

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 16, 2015

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1786 by Dutton (Relating to the transfer of driver and traffic safety education from the Texas Education Agency and the Department of Public Safety to the Texas Department of Licensing and Regulation; changing the amounts of certain fees; amending a provision subject to a criminal penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1786, As Engrossed: a positive impact of \$718,991 through the biennium ending August 31, 2017.

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
2016	\$306,839
2017	\$412,152
2018	\$412,152
2019	\$412,152
2020	\$412,152

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2015
	1	
2016	\$306,839	19.0
2017	\$412,152	19.0
2018	\$412,152	19.0
2019	\$412,152	19.0
2020	\$412,152	19.0

Fiscal Analysis

The bill would transfer the duties and responsibilities of administering the Driver and Traffic Safety Education Program from the Texas Education Agency (TEA) to the Texas Department of Licensing and Regulation (TDLR). The bill would require the Commission of Licensing and Regulation to establish an advisory committee to provide technical expertise from the driver training industry. The bill would remove the statutory requirement to license driver training school directors, assistant directors, and administrative staff, remove the fixed driver training fee amounts and fee caps from statute, and increase the statute's maximum administrative penalty. The bill would also require TDLR to maintain information on driver training complaints and to use the State Office of Administrative Hearings to conduct hearings on driver training enforcement cases.

The bill, and specifically Section 26, all functions of the Parent Taught Driver Education (PTDE) program approval, auditing, and overview from the Department of Public Safety (DPS) to TDLR.

The bill would take effect September 1, 2015.

Methodology

This analysis assumes there would be a net revenue gain to the state as a result of the lower cost of program operation resulting from transferring the programs to TDLR, while maintaining the current program fee generated revenue. Currently, TEA collects \$1,812,639 in revenue and has the equivalent of 1.0 FTE for accounting, legal, and rulemaking support. TEA contracts with the Education Service Center, Region 13 (ESC-13) for the majority of the administration of this program. The current ESC-13 contract amount is \$1,812,639. Based on information submitted by TEA, this analysis assumes TDLR will need additional FTEs, beyond the 1.0 FTE currently at TEA, to bring the program in-house.

According to TDLR, the program transfer will increase the agency's total license population by 3,700. To respond to the increased workload TDLR estimates a cost of \$1,092,784 in fiscal year 2016 and \$987,471 each subsequent year. TDLR anticipates the need for 14 FTEs, with salaries totaling \$629,400 each year. The net increase in benefits and payroll contributions costs are estimated to be \$230,214 per fiscal year. Additionally, TDLR's analysis assumes total rent, travel, and other operating expenses of \$88,827 per fiscal year. TDLR also assumes a cost to the program of \$56,004 each year for conducting background checks and issuing plastic cards to instructors.

According to information provided by DPS, the agency collects \$1,692,794 in appropriated receipts for the enrollment of students into the PTDE program. Additionally, DPS allocates \$685,077 from the State Highway Fund 066 to the program. The program costs DPS \$413,016 each year to operate, which includes \$208,019 in salaries and wages, \$70,477 in benefits and payroll costs, and \$134,520 in other operating costs representing the production and mailing costs of PTDE packets. The equivalent of 0.75 FTEs are utilized for preparing the Parent Taught Curriculum review and 4.75 FTEs are utilized for PTDE packet preparation.

This analysis assumes that the funding related to operational expenses of \$413,016 each fiscal year, and equivalent number of FTEs related to the PTDE program would be transferred to TDLR.

This analysis assumes that any increased costs to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

The bill would remove the statutory requirement to license driver training school directors,

assistant directors, and administrative staff. This small loss in licensing revenue from the decrease in licensees is not anticipated to be significant.

The Department of Public Safety, Department of Assistive and Rehabilitative Services, Department of State Health Services, and the State Office of Administrative Hearings all anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within their current resources.

Technology

TDLRs analysis assumes FTE start-up costs of \$105,313 in fiscal year 2016 (14 FTEs @ \$7,522 per FTE) for computer purchases.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 452 Department of Licensing and Regulation, 701 Central Education Agency

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