

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 28, 2015

TO: Honorable Wayne Smith, Chair, House Committee on Licensing & Administrative Procedures

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 to the Texas Department of Licensing and Regulation; changing the amounts of certain fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1786, As Introduced: a positive impact of \$1,545,023 through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$719,855
2017	\$825,168
2018	\$825,168
2019	\$825,168
2020	\$825,168

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	\$719,855	14.0
2017	\$825,168	14.0
2018	\$825,168	14.0
2019	\$825,168	14.0
2020	\$825,168	14.0

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 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 program 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.

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

TDLR's 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, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 452 Department of Licensing and Regulation, 537 State Health Services, Department of, 538 Assistive and Rehabilitative Services, Department of, 701 Central Education Agency

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