

### Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-0024/1</b>	<b>Introduction Number</b> <b>AB-0002</b>
<b>Description</b> Operators' license requirements for certain drivers and for certain drivers' tests and making an appropriation	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <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"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <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)	
<b>Agency/Prepared By</b> DOT/ Carson Frazier (608) 266-7857	<b>Authorized Signature</b> Julie Johnson (608) 267-3703
<b>Date</b> 2/2/2007	

**Fiscal Estimate Narratives**  
**DOT 2/2/2007**

LRB Number <b>07-0024/1</b>	Introduction Number <b>AB-0002</b>	Estimate Type <b>Original</b>
<b>Description</b> Operators' license requirements for certain drivers and for certain drivers' tests and making an appropriation		

**Assumptions Used in Arriving at Fiscal Estimate**

**EFFECT OF AB 2 ON STATE LAW**

Under current law, the normal renewal period for regular class D drivers is eight years at a cost of \$24. Current law allows 3 skills test for \$15.

2007 AB 2 makes the following changes to current law:

- Requires vision testing every three years for drivers aged 75 – 84.
- Requires both vision and driving knowledge testing every two years for drivers aged 85 and older.
- Charges a \$13 skills test fee for every driving skills test that the department conducts (this is for all applicants, regardless of age of the applicant).
- Directs the department to:
  - o First, conduct a study and issue a report, in five years, of the effects of this bill on highway safety (including the impact on this age group's crash rates, violation rates, loss of driving privileges, and related issues).
  - o Second, create an advisory council to study the effects of aging and driving ability and identify existing and additional transportation alternatives throughout the state; and to issue the study within 2 years.
- Increases Appropriation 20.395 (5)(cq) by \$157,000 in FY08 for implementation, and by \$288,649 and 2.5 FTE in FY 09, to conduct the studies and administer driver license services.

**FISCAL IMPACT**

One-time cost:

One-time cost is \$170,900, for data processing modifications to the driver licensing system to implement the law.

Changes are needed to select the affected drivers and the appropriate tests for each driver; create and print new correspondence that will be sent to the correct individuals; create triggers for any follow-up that is needed and to cancel drivers license if requirements are not met.

The bill appropriates \$157,000 in FY08. This leaves \$13,900 of the one-time cost unfunded. DMV cannot absorb this cost within its current budget.

Ongoing cost:

There are currently 222,355 valid licensed drivers ages 75-84. Under this bill, they would receive a vision test once every three years. Thus, 74,118 additional vision tests would be conducted each year by DMV, or a vision test report from a physician would be submitted to DMV. DMV estimates that conducting a vision test or processing a vision test report received from a physician requires about 1.0 minute. Thus, the additional 74,118 vision tests will require 0.7 additional FTE annually.

There are currently 66,555 valid licensed drivers ages 85 and older. Under this bill, they would receive a vision and a driving knowledge test once every two years. Thus, 33,278 additional vision tests would be conducted or reports processed, and 33,278 additional driving knowledge tests would be conducted, each year. A driving knowledge test requires 6.2 minutes to conduct, plus the 1.0 minute for vision test or processing vision test report, for a total of 7.2 minutes per transaction. This translates into an added 2.3 FTE required annually.

Total ongoing staff requirement is 3.0 FTE additional staff, for a cost of \$138,000 salary and fringe benefits annually.

Other long-term annual ongoing costs total \$99,800. This includes

- \$83,200 for postage and handling costs to mail notice of vision and knowledge test requirement.
- \$16,600 for printing costs for study materials for knowledge test

In addition, DMV requires \$150,000 over five years, or \$30,000 per year for five years, to conduct the five-year study analyzing the effects of the new licensing requirements, and for costs related to the advisory council and to conduct the two-year study of transportation alternatives.

Long-term ongoing cost is \$237,800 annually and 3.0 FTE. In addition, for the first five years after the effective date of the law, DMV requires an additional \$30,000 per year. The total annual cost for the first five years is thus \$267,800; and annually the sixth and subsequent years, \$237,800.

The bill appropriates \$288,649 annually to DMV. This amount is \$20,849 more than required for the first five years after effective date, and then \$50,849 more than required in the sixth and subsequent years. The bill authorizes an increase of 2.5 FTE to DMV, which is 0.5 FTE less than required.

**Ongoing revenue:**

Currently, DMV charges \$15 for 3 skills tests. This bill would charge \$13 for every skills test. DMV conducts over 130,700 skills tests annually. Of these, 84,100 are "passes," for which the \$15 fee is paid. Under this bill, those 84,100 tests will pay only \$13. The 46,600 skills tests which are "fails" (second or third attempt, which had been covered with the initial \$15 fee) would now be required to pay \$13. The net result is additional revenue of \$437,900 annually to the Transportation Fund.

### **Long-Range Fiscal Implications**

The bill appropriates the \$30,000 annually for the first five years for a multi-year study, as part of the ongoing appropriation, in FY 2009, a base year for budget calculation. Thus, this amount would be included in DMV's base budget for the 2009-11 and the 2011-13 biennial budgets. After the fifth year after the effective date of the bill, DMV's appropriation 20.395(5)(cq) must be reduced by \$30,000 to account for completion of the two studies required in this bill.

In addition, the bill is effective the first day of the 10th month after publication. This means that ongoing costs will begin after 9 months after enactment. Since FTE positions and ongoing costs are not funded until FY 09, if this bill were enacted sooner than October 2007, some ongoing costs are not funded.

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> 07-0024/1	<b>Introduction Number</b> AB-0002	
<b>Description</b> Operators' license requirements for certain drivers and for certain drivers' tests and making an appropriation		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
One-time cost is \$170,900, for data processing modifications to the driver licensing system to implement the law. The bill appropriates \$157,000 in FY08. This leaves \$13,900 of the one-time cost unfunded. DMV cannot absorb this cost within its current budget.		
<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	\$138,000	\$
(FTE Position Changes)	(3.0 FTE)	
State Operations - Other Costs	129,800	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$267,800</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	267,800	
<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	437,900	
<b>TOTAL State Revenues</b>	<b>\$437,900</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	State	Local
NET CHANGE IN COSTS	\$267,800	\$
NET CHANGE IN REVENUE	\$437,900	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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Julie Johnson (608) 267-3703		