

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 5, 2015

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4063 by Cook (Relating to the creation of a Texas conditional driver’s permit, provisional Texas conditional driver’s permit, and Texas conditional instruction permit; authorizing a fee; creating a criminal offense.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4063, Committee Report 1st House, Substituted: a negative impact of (\$8,560,647) through the biennium ending August 31, 2017.

There is also a two-year positive impact to Other Funds (Texas Mobility Fund) of \$2,620,800 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	(\$4,293,338)
2017	(\$4,267,309)
2018	(\$5,154,469)
2019	(\$6,169,629)
2020	(\$7,188,789)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Texas Mobility Fund</i> 365	Change in Number of State Employees from FY 2015
2016	(\$4,293,338)	\$873,600	42.7
2017	(\$4,267,309)	\$1,747,200	58.7
2018	(\$5,154,469)	\$2,620,800	74.7
2019	(\$6,169,629)	\$3,494,400	90.7
2020	(\$7,188,789)	\$4,368,000	106.7

Fiscal Analysis

The bill would amend the Transportation Code to authorize the Department of Public Safety (DPS) to issue conditional driver's permits and conditional instruction permits to individuals who are unable to obtain a Social Security Number and provide lawful presence documentation, provided the individuals have resided in Texas for at least one year, have not been finally convicted of any felony offense, and have completed a certified driver education course and driver examination.

The bill would authorize DPS to set the fees for an original or renewal conditional driver's permit, a provisional conditional driver's permit, and a conditional instruction permit. The bill would stipulate these permits are valid for one year.

The bill would take effect September 1, 2015.

Methodology

It is assumed implementing the provisions of the bill would require additional resources for the Department of Public Safety (DPS). It is also assumed these resources, should they be provided, would be out of the General Revenue Fund.

The number of applications for conditional driver's permits is unknown. However, DPS notes that according to a January 2011 report published by the Department of Homeland Security, there are approximately 1.8 million unauthorized residents in Texas. If the 1.8 million were divided evenly across 260 work days, it would average 7,000 resident applications a day (1.8 million/ 260 days). This fiscal note assumes that up to 2% of the 7,000, or up to 140, would apply for the conditional driver's permits created by the bill, which would be up to 36,400 additional applications a year ($7,000 * 2\% = 140 * 260 \text{ days in a year} = 36,400$).

The bill would stipulate the conditional driver's permits are valid for one year. This fiscal note assumes that all recipients of an original conditional driver's permit would apply for a renewal permit each year. As such, the number of total applications for conditional driver's permits would presumably grow quickly:

FY 2016	36,400	
FY 2017	72,800	(36,400 original plus 36,400 renewals)
FY 2018	109,200	(36,400 original plus 72,800 renewals)
FY 2019	145,600	(36,400 original plus 109,200 renewals)
FY 2020	182,000	(36,400 original plus 145,600 renewals)

It is assumed that implementing the provisions of the bill would require increasing the agency's resources in a manner that adjusts for the increasing applicant load every fiscal year.

For fiscal year 2016, it is assumed 33.3 Customer Service Representatives would be required to handle the additional workload. DPS would also require two Program Supervisor III positions and one Manager I position to oversee the 33.3 additional employees for this new program. DPS would need two Fingerprint Technician I employees to process the additional fingerprints each year. DPS would also require 4.4 Program Specialist V positions to provide executive administration, information technology, financial management, human capital management, and facilities management.

For fiscal year 2017, it is assumed 48.3 Customer Service Representatives would be required to handle the additional workload. DPS would also require two Program Supervisor III positions and one Manager I position to oversee the 48.3 additional employees for this new program. DPS would

need two Fingerprint Technician I employees to process the additional fingerprints each year. DPS would also require 5.4 Program Specialist V positions to provide executive administration, information technology, financial management, human capital management, and facilities management.

For fiscal year 2018, it is assumed 63.3 Customer Service Representatives would be required to handle the additional workload. DPS would also require two Program Supervisor III positions and one Manager I position to oversee the 63.3 additional employees for this new program. DPS would need two Fingerprint Technician I employees to process the additional fingerprints each year. DPS would also require 6.4 Program Specialist V positions to provide executive administration, information technology, financial management, human capital management, and facilities management.

For fiscal year 2019, it is assumed 78.3 Customer Service Representatives would be required to handle the additional workload. DPS would also require two Program Supervisor III positions and one Manager I position to oversee the 78.3 additional employees for this new program. DPS would need two Fingerprint Technician I employees to process the additional fingerprints each year. DPS would also require 7.4 Program Specialist V positions to provide executive administration, information technology, financial management, human capital management, and facilities management.

For fiscal year 2020, it is assumed 93.3 Customer Service Representatives would be required to handle the additional workload. DPS would also require two Program Supervisor III positions and one Manager I position to oversee the 93.3 additional employees for this new program. DPS would need two Fingerprint Technician I employees to process the additional fingerprints each year. DPS would also require 8.4 Program Specialist V positions to provide executive administration, information technology, financial management, human capital management, and facilities management.

It is assumed the agency would require \$100,000 in fiscal year 2016 to create new license cards that are distinguishable from typical driver license cards.

Programming costs are estimated to be \$122,262 in fiscal year 2016 to fund an estimated 1,069 contractor hours for business analysis, development, quality assurance, network development, database administration, and project management.

It is assumed the agency would require \$1,050,000 in fiscal year 2016 to train and equip the new FTEs; modify the agency's Automated Fingerprint Information System to accommodate the 10 fingerprint collection requirement for these applicants only; modify the Driver License System to accommodate the permits and fees created by the bill; and make other conforming changes to the Driver License Division.

DPS has indicated that the revenue from the application fees would be deposited to the Texas Mobility Fund. The actual revenue gain would depend on the number of individuals opting to apply for a conditional driver's permit. This fiscal note assumes the number of original applications noted above in each fiscal year (36,400) multiplied by the \$24 application fee DPS indicated it would charge. Thus: $36,400 \text{ new applications} * \$24 \text{ application fee} = \$873,600$.

The term of the original permit is 1 year. Therefore revenues resulting from renewals of the fiscal year 2016 original applicants will begin in fiscal year 2017. It is assumed all original permit holders will opt to renew. DPS has indicated it would charge a \$24 renewal fee. Thus revenues in fiscal year 2017 are estimated as: $(36,400 \text{ new applications} * \$24) + (36,400 \text{ renewal}$

applications* \$24) = (\$873,600) + (\$873,600) = \$1,747,200.

With each additional fiscal year, the number of renewals is assumed to increase by 34,400. Thus the revenues in fiscal year 2018 are estimated as: (36,400 new applications * \$24) + (72,800 renewal applications* \$24) = (\$873,600) + (\$1,747,200) = \$2,620,800. And the revenues in fiscal year 2019 would be estimated as: (36,400 new applications * \$24) + (109,200 renewal applications* \$24) = (\$873,600) + (\$2,620,800) = \$3,494,400. Finally the revenues in fiscal year 2020 would be estimated as: (36,400 new applications * \$24) + (109,200 renewal applications* \$24) = (\$873,600) + (\$3,494,400) = \$4,368,000.

Because the number of individuals applying for either a provisional conditional driver's permit or a conditional instruction permit is unknown, the revenues resulting from these applications can not be determined.

Technology

Programming costs are estimated to be \$122,262 in fiscal year 2016 to fund an estimated 1,069 contractor hours for business analysis, development, quality assurance, network development, database administration, and project management.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 601 Department of Transportation

LBB Staff: UP, AG, AI, JAW, SD, JHa