

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1016 by Paxton (Relating to the provision of driver's license and personal identification certificate services by license deputies.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1016, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.

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 |
|-------------|--|
| 2014 | \$0 |
| 2015 | \$0 |
| 2016 | \$0 |
| 2017 | \$0 |
| 2018 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from State Highway Fund 6 | Change in Number of State Employees from FY 2013 |
|-------------|---|--|
| 2014 | (\$22,310,077) | 0.0 |
| 2015 | (\$1,412,769) | 2.0 |
| 2016 | (\$1,382,625) | 2.0 |
| 2017 | (\$1,382,625) | 2.0 |
| 2018 | (\$1,382,625) | 2.0 |

Fiscal Analysis

The bill would amend the Transportation Code to stipulate the Department of Public Safety (DPS) shall appoint employees of a county assessor-collector as license deputies to undertake certain tasks pertinent to the issuance of driver's licenses or personal identification cards other

than the actual issuance of the license or the administration of the driver license examination. The bill would also provide DPS with the option of appointing other employees or public or private entities as license deputies under contract. The bill would define the scope of responsibilities for a license deputy. The bill would authorize DPS to designate an entity to install a point-of-sale system for the collection of fees by license deputies, so long as the compensation per transaction does not exceed five percent of the amount of the fee collected by the entity.

The bill would take effect September 1, 2013.

Methodology

It is assumed DPS would appoint at least one license deputy in each of Texas' 254 counties. This estimate reflects the costs associated with DPS entering into agreements with counties as authorized by the legislation. To the extent that DPS does not enter into agreements, for whatever reason, the costs represented here would not be realized. In addition, the revenues remitted to DPS by the counties would be to the credit of DPS under current law, and therefore are not shown in this estimate.

The agency assumes the greatest cost would be in fiscal year 2014. It is estimated in fiscal year 2014 it will take DPS staff 80 hours to develop Memorandum of Understandings with county tax assessor-collectors or other entities. The average cost per hour for DPS staff and related overhead is \$40 per hour. This DPS staff time will cost the agency \$3,200 in fiscal year 2014 and in each fiscal year thereafter.

The agency assumes each county employee will go through four weeks of training in the renewal and duplicate issuance process. Each training session will cost approximately \$12,800. $160 \text{ hours} \times \$40/\text{hour} = \$6,400 \times 2 \text{ DPS Trainers} = \$12,800 \times 254 \text{ counties} = \$3,251,200$.

It is assumed in fiscal year 2014 that DPS will need to hire IT contractors for 777 hours for business analysis, development analysis, quality assurance, security analysis and project management for a cost of \$82,385 in fiscal year 2014 only. Starting in fiscal year 2015, it is assumed the agency would require two new IT FTEs.

It is assumed the bill would require \$18,973,292 in fiscal year 2014 to fund the following IT and fixed equipment items at each of 254 counties: \$2,540,000 for installing network services; \$11,430,000 for network hardware; \$3,784,092 for fixed equipment costs, such as desktops and fingerprint scanning devices; and \$1,219,200 to pay for monthly line charges.

It is assumed the IT and equipment costs after fiscal year 2014 would be \$1,219,200 per year to pay ongoing line charges.

Technology

The bill would have a significant technology-related fiscal implication for DPS.

Local Government Impact

Employees of counties who are designated as license deputies would presumably have less time to discharge their county job responsibilities as a result of an indeterminate portion of their work day

being dedicated to duties associated with being a license deputy. If this created the need for additional county employees, an indeterminate negative impact to counties could occur.

Source Agencies: 405 Department of Public Safety, 304 Comptroller of Public Accounts

LBB Staff: UP, AG, AI, JAW, ESi, KKR, TP