

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0851S.03T
 Bill No.: Truly Agreed To and Finally Passed SS for SCS for SB Nos. 167 & 171
 Subject: Federal - State Relations; Licenses - Driver's; Motor Carriers; Motor Vehicles;
 Revenue, Department of; Telecommunications; Transportation
 Type: Original
 Date: May 31, 2023

Bill Summary: This proposal specifies the means by which a medical examiner's certificate may be provided to the state when applying for a commercial driver's license or instruction permit.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	(\$83,235)	(\$68,363)	(\$71,219)
Total Estimated Net Effect on General Revenue	(\$83,235)	(\$68,363)	(\$71,219)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§302.768.3

The proposed legislation allows applicants to submit a medical examiners certificate and accompanying variance or waivers in person, or by mail, facsimile or electronic mail.

To reduce overlapping system development, due to the pending implementation of a modernized system and a pending fully automated interface with the Federal medical certificate registry once available, the Department assumes the electronically submitted documents allowed per this proposed change will be updated manually through currently available system options.

Administrative Impact

To implement the proposed legislation, the Department would be required to:

- Update interactive applications for automated responses to customers through telephone system (current vendor Genesys) or online (DORA);
- Update website,
- Update policies and procedures,
- Modify certification form;
- Develop correspondence;
- Train staff.

FY 2024 - Driver License Bureau DLB)

Research/Data Analyst 100 hrs. @ \$25.63 =\$2,563

Administrative Manager 40 hrs. @ \$26.37 =\$1,055

Total \$3,618

FY 2024 - Public Service Bureau

Associate Research/Data Analyst 20 hrs. @ \$20.54 =\$411

Associate Research/Data Analyst 15 hrs. @ \$20.54 =\$308

Total =\$719

Based on the estimated number of certificate submissions, estimated number that may be manually entered, and related correspondence processing, DLB assumes an additional 3 FTE would be required to implement these provisions. Since the assumed solution is a manual submission and entry process, if the handling of the incoming fax and email documents and the increased work to image and store the updated certifications cannot be managed within the Federal mandated compliance timeframes, the Department may be required to request appropriations for additional staff for document management and correspondence beyond just data entry as used for the calculations below.

25 medical certificates processed per hour per employee
X 6 processing hours per day
150 average certificates processed per day per employee
X 252 working days a year
37,800 average certificates that may be processed annually per employee

60,593 Estimated number of medical certificates submitted electronically (assuming 75% rate of 80,790 (FY 2022)) since some may still go to the office.

Estimate = an additional 1.6 FTE

Additionally, each application will result in increased correspondence which will be required to confirm updates, notify of ineligibility, notify of incomplete information or to refer applicants to a local office when a modification to the actual commercial document is required, which will be typically the same rate of processing.

Estimate = an additional 1.6 FTE for correspondence handling.

The Department estimates at least 3 FTE will be required to manage electronic submission in the current environment.

\$33,696 annual salary for associate customer service rep.

X 3 FTE

\$101,088 Total annual salary 3 FTE

Oversight does not have information to the contrary and therefore, Oversight will reflect the costs of three additional FTE for DOR.

Revenue Impact

DOR assumes it may collect the electronic transmission fee allowed for under §136.055.

60,593	Potential electronic submissions
<u>X \$2</u>	Electronic Transmission fee
\$121,186	Total electronic transmission fees to General Revenue

Due to the federal compliance timelines, staffing will be imperative to ensure that all medical certificates are updated to the driver record within 10 days of issuance or as submitted by the driver until a fully electronic solution with updates directly from FMCSA is available that will ensure timely processing. Failure to update commercial records timely may result in a compliance finding and may be subject to withholding of federal-aid highway funding as prescribed under 49 CFR§ 384.401.

Oversight assumes DOR will be in compliance with federal mandates; therefore, Oversight will not reflect a potential loss of federal funding on the fiscal note.

Officials from the **Missouri Department of Transportation** defer to DOR for the potential fiscal impact of this proposal.

Officials from the **Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for that agency.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
<u>Revenue</u> – DOR – electronic transmission fee	\$100,988	\$121,186	\$121,186
<u>Costs</u> – DOR			
Personnel Service	(\$84,240)	(\$103,110)	(\$105,172)
Fringe Benefits	(\$70,479)	(\$85,331)	(\$86,103)
Expense & Equipment	(\$29,504)	(\$1,108)	(\$1,130)
<u>Total Costs</u> – DOR	(\$184,223)	(\$189,549)	(\$192,405)
FTE Change	3 FTE	3 FTE	3 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	(\$83,235)	(\$68,363)	(\$71,219)
Estimated Net FTE Change on General Revenue	3 FTE	3 FTE	3 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act specifies that medical examiner's certificates for commercial driver's licenses or instruction permits may be provided to the state by mail, fax, or E-mail, in addition to the means currently available.

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

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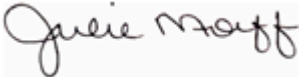
May 31, 2023

SOURCES OF INFORMATION

Department of Revenue

Missouri Highway Patrol

Missouri Department of Transportation



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May 31, 2023



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