

Fiscal Estimate Narratives
DOT 3/6/2009

LRB Number	09-0717/1	Introduction Number	SB-058	Estimate Type	Updated
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 it's 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

Original
 Updated
 Corrected
 Supplemental

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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, ets.)			
	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
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