



## Fiscal Estimate Narratives

DOT 5/27/2015

LRB Number	<b>15-0502/1</b>	Introduction Number	<b>AB-0092</b>	Estimate Type	<b>Original</b>
<b>Description</b> Penalties for violations related to the motor vehicle liability insurance requirement, proof of financial responsibility, and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

This bill would require the Department of Transportation (DOT) to suspend a person's operating privilege and all registrations of the person, unless the person can provide proof of financial responsibility, if DOT receives a record of conviction for operating a vehicle on the highway without having the required motor vehicle liability insurance policy in effect. Under the bill, the proof of financial responsibility requirement remains in effect for five years from the date of conviction.

For the year 2014, there were 60,358 convictions (8.46% of total traffic convictions) resulting from violating the current motor vehicle liability insurance requirement under s. 344.62, Wis. Stats. Using the number of convictions in 2014, the department estimates that roughly two-thirds (40,239) of the total convictions represent unique individuals from that year.

Based on the administrative and fiscal impact incurred by DOT's Division of Motor Vehicles (DMV), relating to the Safety Responsibility (SR) Law – the law where driver licensing and vehicle registration sanctions are imposed against uninsured motorists involved (and who are at fault) in an accident – the department estimates that this bill will result in total annual costs for DMV of approximately \$418,000 and one-time IT costs for implementation in the amount of approximately \$295,000 (see below for cost calculations).

For the purposes of this fiscal estimate, the department made the following assumptions –

#### Employee Salary Costs:

- (1) Transportation Customer Representative Position Hourly Rate: \$19.55
- (2) Fringe Benefits Rate: 45.04%
- (3) Annual Hours (per current State Compensation Plan): 2,088
- (4) Annual Work Hours (Actual): 1,725

#### Material Costs:

- (1) Cost per Envelope: \$0.02
- (2) Postage Cost: \$0.43
- (3) Costs for Handling, Paper and Printing: \$0.06
- (4) Costs of Supplies/Supplies per Employee: \$5,900

For the purposes of this fiscal estimate, the department made the following calculations:

#### Inputs:

- CNI Convictions (2014): 60,358
- Estimated Number of Unique Individuals (two-thirds of total CNI convictions): 40,239
- Number of SR-related Phone Calls Received (2013): 8,100
- Average Length of Phone Calls (minutes per unit): 4.8
- Average Length of Manual Updates (correct court errors/amended charges/re-opening cases) (minutes per unit): 16.0
- Number of Motorists subject to the SR law (2012): 4,791

#### Calculations:

##### Administrative:

- Estimated Number of Additional Phone Calls Received (using SR ratio): 68,030

[(40,239 / 4,791) X 8,100]

– Total Number of Additional Phone Call Hours: 5,442

[68,030 X (4.8 / 60)]

– ADDITIONAL FTE Necessary: 3.2

[5,442 / 1,725]

– COST OF ADDITIONAL FTE (3.2): \$205,411.01

3.2 FTE X (2,088 X (\$19.55 + (\$19.55 X 45.04%)) + \$5,900)

– Estimated Percentage of Additional Manual Updates (current avg. for existing manual updates): 25%

– Total Number of Additional Manual Update Hours: 4,024

[(60,358 X 25%) X (16.0 / 60)]

– ADDITIONAL FTE Necessary: 2.3

[4,024 / 1,725]

– COST OF ADDITIONAL FTE (2.3): \$151,871.01

[2.3 FTE X (2,088 X (\$19.55 + (\$19.55 X 45.04%)) + \$5,900)]

– TOTAL ADDITIONAL FTE: 5.5

[3.2 + 2.3]

– TOTAL COST OF ADDITIONAL FTE: \$357,282.02

#### Materials:

– Mailings (primary letter and follow-up eligibility/post-suspension letter): 60,358

– COST OF MAILING: \$60,599.43

[(60,358 + 60,358) X (\$.02 + \$.43 + \$.06)]

#### TOTAL COSTS:

ANNUAL (ongoing): \$417,881.45

[(205,411.01 + 151,871.01 + 60,599.43)]

ONE-TIME IT COSTS: \$295,125.00

Note: Under an introduced amendment (AA1, to ASA 1 to AB 92), the costs described above would be offset by the reinstatement fee established by the amendment.

#### Long-Range Fiscal Implications

Ongoing annual costs of approximately \$418,000.

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Penalties for violations related to the motor vehicle liability insurance requirement, proof of financial responsibility, and providing a penalty		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  One-time IT implementation costs of approximately \$295,000.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs      Decreased Costs	
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$357,282	\$
(FTE Position Changes)	(5.5 FTE)	
State Operations - Other Costs	60,599	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$417,881</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S (20.395(5)(cq))	417,881	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$417,881	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOT/ Robert Combs (608) 266-1449	Nate Yahn (608) 266-1114	5/27/2015