

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: SB1105 by Duncan (Relating to an agreement between the Department of Public Safety of the State of Texas and a county for the provision of renewal and duplicate driver's licenses and other identification certificate services in certain counties; authorizing a fee.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1105, 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	Change in Number of State Employees from FY 2013
	6	
2014	(\$14,203,507)	0.0
2015	(\$1,075,157)	2.0
2016	(\$1,073,939)	2.0
2017	(\$1,073,939)	2.0
2018	(\$1,073,939)	2.0

Fiscal Analysis

The bill would amend the Transportation Code to authorize the Department of Public Safety (DPS) to enter into an agreement with certain counties to train the staff of the county clerk to provide services related to the issuance of renewal and duplicate driver's licenses, election identification certificates, and personal identification certificates. The bill would give a county commissioners court the option of providing the services stipulated in the bill in the event a county tax assessor-collector opts not to provide the services. The bill would require revenues generated from the issuance of the licenses and certificates collected by a county clerk be remitted to DPS. The bill's provisions would apply only to counties with a population of 50,000 or less.

The bill would authorize a county clerk to collect a fee of \$1 for each transaction for a driver's license or a personal identification certificate.

The bill would take effect immediately upon a two-thirds vote of all members of both chambers; otherwise, it would take effect September 1, 2013.

Methodology

This estimate reflects the costs associated with DPS entering into agreements with counties as allowed by the legislation. To the extent that DPS does not enter into agreements, 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.

DPS would need to create and update program content, modify Information Technology (IT) software applications, and communicate and train agency staff. It is assumed 189 counties could participate in this program for provision of renewing or duplicating driver licenses and other identification certificate services. It is assumed the greatest cost would be in fiscal year 2014.

It is assumed that in fiscal year 2014 it will take DPS staff 80 hours to implement certain requirements of this bill. 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 FY14.

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.

The bill would require \$14,117,922 in fiscal year 2014 to fund the following IT and fixed equipment items at each of 189 counties: \$1,890,000 for installing network services; \$8,505,000 for network hardware; \$2,815,722 for fixed equipment costs, such as desktops and fingerprint scanning devices; and \$907,200 to pay for monthly line charges.

It is assumed the IT and equipment costs after fiscal year 2014 would be \$907,200 per year to pay ongoing line charges. It is assumed 2.0 FTEs in fiscal year 2015 and each fiscal year thereafter would be required to implement the provisions of the bill.

Technology

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

Local Government Impact

There are presently 189 Texas counties that have a population of 50,000 or less. Counties contracting with DPS under the provisions of the bill would be required to hire additional staff, buy new office supplies, and in some cases lease new office space.

The Tom Green County District Clerk estimated one-time costs \$5,000 for office equipment and annual costs of \$155,000 for new staff and space, which is partially offset by \$10,000 by the new fee. The annual net loss of \$145,000 represents significant costs.

The Potter County District Clerk reported total equipment costs of \$39,000 for the period between 2014 and 2018, and personnel costs of \$180,000 (five new positions) in fiscal year 2014 and \$252,000 (six positions) annually for each fiscal year after that. New revenue could not be estimated but is not anticipated to substantially offset costs, which would be significant.

The Washington County Clerk's Office estimated costs of \$59,500 for fiscal year 2014 and \$56,700 for each subsequent year for staff and equipment. New revenue could not be estimated but is not anticipated to substantially offset costs, which would be significant.

The Garza County Clerk's Office estimated costs of \$47,860 for fiscal year 2014, \$45,290 for fiscal year 2015, \$46,220 for fiscal year 2016, \$47,650 for fiscal year 2017, and \$49,080 for fiscal year 2018. New revenue could not be estimated but is not anticipated to substantially offset costs, which would be significant.

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

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