

FISCAL ESTIMATE
DOA-2048 N(R1298)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
AB789 (LRB-4275/1)

Amendment No. if Applicable

Subject

Valid period of driver licenses issued to persons 70 years of age or older.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Conclusion

One-time Costs : Data Processing = \$12,440
On-going Costs : None until 2004. See Long Range Fiscal Implications, below.
Revenue Impact: Reduction of about \$1.146 million, annualized.

Basis for Conclusion; Assumptions

1. There are about 382,000 licensed drivers age 70 or older.
2. DOT began the transition from 4 year renewal cycle to 8 year renewal cycle in February 1998. About half of drivers age 70+ (191,000 people) have already renewed their driver license for 8 years. Licenses renewed in 1998 expire in 2006; licenses renewed in 1999 expire in 2007. These people will retain their 8-year licenses until they next renew, when they will be changed to a 4-year cycle.
3. The remaining 191,000 drivers 70+ will renew over the next 2 years. Under the 8 year license, half of these people would have appeared in person in 2000 to renew the license for 2008, and the other half would have appeared in person in 2001 to renew for 2009. Completing the transition to the 8 year renewal would have resulted in reduced 70+ aged customers during 2002-2005. Instead, under this proposal, drivers 70+ will appear in person in 2000 to renew the license for 2004 and in 2001 to renew for 2005. This will still leave a reduced older driver renewal volume in 2002 and 2003.
4. There is no workload impact in 2000 and 2001 because of this proposal; those people would have appeared in person for the 8-year renewal anyway, and now will appear in person for the 4-year renewal.
5. There will be an small indeterminable increase in road testing as a result of examiner observations during the renewal process; there will be a small indeterminable increase in phone calls from these customers about station hours, processes, and fees.
6. Revenue impact: The current fee for an 8 year license (class D) is \$24. This proposal reduces the fee to \$12 for 4 years. The revenue loss is estimated at \$12 x 95,500 or about \$1.146 million in each of 2000 and 2001. (This will still leave a reduced older driver renewal volume in 2002 and 2003.)
7. DOT has already reduced positions related to the 8-year renewal cycle transition. The total position reduction for was 34.7 FTE. (17.3 were reduced in FY98 and 17.4 were reduced in FY99.) Any workload increase in the future will significantly strain service levels in Customer Service Centers.

Long-Range Fiscal Implications

The full impact of this proposal will not occur until 2004.
One-time: Supplies & Services: \$8,000
On-going: Salary & Fringe: 9.3 FTE; \$343,200
Supplies & Services: \$125,000

Agency/Prepared by: (Name & Phone No.)
DOT/DMV - Eileen Ostrowsky 266-1449

Authorized Signature/Telephone No.
Roger P. Cross 266-2233

Date
3/1/00

Basis for Long Range Fiscal Implications; Assumptions

1. The full impact of this proposal will not occur until CY2004 and CY 2005, when drivers renewing a license for 4 years in 2000 and 2001 return to renew it for another 4 years.
2. DOT has already reduced positions related to the 8-year renewal cycle transition. The total position reduction for was 34.7 FTE. (17.3 were reduced in FY98 and 17.4 were reduced in FY99.) This workload increase will significantly strain service levels in Customer Service Centers.
3. The minutes-per-unit rate to process a driver renewal, including vision screening, is 10.1 minutes. $95,500 \times 10.1$ minutes = 16,076 hours. FTE = 1,725 production hours, so $16,076 / 1,725$ hours = 9.3 FTE @ TCR4-Field
4. Salary & Fringe: Minimum pay for a TCR4-Field is \$12.928 plus 37.14% fringe of \$4.801; this is annualized to \$36,900. $9.3 \text{ FTE} \times \$36,900 = \$343,200$
5. Supplies & Services (one-time): Uniforms @ \$800 per employee. $\$800 \times 10 = \$8,000$
6. Supplies & Services (on-going):
 - Driver License document (photo license) @ \$1.18 each (estimated). $95,500 \times \$1.18 = \$113,000$
 - Employee supplies, phone service and training @ \$1,200 per employee. $10 \times \$1,200 = \$12,000$.
7. There will be a small indeterminable increase in road testing as a result of examiner observations during the renewal process; there will be a small indeterminable increase in phone calls from these customers about station hours, processes, and fees.
8. Revenue impact: The current fee for an 8 year license (class D) is \$24. This proposal reduces the fee to \$12 for 4 years. $\$12 \times 95,500$ or about \$1.146 million variation each year. There is a revenue increase in 2004 and in 2005 of about \$1.146 million, because, under the 8-year transition, there would not have been any older driver renewals in those years. Then, there is a revenue loss for 2006 and on because of the shorter renewal period with the lower fee.

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R06/99)

| | |
|-------------------------------|-----------------------------|
| LRB Number - 4275/1 | Amendment No. if Applicable |
| Bill Number AB789 | Administrative Rule Number |

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Valid period of driver licenses issued to persons 70 years of age or older.

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
Data Processing = \$12,440. (20 days plus testing)

| II. Annualized Costs: | | Annualized Fiscal impact on State funds from: | |
|---|--|---|-----------------|
| A. State Costs by Category | | Increased Costs | Decreased Costs |
| State Operations - Salaries and Fringes | | \$ -0- | \$ - |
| (FTE Position Changes) | | (FTE) | (- FTE) |
| State Operations - Other Costs | | | - |
| Local Assistance | | | - |
| Aids to Individuals or Organizations | | | - |
| TOTAL State Costs by Category | | \$ | \$ - |
| B. State Costs by Source of Funds | | Increased Costs | Decreased Costs |
| GPR | | \$ | \$ - |
| FED | | | - |
| PRO/PRS | | | - |
| SEG/SEG-S | | | - |
| III. State Revenues | | Increased Rev. | Decreased Rev. |
| Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | | |
| GPR Taxes | | \$ | \$ - |
| GPR Earned | | | - |
| FED | | | - |
| PRO/PRS | | | - |
| SEG/SEG-S | | | - 1,146,000 |
| TOTAL State Revenues | | \$ | \$ - 1,146,000 |

NET ANNUALIZED FISCAL IMPACT

| | STATE | LOCAL |
|------------------------|----------------|----------|
| NET CHANGE IN COSTS | \$ -0- | \$ _____ |
| NET CHANGE IN REVENUES | \$ (1,146,000) | \$ _____ |

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| Prepared by: DOT/DMV Eileen Ostrowsky 266-1449 | Authorized Signature: Roger Cross 266-2233 | Date March 1, 2000 |
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