

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-3913/1		Introduction Number AB-0743		
Description Relating to: permitting third-party testers to administer driving skills tests for certain noncommercial motor vehicle drivers.				
Fiscal Effect				
State:				
<input type="checkbox"/> No State Fiscal Effect				
<input type="checkbox"/> Indeterminate				
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues		
<input type="checkbox"/> Decrease Existing Appropriations		<input checked="" type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations		<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				
Local:				
<input 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"/> Counties		<input type="checkbox"/> Cities		
<input type="checkbox"/> School Districts		<input type="checkbox"/> Others		
		<input type="checkbox"/> WTCS Districts		
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 20.395(5)(cq)				
Agency/Prepared By		Authorized Signature		Date
DOT/ Mitchell Warren (608) 266-1449		Julie Johnson (608) 267-3703		2/20/2008

Fiscal Estimate Narratives

DOT 2/20/2008

LRB Number	07-3913/1	Introduction Number	AB-0743	Estimate Type	Original
Description Relating to: permitting third-party testers to administer driving skills tests for certain noncommercial motor vehicle drivers.					

Assumptions Used in Arriving at Fiscal Estimate

BILL SUMMARY

This proposal allows DOT to enter in contracts with 3rd parties to administer Class D skills tests. Class D includes most noncommercial vehicles except motorcycles.

DOT is prohibited from contracting with commercial driving schools except a private employer of commercial drivers. DOT is allowed to conduct random examinations and audits of the program, and at a minimum must conduct annual on-site inspections of 3rd party testers. DOT is required to take remedial action against a 3rd party tester if the tester fails to comply with department or federal standards.

ASSUMPTIONS

- A class D skills test costs provided by DOT costs \$15 for up to three attempts
- DOT schedules skills tests up to 13 weeks in advance and provides a self-serve online scheduling service
- 10% of the individual's desiring a class D skills test would choose to use a 3rd party
- DOT would not reduce it's current staffing levels for providing class D skills tests so that the time it takes to obtain a class D skills test from DMV could potentially be reduced
- DOT would perform annual inspections and ad-hoc auditing and inspection of 3rd party test providers
- DOT would take remedial action against a 3rd party test provider when department or federal standards aren't followed

CONCLUSION

A class D skills test costs \$15 for up to three attempts. In calendar year 2007 DMV collected \$1,287,940 in class D skills test fees, and administered 118,088 tests. Average revenue per test administered= \$10.91.

Assuming that 10% of class D skills tests would be provided by third parties the Division would experience an annual revenue reduction of \$128,800.

The proposal requires DOT to do annual inspections and allows for auditing and inspection of 3rd party test providers at any time. It also requires remedial action to be taken when department or federal standards aren't followed. The Division would require 2.0 FTE for 3rd party auditors, and .5 LTE (annually) for the hiring of individuals to be used in covert audits.

2.0 MVPS Senior= \$98,000 salary and fringe annually
0.5 TCR 2 Field LTE= \$14,000 salary and fringe annually

Total annual impacts: \$240,800, 2.0 permanent FTE, 0.5 LTE

Long-Range Fiscal Implications

See above.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Description Relating to: permitting third-party testers to administer driving skills tests for certain noncommercial motor vehicle drivers.			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$112,000		\$
(FTE Position Changes)	(2.5 FTE)		
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$112,000		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (SEG)	112,000		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (20.395(5)(cq))			-128,800
TOTAL State Revenues	\$		-\$-128,800
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$112,000		\$
NET CHANGE IN REVENUE	\$-128,800		\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Mitchell Warren (608) 266-1449		Julie Johnson (608) 267-3703	2/20/2008