

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-3816/1		Introduction Number SB-442	
Subject Allowing third-party testing for driving skills test for Class D operators licenses			
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"/> Increase Costs - May be possible to absorb within agency's budget	
<input type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input checked="" 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	5. Types of Local Government Units Affected	
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	<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
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/ George Esser (608) 266-5884		Carol Buckmaster (608) 267-6979	2/10/2004

Fiscal Estimate Narratives

DOT 2/10/2004

LRB Number	03-3816/1	Introduction Number	SB-442	Estimate Type	Original
Subject					
Allowing third-party testing for driving skills test for Class D operators licenses					

Assumptions Used in Arriving at Fiscal Estimate

BILL SUMMARY

LRB 3816/1 permits 3rd party testers to administer driving skills tests for certain noncommercial motor vehicle drivers (i.e. those applying for a "Class D" license). Class D vehicles include most noncommercial motor vehicles other than motorcycles. DOT may not enter into contracts with private driver training schools or other private institutions to administer the tests. However, the LRB allows private employers of commercial motor vehicle drivers to administer the tests. The LRB requires DOT to conduct on site inspections of the 3rd party Class D testers.

COST SUMMARY

Ongoing/Full implementation:

Net decrease of 2.8 FTEs

Net annual savings of \$128,737

Road test fee revenue loss = \$148,311.

First year cost/revenue impacts:

Net decrease of .9 FTEs

Net annual savings of \$40,868

Road test fee revenue loss = \$74,155.

BASIS FOR COST ITEMS:

DOT assumes that 3rd parties will administer 10% of class D tests after the program is fully operational. It should be noted that this estimate is somewhat tenuous since the American Association of Motor Vehicle Administrators (AAMVA) has indicated that, to their knowledge, no other state has a program exactly like the one being proposed in the LRB. DOT estimates that 3rd parties will administer approximately 5% of Class D tests in the 1st year of the program.

Ongoing after full implementation:

DMV examiner savings of 3.8 FTEs: 139,916 (DMV administered Class D skills tests in 2003) X 10% (done by contractors) X 28.1 minutes/test . The 3.8 FTEs savings results in salary/fringe savings = \$165,243 @ \$43,500 salary/fringe costs/TCR 4 Field Examiner FTE.

Automated road test scheduling system savings = \$10,494 (\$.75 per call)

It is assumed that 1 new position will be required to audit the program, coordinate training for the 3rd parties and provide outreach/recruit testers. Salary/fringe cost (MVPS) + travel related expenses = \$47,000.

Net DMV savings would = 2.8 FTEs; \$128,737

Road test fee revenue loss = \$148,311; DMV charges \$15 for up to 3 road test attempts. The average revenue per test, based on 2003 experience, is \$10.60. \$10.60 X 139,916 tests X 10%

First year/one time cost/revenue impacts:

DMV examiner savings of 1.9 FTEs: 139,916 (DMV administered Class D skills tests in 2003) X 5% (done by contractors) X 28.1 minutes/test . The 1.9 FTEs savings results in salary/fringe savings = \$82,621 @ \$43,500 salary/fringe costs/TCR 4 Field Examiner FTE.

It is assumed that 1 new position will be required to audit the program, coordinate training for the 3rd parties and provide outreach/recruit testers. Salary/fringe cost (MVPS) + travel related expenses = \$47,000.

Automated road test scheduling system savings = \$5,247 (\$.75 per call)

Net savings = \$40,868

Road test fee revenue loss = \$74,155; DMV charges \$15 for up to 3 road test attempts. The average revenue per test, based on 2003 experience, is \$10.60. $\$10.60 \times 139,916 \text{ tests} \times 5\%$

The bill will not require changes to DMV computer systems.

Long-Range Fiscal Implications

As noted previously, it is unclear the extent to which the number of 3rd party testers can be increased and/or retained. If the number of 3rd party testers can be expanded, DMV will experience increased position savings and revenue loss. Conversely, if the number of 3rd party examiners decreases, DMV will see reduced savings and revenue loss.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-3816/1		Introduction Number SB-442	
Subject			
Allowing third-party testing for driving skills test for Class D operators licenses			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
It is assumed that 5% of Class D tests will be administered by 3rd parties in the first year (increasing to 10% in the second and subsequent years). In the first year a net of .9 FTEs would be saved (1.9 test examiners saved offset by 1 FTE program auditor/travel expenses) plus automated test reservation savings. Those savings = \$40,868. Revenue lost = \$74,155			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$43,400		-165,243
(FTE Position Changes)	(1.0 FTE)		(-3.8 FTE)
State Operations - Other Costs	3,600		-10,494
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$47,000		\$-175,737
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S (20.395(5)(cq))	47,000		-175,737
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 (20.395(5)(cq))		-148,311	
TOTAL State Revenues	\$	\$-148,311	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$-128,737	\$	
NET CHANGE IN REVENUE	\$-148,311	\$	
Agency/Prepared By		Authorized Signature	Date
DOT/ George Esser (608) 266-5884		Carol Buckmaster (608) 267-6979	2/10/2004