

Fiscal Estimate Narratives

DOT 2/9/2022

LRB Number	21-5690/1	Introduction Number	AB-0941	Estimate Type	Original
Description commercial driver recruitment program					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Transportation to establish and administer a commercial driver scholarship program, an employer training grant program, and a commercial driver license (CDL) recruitment grant program. This would create a new type of work and set of responsibilities for the Department as it does not currently administer these types of programs, this limits the Department's ability to access data that may inform the fiscal estimate.

Approximately 17,000 new CDLs are issued each year. For the purposes of this estimate, it is assumed that 75% of eligible applicants would apply to one or more of the created programs. The Department estimates that processing, assessing, and officially awarding or denying each application will require approximately 30 minutes. This amount of work cannot be absorbed by the Department's current workforce and will necessitate the creation of an additional 11.0 FTE for processing, assessing, and awarding or denying the requests. These 11.0 FTE would cost approximately \$581,800 in salary and fringe annually and does not include the potential need for additional management positions.

When prorated by fiscal year and assuming that of the eligible applicants applying that 75% will be awarded, the Department estimates that in FY22 the amount paid to individuals and employers from the three programs will total approximately \$9.6 million, in FY23 \$31.9 million, in FY24 \$38.3 million, and in FY25 \$17.1 million. The bill indicates costs for the scholarship and recruitment grants would be paid for with dollars provided by the federal government through the American Rescue Plan Act of 2021. Further analysis would need to be completed to determine if this purpose qualified for those federal dollars.

A new set of forms would need to be created for these programs in addition to the procedures needed to process the applications. Assuming it takes approximately 80 hours, this one-time cost would be approximately \$2,400.

Long-Range Fiscal Implications

The Department estimates that processing, assessing, and officially awarding or denying each application will require approximately 30 minutes requiring 11.0 FTE and cost approximately \$581,800 in salary and fringe annually.

The Department estimates that in FY22 the amount paid to individuals and employers from the three programs will total approximately \$9.6 million, in FY23 \$31.9 million, in FY24 \$38.3 million, and in FY25 \$17.1 million.

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description commercial driver recruitment program		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
A new set of forms would need to be created for these programs in addition to the procedures needed to process the applications. Assuming it takes approximately 80 hours, this one-time cost would be approximately \$2,400.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
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		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
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