

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5425S.01I
 Bill No.: SB 1113
 Subject: Boards, Commissions, Committees, and Councils; Education, Elementary and Secondary; Licenses - Driver's Department of Revenue; Department of Transportation
 Type: Original
 Date: March 21, 2022

Bill Summary: This proposal enacts provisions relating to driver's education and training.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$61,970)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$61,970)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Driver's Education Training Fund*	Unknown	\$0	\$0
State Road Fund**	(\$300,000)	\$0 to could exceed (\$42,292,000)	\$0 to could exceed (\$19,500,000)
Total Estimated Net Effect on <u>Other</u> State Funds	Less than (\$300,000)	\$0 to could exceed (\$42,292,000)	\$0 to could exceed (\$19,500,000)

*Revenue and costs net to zero.

**Oversight has ranged the fiscal impact from (\$300,000) – the initial IT costs for the Missouri Department of Transportation to establish the statewide drivers' education curriculum certification process.....to §302.214 possibly requiring MoDOT to provided driver's education throughout the state.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

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 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Transportation (MoDOT)** assume the following regarding this proposal:

Program Development: Total estimated one-time costs for software development, server support, program support, and web design is **\$300,000** (estimation based on average mid-market custom software development costs of approximately \$150 per hour for 2,000 hours). This program is to be established by August 1, 2023.

MoDOT estimates that a driver's education program would cost \$300 per student. According to the Department of Elementary and Secondary Education, there are currently approximately 65,000 students enrolled in tenth grade. If the currently enrolled tenth grade students in Missouri were to receive this educational program, the cost would be approximately **\$19,500,000**. This number excludes private, parochial, and home schooled tenth grade students, those who would become eligible in the ninth grade, and those who do not obtain a license until after the tenth grade.

This estimate of \$300 is based on a current driver's education program at the University of Central Missouri Safety Center. It includes 40 hours of classroom instruction and 6 hours of behind the wheel training.

Missouri has approximately 518 high school districts. Each school district would need approximately 2 vehicles for training, estimated to cost \$22,000 per vehicle for a total of **\$22,792,000**.

Total estimated cost for all tenth graders to complete the Driver's Education Course: \$19,500,000

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MoDOT. Oversight notes not all high school students will apply for a driver's license and therefore not take the driver's education course in high school. However, MoDOT's estimates do not include those individuals who are not enrolled in a public high school, but have never held a driver's license that would now be required to enroll in a driver's education course. For fiscal note purposes, Oversight will show these costs from the State Road Fund. Oversight will reflect a cost of \$0 (high schools cover the costs of the driver's education courses) to the costs indicated by MoDOT (MoDOT covers the costs of the driver's education courses). Oversight has reached out to DESE to determine how many public high schools do not offer drivers education classes.

In addition, Oversight will reflect an "Unknown" amount of revenue into the newly established Driver's Education Training Fund, as well as an "Unknown" amount of costs for contracts with

public and/or private institutions or organizations to provide driver's education programs free of charge.

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

Administrative Impact

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

- Update the Missouri Electronic Driver Licenses System (MEDL) to accept data from the driver education completion certificate or validate against electronic verification systems;
- Update the Central Driver Issuance System (CDIS) and Missouri Driver License System (MODL) to pass and store driver education certificate information;
- Create a Department of Revenue driver education completion form;
- Work with DESE to develop an electronic file for submission of students who successfully complete a driver education program;
- Work with MoDOT to create an acceptable training certification form to be used by other public and private training entities.
- While not required, there may be the requirement to work with MoDOT to receive or access electronic training completion information to determine applicant eligibility when competing a course through a public or private institution.
- Update the Uniform License Issuance Manual (ULIM);
- Update the Missouri Driver Guide;
- Complete programming and user acceptance testing;
- Assist MO highways and transportation commission to provide funding research or data for grant submissions as applicable;
- Update procedures, correspondence, and the Department website; and
- Train internal and external stakeholders.

FY 2023 – Driver License Bureau

Associate Research/Data Analyst 200 hrs. @ \$19.46 per hr. = \$3,892
Research/Data Analyst 200 hrs. @ \$24.29 per hr. = \$4,858
Administrative Manager 100 hrs. @ \$26.37 per hr. = \$2,637
Total = \$11,387

FY 2023 – Personnel Services Bureau

Associate Research/Data Analyst 70 hrs. @ \$19.46 per hr. = \$1,362

FY 2023 Total Costs = **\$12,749**

The Department anticipates being able to absorb these costs. However, until the FY 2023 budget is final, the Department cannot identify specific funding sources. If multiple bills pass that require Department resources, FTE/funding will be requested through the appropriations process.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of **\$61,970** in FY 2023 (652.32 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Officials from the **Department of Elementary and Secondary Education, Office of the State Treasurer** and **Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE FUND			
<u>Cost – DOR – OA-ITSD services p. 4</u>	<u>(\$61,970)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$61,970)</u>	<u>\$0</u>	<u>\$0</u>
DRIVER’S EDUCATION TRAINING FUND			
<u>Revenue – MoDOT – appropriations, grants or gifts to the fund p. 3</u>	Unknown	Unknown	Unknown
<u>Costs – MoDOT – to public or private institutions or organizations to provide driver’s education programs p. 3</u>	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE DRIVER’S EDUCATION TRAINING FUND	<u>Unknown</u>	<u>\$0</u>	<u>\$0</u>
STATE ROAD FUND			
<u>Cost – MoDOT – IT services for program development p. 3</u>	<u>(\$300,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Cost – MoDOT – vehicles for driver’s education programs in public schools p. 3</u>	<u>\$0</u>	<u>\$0 to could exceed (\$22,792,000)</u>	<u>\$0</u>
<u>Cost – MoDOT – driver’s education course costs p. 3</u>	<u>\$0</u>	<u>\$0 to could exceed (\$19,500,000)</u>	<u>\$0 to could exceed (\$19,500,000)</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>(\$300,000)</u>	<u>\$0 to could exceed (\$42,292,000)</u>	<u>\$0 to could exceed (\$19,500,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small providers of driver’s education courses could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This act establishes provisions regarding mandatory driver's education and training.

DRIVERS EDUCATION IN PUBLIC HIGH SCHOOLS (Sections 170.023 and 170.026)

This act requires each public high school, including each charter high school, to offer an approved driver's education course, taught by a qualified instructor, to students each school year. A student who successfully completes the course shall receive 1/2 credit as an elective and the course is not required to graduate from high school. The student shall receive a certificate of completion and the school shall submit the student's name to the Department of Revenue. The act requires the Missouri Highways and Transportation Commission to establish a driver's education curriculum certification process for public schools required to offer the driver's education course before August 1, 2023. Upon certification by the Commission each public high school's driver's education program shall be placed on the Commission's approved driver's education list and submitted to the Department of Revenue. The State Board of Education in consultation with the Department of Transportation shall establish the rules to implement these provisions.

MANDATORY DRIVER'S EDUCATION AND TRAINING (Sections 302.171, 302.212, and 302.214)

Beginning January 1, 2024, if an applicant for a driver's license has never held a license issued by the State of Missouri or any other state or territory of the United States or a foreign country, the applicant must successfully complete a driver's education program approved by the Commission, as specified in the act.

The Department of Transportation shall enter into agreements with public or private institutions or organizations to provide driver's education programs free of charge to anyone who has never held a driver's license. The Commission shall establish a process for certification and approval of private driver's education programs and instructors, before August 1, 2023.

Upon certification by the Commission, a driver's education program shall be placed on the approved driver's education list compiled by the Commission and submitted to the Department of Revenue.

DRIVERS EDUCATION TRAINING FUND (Section 302.216)

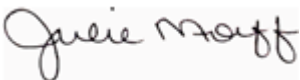
The act creates the "Driver's Education Training Fund", which is funded by appropriations of the General Assembly, federal grants, private donations, and any moneys designated for the driver's education training programs established under the act.

This act shall sunset on August 28, 2028, unless reauthorized by the General Assembly. (Section 302.218).

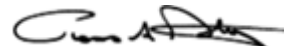
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Transportation
Department of Revenue
Missouri Highway Patrol
Department of Elementary and Secondary Education
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the Secretary of State



Julie Morff
Director
March 21, 2022



Ross Strobe
Assistant Director
March 21, 2022