

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5372-01
Bill No.: SB 1239
Subject: Licenses - Driver's: Motor Vehicles; Revenue Department; Elementary and Secondary Education Department
Type: Original
Date: March 10, 2008

Bill Summary: Makes eligibility for a driver's license for persons under age eighteen contingent upon documentation that the applicant has complied with school district standards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	(Unknown - Could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Highway Patrol** state this proposed legislation will have no fiscal impact on their agency.

Officials from the **Office of Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact to the SOS office for Administrative Rules for this proposal is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Revenue (DOR)** assume this proposal will require the following:

- Modification of the license issuance system and supporting applications to include an edit for permit and license applicants required to submit a certificate issued by the school verifying they have met the minimum requirements or waiver provisions.
- The Missouri Driver Guide (printed and web version) must be modified to include the new requirements.
- Develop a model or models of compliance to be used by public schools and the DOR to determine minimum standards and eligibility for a permit or intermediate license.
- DOR assumes for the purpose of this fiscal note that the information from the Department of Elementary and Secondary Education will be automated. If it is an incorrect assumption that the information will be sent electronically, DOR will need to request FTE and associated supplies and equipment in excess of \$100,000.

ASSUMPTION (continued)

DOR assumes this legislation will require programming changes to the Missouri Electronic Driver License (MEDL also referred to as Over The Counter-OTC) software and supporting applications. These programming changes will need to be designed and tested.

80	Estimated hours for project completion (requirements and system testing)
X <u>\$100</u>	Hourly rate for a OTC contractor
\$8,000	

Oversight assumes this cost can be absorbed with existing resources. The effective date of this proposal is January 1, 2011; Oversight assumes any cost will not be incurred until FY 2011.

The **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing 2 existing CIT III's for 1 month at a rate of \$8,372. ITSD DOR estimates the IT portion of this request can be accomplished within existing resources; however; if priorities shift, additional FTE/overtime would be needed to implement. Funding would be requested through the budget process.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. The affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

DESE assumes that any increase in fine or penalty distribution is contingent upon the number of persons found guilty of a class C misdemeanor for knowingly submitting false information relating to the terms of the proposal and will not likely be significant.

The proposal indicates that DESE, in cooperation with the Department of Revenue, shall promulgate a model or models for compliance with this proposal; however, DESE assumes school districts will incur inestimable costs to track and retrieve the required information on a student-by-student basis and report the required information in accordance with the proposal.

ASSUMPTION (continued)

Officials from the **Poplar Bluff School District** stated there would be no fiscal impact on their school district.

Officials from the **Francis Howell School District (FHSD)** assume the proposed legislation requires school districts to provide “academic counseling” beginning in the fifth grade. It is anticipated that FHSD would need to add an additional counselor in order to assure that 5th through 12th grade students have “multiple opportunities” to participate in said counseling or receive information. The cost for an additional counselor is estimated to be \$65,000.

Officials from the **St Charles School District** assume the creation of extra responsibility upon school districts would result in significant expense.

Oversight assumes counseling costs at school districts could exceed \$100,000.

This proposal becomes effective January 1, 2011.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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LOCAL POLITICAL SUBDIVISIONS

<u>Cost - School Districts - Counseling costs</u> (§302.064.1)			(Unknown - Could exceed <u>\$100,000</u>)
	<u>\$0</u>	<u>\$0</u>	

ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISION			<u>(Unknown - Could exceed \$100,000)</u>
	<u>\$0</u>	<u>\$0</u>	

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

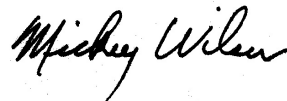
This proposal prohibits the Department of Revenue (DOR) from issuing a driver's license or a temporary instruction permit to any person 15 to 18 years of age if a public school district submits information to DOR that the student is not in compliance with eligibility standards established by the Department of Elementary and Secondary Education (DESE). The public school district shall ensure that students are aware of DESE standards and provide multiple opportunities in the fifth grade year and subsequent years for students to receive information and participate in academic counseling in anticipation of meeting such standards.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Revenue
Department of Public Safety
 Missouri State Highway Patrol
Office of Secretary of State
 Administrative Rules Division
School Districts
 Poplar Bluff
 Francis Howell
 St Charles

Mickey Wilson, CPA



Director
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