

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0370-04
Bill No.: Perfected HCS for HB 207
Subject: Licenses - Driver's; Emergencies; Department of Revenue
Type: Original
Date: February 21, 2019

Bill Summary: This proposal allows Missouri driver's license applicants to elect to have a medical alert notation placed on the person's driver's license or nondriver's identification card.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$141,632) to (\$272,403)	\$0 to (\$80,631)	\$0 to (\$81,312)
Total Estimated Net Effect on General Revenue	(\$141,632) to (\$272,403)	\$0 to (\$80,631)	\$0 to (\$81,312)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Highway Fund (0644)	Up to (\$500,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Up to (\$500,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or 3 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 3 FTE	0 or 1 FTE	0 or 1 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

The proposed legislation would require the Department to work with our licensee issuance vendor to modify the card design for driver license and nondriver identification card printing to include a medical notation for specific medical conditions, illnesses, and disorders. The current card format does not have the available space to allow for a string of information as it appears to be required by the proposed language. The current area for placement of the organ donation consent form on the reverse of the license, as required under §302.171.2, would have to be reduced to meet the new requirement. DOR would need to:

- Work with the driver license issuance vendor to modify driver license and nondriver license card design to allow for placement of the proposed data string detailing the requested medical notation;
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, the Central Driver Information System (CDIS), and the Missouri Driver License System (MODL) in relation to the medical alert notation;
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system and supporting applications;
- Submit a change request to the current license vendor to modify the fillable donor information section on the back of the driver license and nondriver identification card and request a placeholder for a medical information notations;
- Complete testing with factory print facility for data changes and card design changes for the new medical alert notation;
- Update forms, manuals, correspondence letters, and the Department website;
- Create a new application form for applicants to request a medical notation, including the waiver and space for the physician's sworn statement;
- Update the mail-in application forms for military renewal application;
- Update the on-line and printed versions of the Missouri Driver Guide, Missouri Motorcycle Guide and Commercial Driver License Manual;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM); and
- Train staff.

ASSUMPTION (continued)

Administrative Impact (continued)

FY 2020 - Driver License Bureau

Administrative Analyst II	1,192 hrs. @ \$17.13 per hr.	= \$20,419
Management Analysis Spec II	2,032 hrs. @ \$20.57 per hr.	= \$41,798
Revenue Manager	240 hrs. @ \$20.59 per hr.	= \$ 4,942
Total		= \$67,159

FY 2020 - Personnel Services Bureau

Administrative Analyst III	120 hrs. @ \$19.80 per hr.	= \$2,376
Management Analysis Spec I	120 hrs. @ \$18.42 per hr.	= \$2,210
Total		= \$4,586

FY 2021 - Driver License Bureau

Administrative Analyst II	40 hrs. @ \$17.13 per hr.	= \$ 685
Management Analysis Spec II	40 hrs. @ \$20.57 per hr.	= \$ 823
Revenue Manager	20 hrs. @ \$20.59 per hr.	= \$ 412
Total		= \$1,920

Total Costs = **\$73,665**

Oversight assumes DOR may hire additional staff due to the amount of hours required to implement this proposal. However, DOR also may handle this internal work without seeking additional appropriation authority. Oversight assumes DOR may hire two additional FTE to staff for the two positions listed above that are anticipated to need over 1,080 hours of work. Therefore, Oversight will range the fiscal impact to DOR from \$0 (work hours specified above will be handled by existing staff with no actual additional state expenditures) to an additional 2 FTE for FY 2020 (\$106,278) only.

DOR notes:

License Vendor Cost FY 2020

The Department is scheduled to implement a new driver license issuance system upgrade and new card design as part of the new vendor contract in July 2020. This will be phased in implementation for license office upgrades. If the Department includes the new medical alert notation as a part of the new contact card design, additional fees for card modification will not be incurred. However, some offices would not be capable of issuing the new indicator until they have been transitioned under the new contract.

ASSUMPTION (continued)

Administrative Impact (continued)

If the Department is required to modify the current card design and factor processing based on the proposed language in §302.205.1, to ensure all offices may issue the notation on the implementation date defined in Section B of July 30, 2020, the estimated one-time cost for the vendor would be **\$75,000**.

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

OA-ITSD states services will be required at a cost of **\$91,125** (1,215 hours x \$75 per hour) in FY 2020 to implement these changes.

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the MEDL, MODL, and CDIS systems. ITSD estimates the project would take 1,215 hours at a contract rate of \$75 per hour for a total cost to the state of \$91,125. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the ITSD estimated cost of contracting out the work (\$91,125) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

House Amendment 1 - Transfer of information into the MULES system:

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assume this proposal would require Department of Revenue information to be entered into MULES. MULES currently does not contain DOR information; rather, MULES queries DOR information and is only a pass-through. MULES would need to be extensively modified to meet this new requirement. The cost is estimated to be **\$500,000** in consulting fees, since the Patrol would need to build new tables, queries, responses, etc.

Oversight was unable to verify the MHP's assumption; therefore, Oversight will reflect the fiscal impact as "Up to \$500,000" for the MHP.

ASSUMPTION (continued)

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** assumed 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 the 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organization.

Oversight notes that the Department of Health and Senior Services has stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for the Department of Health and Senior Services.

<u>FISCAL IMPACT - State Government</u>	FY 2020	FY 2021	FY 2022
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GENERAL REVENUE FUND

<u>Cost</u> - DOR - Administrative costs (ranged from using existing staff to hiring two (2) additional FTE for FY 2020) p.4	\$0 to (\$106,278)	\$0	\$0
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<u>Cost</u> - DOR - Vendor cost p. 5	(\$75,000)	\$0	\$0
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<u>Cost</u> - DOR - ITSD costs (ranged from contracting out programming (\$91,125) to hiring one additional FTE IT Specialist) p. 5	(\$66,632) to <u>(\$91,125)</u>	\$0 to <u>(\$80,631)</u>	\$0 to <u>(\$81,312)</u>
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ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$141,632) to <u>(\$272,403)</u>	<u>\$0 to (\$80,631)</u>	<u>\$0 to (\$81,312)</u>
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Estimated Net FTE Change for General Revenue	0 or 3 FTE	0 or 1 FTE	0 or 1 FTE
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HIGHWAY FUND

<u>Cost</u> - MHP - consulting fees for changes to MULES HA 1 p. 5	<u>Up to (\$500,000)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>Up to (\$500,000)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020	FY 2021	FY 2022
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill allows residents of Missouri to have a medical alert notation placed on their driver's license to indicate that they have an emergency medical card in their possession. Specific medical conditions will be listed on the medical card. A waiver for the release of medical information is required and an applicant for the notation must provide a diagnosis from a physician or a psychologist. Parental consent is required for anyone under 18 years of age.

This bill has an effective date of July 30, 2020.

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
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Health and Senior Services
Department of Public Safety - Missouri Highway Patrol



Kyle Rieman
Director
February 21, 2019

Ross Strobe
Assistant Director
February 21, 2019