

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 28, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB339 by Phillips (relating to driver education and driver's licensing requirements for minors.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB339, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund - Driver Education Fees</i> 1	Change in Number of State Employees from FY 2009
2010	(\$348,598)	\$348,598	2.5
2011	(\$178,086)	\$178,086	2.5
2012	(\$178,086)	\$178,086	2.5
2013	(\$178,086)	\$178,086	2.5
2014	(\$178,086)	\$178,086	2.5

Fiscal Analysis

The bill would require all school districts to consider offering driver education and traffic safety courses each year. The bill states if the district offers the course, they may conduct the course and charge a fee for the course or contract with a driver education school that holds a license to conduct the course. The bill directs the Commissioner of Education to establish or approve standard minimum number of actual driving hours required in the curriculum. The bill also provides process and procedures for when a provisional license expires. The bill states that the fee for issuance of a provisional license is \$15 per permit. The bill also requires the Department of Public Safety (DPS) and the Texas Education Agency (TEA) to enter into a memorandum of understanding under which DPS may access TEA's electronic enrollment records to verify a student's enrollment in a public school.

The bill would take effect on September 1, 2009.

Methodology

The bill includes provisions that would prohibit DPS from issuing a driver's license to a person younger than age 25 unless the person presents a certificate indicating completion of an approved driver education course. Persons aged 17 and younger would be required to provide proof of completion of a driver education course approved by TEA. The bill would require the Commissioner of Education to establish curriculum and designate educational materials for driver education programs for both minors and adults only. The bill would permit the Commissioner to charge a fee to driver education programs to cover the expense of regulating adult-only courses approved by TEA.

For these provisions of the bill, TEA estimates 2.5 additional FTEs would be required to review and approve teen and adult-only driver education programs, including online courses, according to the provisions of the bill at a cost of \$187,879 in fiscal year (FY) 2010 and \$167,129 in each subsequent year inclusive of salary, benefits, travel, and other operating costs. TEA estimates technology costs of \$160,719 in FY 2010 and \$10,957 in subsequent years. TEA estimates that fees authorized by the bill would provide sufficient revenue to offset these costs. DPS estimates a one-time technology cost of \$27,800 to modify systems to comply with the new criteria for driver applicants between age 18 and age 25 established by the bill. The agency is expected to be able to absorb this cost with existing resources.

For the provisions of the bill regarding driver license and driver's licensing requirement for minors, TEA estimates that 2.0 FTEs would be required to conduct training and compliance monitoring for new driver education programs resulting from the provisions of the bill.

For these provisions of the bill, DPS is required to publish collision rate statistics regarding the students trained by each driver education program and would restrict the ability of persons with certain traffic violations from serving either as certified instructors or from conducting a "Parent-taught" course. The bill changes the fee for issuance of a provisional license to \$15 per permit verses current law that states a \$5 fee for issuance or renewal of a provisional license. DPS states these bill provisions would be revenue neutral since current law charges \$5 per year for either an issuance or renewal up to three years maximum. The provisions state only one issuance fee of \$15 with no renewal requirement which leaves the state collecting the same amount of revenue as they currently collect. This analysis assumes these provisions of the bill have no significant fiscal impact to DPS.

For the provisions of the bill that would require driver education curriculums to include information regarding distractions while driving, it is assumed these provisions would pose no significant fiscal impact to the State.

Local Government Impact

School districts might incur some administrative costs to comply with DPS standards, but these costs are not expected to be significant.

Source Agencies: 405 Department of Public Safety, 701 Central Education Agency

LBB Staff: JOB, MN, GG, LG, ESi, KJG, JSp, JGM, JSc