

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-0717/1		Introduction Number SB-058	
Description 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 checked="checked" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations		<input checked="checked" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="checked" type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<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	5.Types of Local Government Units Affected	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns	<input type="checkbox"/> Village
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Cities			
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="checked" type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
DOT/ Richard Kleist (608) 264-7029		Julie Johnson (608) 267-3703	2/25/2009

Fiscal Estimate Narratives
DOT 2/25/2009

LRB Number	09-0717/1	Introduction Number	SB-058	Estimate Type	Original
Description 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 provided by DOT costs \$15 for up to three attempts.
- DOT schedules skills tests up to 11 weeks in advance and provides a self-serve online scheduling service.
- 10% of the individuals wanting a Class D skills test would choose a 3rd party tester.
- DOT would not reduce its current staffing levels for providing Class D skills tests so that the time it takes to obtain a Class D skills test would not be negatively affected.
- 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 are not followed.

CONCLUSION

A Class D skills test costs \$15 for up to three attempts. In calendar year 2008, DMV collected \$1,242,410 in Class D skills test fees and administered 113,325 Class D skills tests. The average revenue per test administered is \$10.94.

Assuming that 10% of Class D skills tests would be provided by 3rd parties, the Division would experience an annual revenue reduction of \$124,200.

The proposal requires DOT to do annual inspections and allows for auditing and inspection at any time of 3rd party test providers. It also requires remedial action to be taken when department or federal standards are not followed. With the assumption 10% of Class D skills tests would be completed by 3rd party testers, 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 FTE MVPS Senior = \$101,700 salary and fringe annually
0.5 DMV Field Agent LTE= \$15,800 salary and fringe annually

Total annual fiscal impacts: \$241,700, 2.0 permanent FTE, 0.5 LTE FTE

Long-Range Fiscal Implications

See above.

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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Description 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	\$117,500		\$
(FTE Position Changes)	(2.5 FTE)		
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$117,500		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	117,500		
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			-124,200
TOTAL State Revenues	\$		\$-124,200
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$117,500		\$
NET CHANGE IN REVENUE	\$-124,200		\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Richard Kleist (608) 264-7029		Julie Johnson (608) 267-3703	2/25/2009