

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 25, 2019

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB11 by Thompson, Ed (Relating to transfer of the driver licensing program from the Department of Public Safety of the State of Texas to the Texas Department of Motor Vehicles), **As Introduced**

The General Revenue fiscal impact of the bill cannot be determined at this time due to the unavailability of certain fiscal estimates associated with the transfer of the driver license program.

Fiscal Analysis

The bill transfers all of the Department of Public Safety's (DPS) driver license FTEs, funds, property, contracts, etc. to the Department of Motor Vehicles (DMV) on September 1, 2020.

The bill requires DPS to contract with an independent third party to conduct a study of the opportunities and challenges of transferring the agency's current driver licensing functions and activities to DMV to be submitted on or before December 31, 2019.

The bill also requires DPS and DMV to establish a work group to plan the transfer of the driver license program to DMV, adopt a transition plan to be completed by August 31, 2020, implement the transition plan, and provide a quarterly report of the work group's progress in developing and implementing the transition plan.

Methodology

The Department of Public Safety (DPS) estimates that the third-party study required by this bill will cost an estimated \$250,000 in fiscal year 2020.

DPS estimates the transfer of the driver license program in fiscal year 2021 will result in a decrease of 2,250.8 FTEs and \$145,323,210 in All Funds to DPS, of which \$140,712,892 is General Revenue and \$4,610,318 is Appropriated Receipts.

DPS, however, did not include in its estimate the savings associated with finance and accounting, facilities and equipment maintenance, information technology, customer service, and

other support functions that support the driver license program that would be included in the transfer. DPS assumes many of the details associated with the transfer of DPS driver license functions will be addressed in the required study and by the working group established by this bill.

The Department of Motor Vehicles (DMV) assumed an additional 346.0 FTEs would be required to provide the support services indicated above. DMV's analysis also assumed DPS staff and funding that support the administrative license revocation hearings function would not be transferred from DPS to DMV. DMV estimated it would need an additional 56.0 FTEs, including attorneys and legal support staff, to accommodate this function.

Based on DMV's analysis, total costs for an additional 402.0 FTEs, including salaries and wages, associated operating costs, and employee benefits are estimated to be \$41.7 million from the General Revenue Fund in each fiscal year beginning in fiscal year 2021. However, if ultimately the administrative functions and FTEs associated with the driver license program were transferred to DMV, the DMV cost estimate would likely be significantly offset. As a result, the General Revenue fiscal impact of the program transfer cannot be determined.

Further, DPS is not required to house their data center services through the Department of Information Resources (DIR), while DMV is required to do so. DIR indicates the additional costs to expanding DCS to include the drivers license function at DMV cannot be estimated at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Facilities Commission, 304 Comptroller of Public Accounts, 313 Department of Information Resources, 320 Texas Workforce Commission, 405 Department of Public Safety, 608 Department of Motor Vehicles

LBB Staff: WP, JGAn, AI, SMi, RC, LCO