant's decision to rescind their decision to execute a living will and/or health care power of attorney are indeterminable.

BASIS FOR CONCLUSION

One-time Costs:

-Data processing development is needed to capture decision of applicant to execute living will and/or health care power of attorney and to provide this information upon request.

-Altering the driver license and identification card to include space for the living will and/or health care power of attorney sticker and to include space for the name of the health care power of attorney designee will cost an additional \$0.25 per card. All cards must be changed until the current contract expires in November 2005.

Ongoing State Cost Increase

-DMV sent 520,422 renewals notices in 2003. The living will and health care power of attorney forms add six double-sided pages to the renewal notice. The current envelope cannot accommodate these additional pages. A larger envelope, 10" x 13" must be used. Larger envelopes cannot be machine inserted and must be stuffed by hand, significantly increasing costs. Postage costs are significantly higher (\$.83 versus \$.309) as well.

-Hand inserting renewals will take an additional 5.0 FTE per year - 520,422 renewals @ 1 minute per renewal = 8667 hours / 1725 hours per year = 5.0 positions @ \$28,400 for a Shipping and Mailing Clerk 2.
-983,476 renewals, duplicate, and original issuance of driver licenses and identification cards take place per year for persons age 18 and over. DHFS will charge \$.07 for each living will form and \$.10 for each health care power of attorney form.

-Additional transaction time will be incurred for all driver license and identification card renewals, original issues, and duplicate transactions. Staff must ask the applicant if they have executed a living will and health care power of attorney (yes/no), update the customer record if they wish their decision to be recorded, answer questions, provide forms for a negative response, provide stickers for a positive response. Transaction time was estimated at 2.0 minutes per transaction, based on a range of transactions. 983,476 transactions * 2.0 / 60 minutes per hour / 1725 hours per year = 19.0 FTE @ \$41,600 for a Transportation Customer Representative 4.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Requiring living will and health care power of attorney on license document and information provided with renewals			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$118,082 for data processing work. \$375,000 for alterations to driver license and identification card under current contract with vendor.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$932,400	
(FTE Position Changes)		(24.0 FTE)	
State Operations - Other Costs		868,948	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$1,801,348	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		1,801,348	
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		\$1,801,348	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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