

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: **SB1729** by Nichols (Relating to an agreement between the Department of Public Safety and a county clerk or county assessor-collector for the provision of renewal and duplicate driver's license and other identification certificate services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1729, 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
2014	(\$19,058,877)
2015	(\$1,387,157)
2016	(\$1,385,939)
2017	(\$1,385,939)
2018	(\$1,385,939)

Fiscal Year	Change in Number of State Employees from FY 2013
2014	0.0
2015	2.0
2016	2.0
2017	2.0
2018	2.0

Fiscal Analysis

The bill would amend the Transportation Code to authorize the Department of Public Safety (DPS) to enter into agreements with county clerks and county assessor-collectors for the issuance of renewal and duplicate driver's licenses, election identification certificates, and personal identification certificates. The county officials would remit to DPS the fees collected from the issuance of renewal and duplicate driver's licenses and personal identification certificates. The county clerks and assessor-collectors would not be allowed to administer an examination for a driver's license.

The bill would take effect immediately upon a two-thirds vote of all members of each chamber; otherwise, the bill 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 all 254 counties could participate in this program for the 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 estimated that in fiscal year 2014 it will take DPS staff 80 hours to monitor, revise and otherwise implement certain requirements of the bill. The average cost per hour for DPS staff and related overhead is \$40 per hour. It is assumed this DPS staff time will cost the agency \$3,200 in fiscal year 2014 and beyond.

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 \$18,973,292 in fiscal year 2014 to fund the following IT and fixed equipment items at each of 189 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.

The agency assumes 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

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 Tarrant County Clerk estimated costs of \$203,000 for fiscal year 2014, \$245,000 for fiscal year 2015, \$255,000 for fiscal year 2016, \$260,000 for final year 2017, and \$270,000 for fiscal year 2018 for new staff, space, and supplies. These costs would represent a moderate fiscal loss to the Tarrant County Clerk's Office.

The Guadalupe County Clerk estimated one-time costs of \$7,000 for equipment and annual costs of \$30,000 for new staff. These costs represent a moderate fiscal loss to the Guadalupe County Clerk's Office.

The Tom Green County District Clerk, the Potter County District Clerk, the Washington County Clerk's Office, and the Garza County Clerk's Office all reported significant fiscal loss associated with complying with the provisions of the bill.

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

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