

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1610-01
Bill No.: HB 591
Subject: Elementary and secondary Education; Driver's Licenses; Motor Carriers;
Department of Revenue
Type: Original
Date: March 29, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Highway	(\$16,649)	(\$17,147)	(\$17,147)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$16,649)	(\$17,147)	(\$17,147)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	(\$5,550 to Unknown)	(\$5,715 to Unknown)	(\$5,715 to Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services, Department of Public Safety – Missouri State Highway Patrol**, and the **St. Louis Public Schools** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there are currently 21,971 CDL licensed drivers with a school bus permit. Approximately 40% of school buses are operated by contractors; therefore, DESE estimates 13,193 district-operated drivers and 8,799 contracted drivers would be required to switch to DESE's fingerprint/background check service instead of DOR's. DESE would require 2.0 FTE Administrative Assistants (each at \$26,232 per year) to process the additional workload. DESE estimates the cost of the proposal to be approximately \$73,000 in FY 06; \$83,000 in FY 07; and \$85,000 in FY 08.

In addition, DESE assumes the provisions in Section 1 of the proposal would require each school district to maintain verification of medical qualifications for every school bus driver employed by the district or employed by a contractor. Each school district would require each driver to submit the results of a medical examination on an annual bases. DESE assumes this would result in Unknown costs to local school districts.

ASSUMPTION (continued)

Oversight assumes the Department of Elementary and Secondary Education (DESE) would require no FTE based upon Truly Agreed To and Finally Passed CCS for SS for SCS for HS for HCS for HB 1463 from the 2004 Session (LR # 2427-15), where DESE requested no FTE to process an estimated 118,718 background checks of pupil-contact individuals. If DESE experiences an increase that would justify additional FTE, they could request funding through the appropriation process.

Officials from the **Department of Transportation** defer to Department of Revenue for an estimate of the fiscal impact for the proposal.

Officials from the **Department of Revenue (DOR)** assume this legislation will require program modifications to the over-the-counter driver license system. These program changes will be made via contractors with the Department of Revenue. DOR estimates the contracted programming costs to be \$5,000. The DOR will allocate existing budgetary resources for these programming needs.

DOR assumes this legislation will repeal requirements for the department to collect a \$3.00 fee for issuance of a school bus endorsement. This will decrease collections to the highway fund. DOR estimates the impact as follows:

FY 2006

\$22,198	Estimated collection
\$16,649	Highway Fund (75%)
\$3,330	Cities (15%)
\$2,220	Counties (10%)

FYs 2007& 2008

\$22,863	Estimated collection
\$17,147	Highway Fund (75%)
\$3,429	Cities (15%)
\$2,286	Counties (10%)

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** assume the proposal would give the Department of Revenue and the State Board of Education the authority to adopt rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 14 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal is \$861 in FY 06 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Columbia School District** assume the effect of FBI background checks will add approximately \$50,000 to their transportation costs in calendar year 2005. Assuming the medical records data base is required, Columbia School District estimates a cost of equipment and initial database set-up of approximately \$10,500 and annual recurring cost of approximately \$1,500.

Officials from the **School District of Kansas City** assume any new requirements for the contracted bus companies will be passed on to them.

<u>FISCAL IMPACT - State Government</u>	FY 2006	FY 2007	FY 2008
HIGHWAY FUND			
<u>Losses – Department of Revenue</u>			
Lost collections	<u>(\$16,649)</u>	<u>(\$17,147)</u>	<u>(\$17,147)</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$16,649)</u>	<u>(\$17,147)</u>	<u>(\$17,147)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006	FY 2007	FY 2008
POLITICAL SUBDIVISIONS			
<u>Costs</u> – Local School Districts			
Administrative Costs	(Unknown)	(Unknown)	(Unknown)
<u>Losses</u> – Counties			
Reduced fee collections	(\$3,330)	(\$3,429)	(\$3,429)
<u>Losses</u> – Cities			
Reduced fee collections	<u>(\$2,220)</u>	<u>(\$2,286)</u>	<u>(\$2,286)</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(\$5,550 to Unknown)</u>	<u>(\$5,715 to Unknown)</u>	<u>(\$5,715 to Unknown)</u>

FISCAL IMPACT - Small Business

The proposed legislation could have a positive fiscal impact on small businesses who are school bus contractors. Such contractors could experience decreased cost of compliance with federal and state mandates to commercial drivers.

DESCRIPTION

The proposed legislation would clarify that the fee charged by a fee agent for each chauffeur's, operator's, or driver's license issued or renewed for a period exceeding three years will be \$5.00. A fee of \$5.00 could be charged for each application for a security threat assessment for obtaining a hazardous material endorsement on a commercial driver's license.

School bus drivers would be included in the category of individuals who must have a criminal background check. The proposal would clarify that drivers employed by a school district or a pupil transportation company under contract must have a criminal background check. Out-of-state residents would be exempt from Missouri's school bus endorsement requirements if the person possesses a valid driver's license and a school bus endorsement from their state of residence.

DESCRIPTION (continued)

The Department of Revenue would not be responsible for obtaining criminal background checks. The Department of Elementary and Secondary Education would require each school district to maintain verification of medical qualifications for every school bus driver employed by the district or by a pupil transportation company under contract with the district. The State Board of Education would be given rule-making authority.

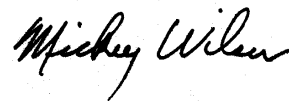
The proposal contains an emergency clause and would be in effect upon its passage and approval.

The changes to section 302.735 are a result of the passage of the Federal Motor Carrier Safety Improvement Act of 1999 and regulations promulgated by the Transportation Security Administration (TSA) within the U.S. Department of Homeland Security (Docket number TSA-2003-14610; Amendment number 1572-4).

This legislation 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 Transportation
Department of Revenue
Department of Social Services
Department of Public Safety
 – Missouri State Highway Patrol
Office of the Secretary of State
Columbia School District
School District of Kansas City
St. Louis Public Schools



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