

To: Wisconsin Government Accountability Staff
From: Iseul Choi, Josef Dvorak, Steven Kulig, Katie Lorenze, Amanda Wilmarth
Re: Online Voter Registration System Cost-Benefit Analysis Presentation
Date: January 30, 2014

Methodology

- We predict the net benefits of implementing an online voter registration system (OVRs) over a ten-year period in terms of net present value (NPV), which equals total benefits less total costs discounted to the present. To calculate NPV we use current prices and wages to value impacts in future years. Our analysis discounts all costs and benefits at a real discount rate of 3.5 percent
- We use EAC Election Administration and Voting Survey (EAVS) to predict future usage of the OVRs in Wisconsin
- We surveyed municipal and county clerks to determine it takes on average 5.5 minutes to process a registration and 8.5 minutes to process an illegible or inaccurate registration

Costs

- We used GAB and DOT cost estimates of Assembly Substitute Amendment 1 to Assembly Bill 225 to predict implementation and maintenance costs of \$1.42 million
- Our main model also includes public advertising and outreach costs of \$638,900, which is based on the GAB's estimate of advertising the implementation of photo ID

Net Benefits

- Cost savings to local governments through time savings, lower material costs, and labor reductions are driven by OVRs usage
- Local governments realize 70 percent of all cost savings
- Registrants switching to an OVRs realize 30 percent of savings through reduced travel to clerks' offices and reduced cost of mailing registrations

Net Benefit Model Ranges

- Advertising costs based on implementing photo ID
 - Net benefits equal \$372,000
 - Range of -\$155,000 to \$912,000
 - 99.8 percent of simulations result in positive net benefits
- No advertising costs with no usage delay
 - Net benefits equal \$1.01 million
 - Range of \$489,000 to \$1.57 million

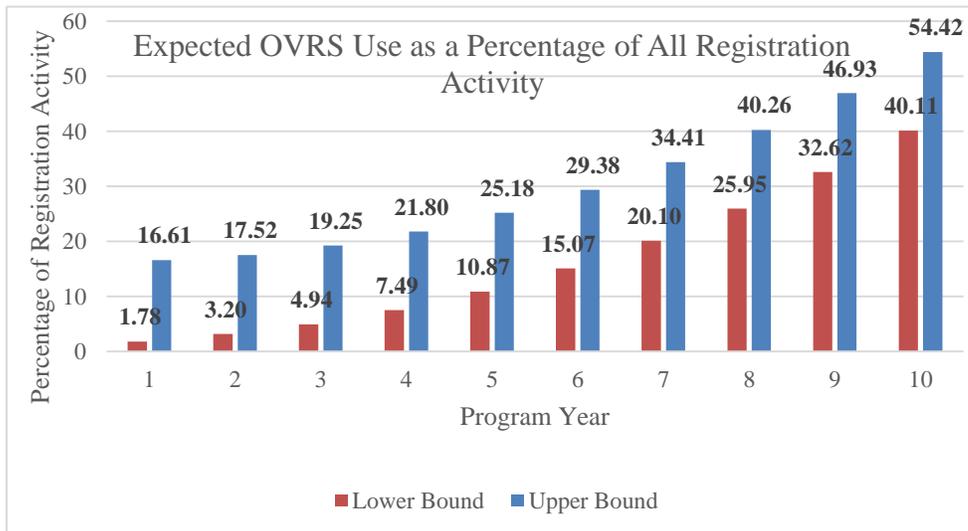
- No advertising costs with one year usage delay
 - Net benefits of \$525,000
 - Range of \$41,000 to \$1 million
- No advertising costs with two year usage delay
 - Net benefits of \$124,000
 - Range of -\$257,000 to \$588,000
 - 87 percent of simulations result in positive net benefits

Monte Carlo Analysis

- The simulation randomly draws 100,000 values from each distribution to calculate a range of net benefits
- Uncertain variables include the total number of registrations, reductions in poll worker hours, poll worker reductions, percentage of OVRs use, implementation and maintenance costs, and clerk time savings. All wages, postage, paper and ink costs are held constant

OVRs Usage

- Range of usage based on regression of usage data from states with an OVRs



Source: Authors

* This memo summarizes a cost-benefit analysis of implementing an online voter registration system in Wisconsin. The analysis was conducted through the La Follette School of Public Affairs under the direction of Professor David Weimer and was completed in December 2013.