

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-0493/1	Introduction Number SB-006
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Description
 Requiring certain identification in order to vote at a polling place or obtain an absentee ballot, verification of the addresses of electors, absentee voting procedure in certain residential care apartment complexes and adult family homes, identification cards issued by the Department of Transportation, creating an identification certificate issued by the Department of Transportation, requiring the exercise of rule-making authority, and providing a penalty

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <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
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS s.20.395(5)(cq)	

Agency/Prepared By DOT/ Richard Kleist (608) 266-1449	Authorized Signature Marianne Haag (608) 267-6978	Date 1/26/2011
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Fiscal Estimate Narratives

DOT 1/26/2011

LRB Number	11-0493/1	Introduction Number	SB-006	Estimate Type	Original
Description Requiring certain identification in order to vote at a polling place or obtain an absentee ballot, verification of the addresses of electors, absentee voting procedure in certain residential care apartment complexes and adult family homes, identification cards issued by the Department of Transportation, creating an identification certificate issued by the Department of Transportation, requiring the exercise of rule-making authority, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

BILL SUMMARY

Under existing law, WisDOT charges a fee to all persons renewing (\$28) or obtaining an original (\$28) or duplicate (\$16) identification card. Current law requires all Department of Transportation (DOT) issued identification (ID) cards contain a photograph of the applicant. This bill provides that applicants for an ID would be eligible for a "valid without photo" ID card if they have sincerely held religious belief against being photographed. The provision allowing the "valid without photo" ID card is repealed when DOT implements the requirements of the 2007 Wisconsin Act 20 provisions of the federal REAL ID Act, which then requires each drivers license and identification card issued to include the person's photograph. A person would also be able to use these documents to register or vote at the polls on election day.

This bill proposes that an applicant for an original or renewal ID card, and for reinstatement after certain cancellations of the ID card, may request and be issued the document at no charge. All applicants for duplicate ID cards would continue to be charged the \$16 duplicate fee. Upon implementation of the provisions of the federal REAL ID Act, DOT may no longer issue an identification card without a photograph and a person may no longer obtain an identification card from DOT free of charge.

This bill creates an identification certificate to be issued over the counter on the same day the person makes application to DOT beginning at the time that DOT implements the provisions of the federal REAL ID Act. When used for purposes of voting, an identification certificate has the same status as an identification card. A person is eligible for an identification certificate if the person provides the same information that an elector is required to provide in order to register to vote and signs a statement affirming that the information is correct. The identification certificate may not be accepted by any federal agency for federal identification.

The bill proposes that an applicant for an original, renewal, or duplicate ID certificate, and for reinstatement after cancellation of the ID certificate, may request and be issued the document at no charge. Applicants for an ID certificate would be eligible for a "valid without photo" ID card if they have sincerely held religious belief against being photographed and request the certificate for the purpose of voting.

ASSUMPTIONS

This proposal allows some residents to receive a governmental service at no charge while others are charged. This inequity is based solely on a person knowing to ask for the service for free and not on any other criteria. It also does not charge for original and renewal identification cards but continues to charge the fee to obtain a for duplicate ID card.

Once customers who pay for the service become aware they could have avoided the fee, many will contact DOT and demand a refund of their fee. As provisions of this law become better known, it is likely the vast majority of persons obtaining an original or renewal ID card will request a free product.

Although it appears this proposal is intended to provide ID cards at no cost to assist in providing proof of identity for persons attempting to register or vote at the polls, the language would actually provide ID cards at no cost to ALL applicants, except those applying for a duplicate ID card, provided they ask for the product at no cost, whether or not they are eligible to vote. This would include those persons under the age of 18 or convicted felons as examples.

Current law requires all ID cards to contain a photograph of the applicant. This proposal allows, for an

undetermined period of time, an ID card to be issued without a photograph to those people having a sincerely held religious belief against being photographed.

This bill also creates an Identification Certificate. The Identification Certificate will appear substantially similar to ID Cards, but must be readily identifiable as different than an ID card or Drivers license and must clearly state the certificate is not acceptable for identification for any federal agency.

As stated above, this proposal allows some residents to receive a governmental service at no charge while others are charged. This inequity again is based solely on a person's knowing to ask for the service for free and not on any other criteria, thereby creating the same issues as previously stated.

Again it appears this proposal is intended to provide ID certificates at no cost to assist in providing proof of identity for persons attempting to register or vote at the polls, the language would actually provide the certificates at no cost to ALL applicants, whether or not they are eligible to vote, provided they ask for the product at no cost and for the purpose of voting. This would include those persons under the age of 18 or convicted felons as examples.

As a step to comply with the security requirements of the federal REAL ID Act, DOT expects to begin issuing most Driver License (DL) and ID card products from a central location beginning in late May, 2011. This proposal requires DOT to promulgate a rule to provide a procedure under which identification certificates are generally issued over the counter to the applicant on the same day they apply.

Changes to the DMV license issuance system will be necessary to allow an ID card to be issued without payment of a fee. The changes would be necessary to avoid the continual need to "over-ride" fees and provide a method for tracking the number of products issued under the provisions of this proposal to avoid financial auditing problems. These applicants will also be considered non-standard applicants requiring longer processing time due to additional paperwork being required to provide proof of their sincerely held religious belief against being photographed.

When the REAL ID changes resulting from 2007 Wisconsin Act 20 are implemented, it will be necessary to require all ID cards to contain a photograph and require payment of an application fee, except in situations otherwise statutorily provided for.

Computer system changes will also be necessary to create the new ID certificate and provide the ability to issue the product, both with or without a fee being collected and with or without a photograph included.

In May, 2011, DMV is changing its driver license and ID card issuance process to one where the license and ID card products are produced in a "central issuance" location. This proposal requires that when DOT implements the requirements of the federal REAL ID Act, the department must make processing changes under which identification certificates are generally issued over the counter to the applicant on the same day they apply. This will have a significant administrative impact in that DOT must work with its DL/ID card vendor to make computer system changes, purchase new DL/ID card printers for all DMV Service Centers, and provide staff training.

There may be an indeterminate increase in issuance of ID cards in addition to the new ID certificates for individuals who wish to vote but don't have proper identification. This may cause spikes in service needs at DMV service centers before, on, and the day after election day. Some potential voters may not be able to vote if they go to their polling place without ID after service hours have ended for DMV service centers in their area.

This proposal may cause some customers who paid a fee for an ID card or an ID certificate to attempt to get a refund once they find out they could have obtained the product at no charge. This will result in an increased number of non-standard customer service contacts with possible fee refunds.

When attempting to determine costs for this proposal, we also used the following assumptions:

-20% of Wisconsin residents who do not currently hold a driver's license or identification card will seek an ID card due to the requirements proposed in this bill.

-100% of applicants for an original or renewed identification card will be issued a free card.

-The department will not refund any fees paid for identification cards prior to the effective date of this bill.

CONCLUSIONS

COST SUMMARY

In the past five years, the Department has developed new online driver's licensing services (ex: occupational license eligibility, reinstatement eligibility, etc.) and the driver license issuance and reinstatement systems have been redesigned into DB2 architecture. These systems and applications, and other processing business rules will all need updating to incorporate issuance of a new license type called the Identification Certificate.

- Computer programming changes to Wisconsin's driver licensing system for over the counter processing and online systems to issue, identify, update, and withdraw a Driver Card, and the creation of a fee over-ride method. The cost to complete these computer system changes is \$612,000.
- Changes necessary to interact with the DOT DL/ID card vendor for over the counter issuance of Identification Certificates with the assumptions that 50 new over-the-counter credential printers will be installed to print a new Identification Certificate for issuance over-the-counter to citizens, while still maintaining the new central issuance environment at DMV locations. The cost includes software development at the capture workstation and Central Image Server; Identification card design effort; implementation services; and ongoing maintenance for up to 3 years is estimated not to exceed \$1,110,250.
- \$2,736,832 net loss of annual revenue for issuing free ID cards and Identification Certificates to customers for which we previously collected fees.
- \$61,180 (1.4 FTE) net annual cost increase for issuing ID cards and Identification Certificates to new customers who obtain them because they are now available for free.
- \$18,038 ongoing annual cost increase to pay DL ID vendor for additional ID products issued to new customers.

- Estimated Annual WisDOT revenue from ID card fees (based on 90% of the total original and renewal ID cards issued in 2010):

Originals – 39,341 @ \$28 = \$1,101,548

Renewals – 58,403 @ \$28 = \$1,635,284

Total Annual Revenue \$2,736,832

- Assuming 100% of those who currently pay for the ID card will now request it to be issued for no charge; the net loss of annual revenue will be \$2,736,832.

- The average number of original ID cards issued in 2008, 2009, and 2010 was 40,083. We estimate that an additional 20% of this number, or 8,017 residents, hold neither a driver license nor ID card and will take advantage of access to a free ID card or Identification Certificate. Each ID takes 18.6 minutes to issue. This new work requires 1.4 FTE at an annual ongoing cost of \$61,180 (1.4 FTE @ \$43,700 DMV Field Agent Salary and Fringe). These numbers will most likely be higher as parents of children under the voting age find they can get their child an ID card at no cost, an indeterminate number are expected to apply for an ID card.

- Under contract WisDOT will pay \$2.25 for each driver license ID product issued to cover equipment and materials costs. The 8,017 new customers would cause an ongoing annual cost increase of \$18,038 under WisDOT's new contract with our DL/ID vendor.

- Creation and printing of a new application for use when applying for an Identification Certificate, assuming printing of 15,000 forms annually would cause an ongoing annual cost increase of approximately \$500.

If DMV determines that refunds would be issued to those who previously paid for ID documents, an additional indeterminate number of staff would be needed to process these refund requests.

Long-Range Fiscal Implications

See above.

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description		
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
Computer programming changes to Wisconsin's driver licensing system for over the counter processing and online systems to issue, identify, update, and withdraw a Driver Card, and the creation of a fee over-ride method. The cost to complete these computer system changes is \$612,000. Changes necessary to interact with the DOT DL/ID card vendor for over the counter issuance of Identification Certificates with the assumptions that 50 new over the counter credential printers will be installed to print a new Identification Certificate for issuance over the counter to citizens, while still maintaining the new central issuance environment at DMV locations. The cost includes software development at the capture workstation and Central Image Server; Identification card design effort; implementation services; and ongoing maintenance for up to 3 years is estimated not to exceed \$1,110,250. Total one-time costs for computer and license issuance system changes equal approximately \$1,722,250.		
II. Annualized Costs:		Annualized Fiscal Impact on funds from:
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$61,180	\$
(FTE Position Changes)	(1.4 FTE)	
State Operations - Other Costs	500	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$61,680	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S (s.20.395(5)(cq))	61,680	
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 (s.20.395(5)(cq))		-2,736,832
TOTAL State Revenues	\$	-\$2,736,832
NET ANNUALIZED FISCAL IMPACT		

	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$61,680	\$
NET CHANGE IN REVENUE	\$-2,736,832	\$
Agency/Prepared By		
DOT/ Richard Kleist (608) 266-1449	Authorized Signature	
	Marianne Haag (608) 267-6978	Date
		1/26/2011