

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0850-01  
Bill No.: HB 609  
Subject: Licenses - Driver's: Motor Vehicles; Revenue Dept; Telecommunications  
Type: Original  
Date: March 5, 2007

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Bill Summary: Requires every school district to make a drivers' education course available to students age fifteen or older and prohibits cell phone use while operating a motor vehicle with a temporary instruction permit.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Unknown - Expected to be less than \$100,000</b>	<b>Unknown - Expected to be less than \$100,000</b>	<b>Unknown - Expected to be less than \$100,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Driver's Education Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Offsetting Income and Costs are approximately \$2,000,000 annually.**

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of State Courts Administrator** state this proposal has no fiscal impact on the Courts.

Officials from the **Department of Economic Development - Public Service Commission** and **Office of Public Counsel** and the **Department of Public Safety - Office of the Director** and **Missouri State Highway Patrol** state this proposal will have no fiscal impact on their respective agencies.

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 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.

### §302.145

Officials from the **Office of the Treasurer** state this proposal, as written, would necessitate a FTE (Accounting Specialist I - \$39,324 plus \$17,762 fringe = \$57,086) to monitor disbursements. This will be allocated proportionately as a retention of interest earnings on state funds in accordance with Section 30.605 RSMo.

### §302.140 through 302.178

Officials from the **Department of Revenue (DOR)** state that the Drivers License Bureau assumes the increased fee proposed in this bill in Sections 302.140 applies to every new, renewal and duplicate Class E, F, and M permit application for non-commercial applicants.

Based on FY 2006 issuance totals, DOR issued a total of 1,013,849 permit and license transactions. Based on this total, the new driver education fund established in this proposed bill could receive approximately \$1,689,748 in FY 08 (10 months) and approximately \$2,027,698 during subsequent fiscal years.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education (DES)** made the following assumptions regarding this proposal:

§170.310.1

A school district would need at least one full-time teacher, certified to teach driver education. Teacher cost is approximately \$40,000 for salary and benefits. Currently, 53 school districts offer driver's education courses during the year. Some districts may currently employ people certified to teach the course, so DES is using 300 as an estimate of new instructors needed at the 449 high school districts. 300 teachers at \$40,000 each totals \$12 million.

DESE estimates \$4,000 annually for each district to lease one automobile and provide operating costs. For the 396 high school districts not currently providing driver's education the costs total \$1,584,000. In addition, there would be costs associated with providing classroom space, developing instructional materials, and reconfiguring the class schedule to accommodate the required class. These costs cannot be determined but would be substantial.

**Oversight** assumes that school districts may charge for driver's education courses in order to recoup some, if not all, of the expenses associated with the courses. **Oversight** also assumes many of the school districts will offer driver's education courses during the summer so full-time faculty or classroom space would not be needed in order to offer the courses. Even when offered during the school year as a regular part of the curriculum, **Oversight** assumes the driver's education instructor is not a full time staff position. Also, **Oversight** assumes in many cases that car dealerships of local communities may donate a vehicle for driver's education courses. For fiscal note purposes only, **Oversight** will show offsetting income and costs to be Unknown - Expected to exceed \$100,000 and (Unknown - Expected to exceed \$100,000).

§170.310.2

This section would require DES to develop a driver's education course to be offered by the Missouri Virtual School. DES estimates approximately \$200 per student for the course work and instructor to implement this course in the virtual environment. This allows for the text work only and does not include any simulation or actual driving experience. DES has no way to estimate the number of students that would actually take advantage of the program, so calculating a total cost is not possible.

**Oversight** assumes the proposed legislation requires only that DES develop the driver's

ASSUMPTION (continued)

education course to be offered by the Missouri Virtual School and the development costs will be paid from the Driver's Education Fund.

§304.810

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, DES 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.

**Oversight** assumes that it would take a total of 5,000 infractions to reach \$100,000 in fine income. For fiscal note purposes only, **Oversight** assume the impact of this portion of the proposal is expected to be less than \$100,000.

Officials from the **Francis Howell School District** state their district currently offers optional driver's education classes for its students.

Officials from the **Jefferson City School District** state their district has a driver's education program that would meet the requirements of the proposal.

Official from the **Fair Grove School District** state their district would have to hire at least two teachers and purchase a vehicle. The estimated cost would be in excess of \$100,000.

FISCAL IMPACT - State Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

**GENERAL REVENUE**

Savings - Reduced education state aid requirement due to increased fine distribution to schools (§304.810)

Unknown -  
Expected to be  
less than  
\$100,000

Unknown -  
Expected to be  
less than  
\$100,000

Unknown -  
Expected to be  
less than  
\$100,000

**ESTIMATED NET EFFECT ON  
GENERAL REVENUE**

Unknown -  
Expected to be  
less than  
\$100,000

Unknown -  
Expected to be  
less than  
\$100,000

Unknown -  
Expected to be  
less than  
\$100,000

**DRIVER'S EDUCATION FUND**

Income - Driver's license/Permit fees  
(§302.140, 302.177.7 & .8, 302.178.4)

\$1,689,748

\$2,027,698

\$2,027,698

Cost - DES - Development of driver's education course for Missouri Virtual School (§170.310)

(Unknown - Not  
expected to  
exceed  
\$100,000)

\$0

\$0

Cost - Course cost subsidies (§302.145)

(Unknown - Up  
to \$1,689,748)

(Unknown - Up  
to \$2,027,698)

(Unknown - Up  
to \$2,027,698)

**ESTIMATED NET EFFECT ON  
DRIVER'S EDUCATION FUND**

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

**POLITICAL SUBDIVISIONS**

Income - Increase in fine distributions\*  
 (§304.810)

Unknown -  
 Expected to be  
 less than  
 \$100,000

Unknown -  
 Expected to be  
 less than  
 \$100,000

Unknown -  
 Expected to be  
 less than  
 \$100,000

Income - Fees for driver's education  
 courses

Unknown -  
 Expected to  
 exceed  
 \$100,000

Unknown -  
 Expected to  
 exceed  
 \$100,000

Unknown -  
 Expected to  
 exceed  
 \$100,000

Cost - School Districts - Instructors and  
 auto costs (§170.310)

(Unknown -  
 Expected to  
 exceed  
 \$100,000)

(Unknown -  
 Expected to  
 exceed  
 \$100,000)

(Unknown -  
 Expected to  
 exceed  
 \$100,000)

**ESTIMATED NET EFFECT ON  
 POLITICAL SUBDIVISIONS**

Unknown -  
Expected to be  
less than  
\$100,000

Unknown -  
Expected to be  
less than  
\$100,000

Unknown -  
Expected to be  
less than  
\$100,000

**\* Only hold harmless schools would see a net increase in income due to fine distribution.**

FISCAL IMPACT - Small Business

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

### FISCAL DESCRIPTION

This proposal requires school districts to offer a driver's education course to students 15 years of age or older.

#### §170.310

The Department of Elementary and Secondary Education is required to develop a driver's education course to be offered through the Missouri Virtual School.

#### §302.140, §302.177, §302.178

Certain driver's license fees are increased by \$2, to be deposited into the newly created Driver's Education Fund, for the development of the on-line course and to offset fees for students who qualify for the reduced-price lunch program.

#### §304.810

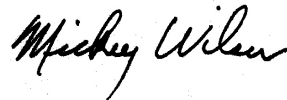
Individuals who are driving with a temporary instruction permit or intermediate license are prohibited from using a cell phone except for an emergency. A violation of this provision will be an infraction punishable by a \$20 fine for the first offense and a \$50 fine for a second offense.

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 Revenue  
Department of Elementary and Secondary Education  
Office of State Courts Administrator  
Department of Public Safety  
    Office of the Director  
    Missouri State Highway Patrol  
Department of Economic Development  
    Public Service Commission  
    Office of Public Counsel  
Office of State Treasurer  
Office of Secretary of State  
    Division of Administrative Rules  
School Districts  
    Francis Howell  
    Fair Grove  
    Jefferson City



Mickey Wilson, CPA  
Director  
March 5, 2007