

Multiple Agency Fiscal Note Summary

Bill Number: 1796 HB

Title: Driver's education funding

Estimated Cash Receipts

Agency Name	2003-05		2005-07		2007-09	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Licensing	0	2,714,725	0	3,452,604	0	3,588,491
Total \$	0	2,714,725	0	3,452,604	0	3,588,491

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2003-05			2005-07			2007-09		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Licensing	.0	0	128,894	.0	0	7,540	.0	0	10,579
Superintendent of Public Instruction	.8	0	2,715,000	1.1	0	3,453,000	1.1	0	3,589,000
Total	0.8	\$0	\$2,843,894	1.1	\$0	\$3,460,540	1.1	\$0	\$3,599,579

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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360-902-0542

Date Published:

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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 1796 HB	Title: Driver's education funding	Agency: 240-Department of Licensing
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2004	FY 2005	2003-05	2005-07	2007-09
Public Safety and Education Account-State 02V-1	1,294,024	1,420,701	2,714,725	3,452,604	3,588,491
Total \$	1,294,024	1,420,701	2,714,725	3,452,604	3,588,491

Estimated Expenditures from:

	FY 2004	FY 2005	2003-05	2005-07	2007-09
Fund					
Motor Vehicle Account-State 108-1	127,028	1,866	128,894	7,540	10,579
Total \$	127,028	1,866	128,894	7,540	10,579

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jill Satran	Phone: 360-786-7315	Date: 02/11/2003
Agency Preparation: Sam Knutson	Phone: 360-902-3644	Date: 02/19/2003
Agency Approval: Larry Dzieza	Phone: 360-902-3633	Date: 02/19/2003
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 02/19/2003

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SEE ATTACHMENT

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

SEE ATTACHMENT

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years					
A-Salaries & Wages					
B-Employee Benefits					
C-Personal Serv Contr					
E-Goods and Services	127,028	1,866	128,894	7,540	10,579
G-Travel					
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
Total:	\$127,028	\$1,866	\$128,894	\$7,540	\$10,579

III. C - Expenditures By Program (optional)

Program	FY 2004	FY 2005	2003-05	2005-07	2007-09
Mgmt & Support Services (100)	7,939	117	8,056	472	661
Information Services (200)	5,671	83	5,754	336	472
Vehicle Services (300)	113,418	1,666	115,084	6,732	9,446
Driver Services (600)					
Business and Professions (700)					
Total \$	127,028	1,866	128,894	7,540	10,579

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

This bill establishes a \$1.00 fee to be paid at the time of either initial registration or plate replacement. The fee will be deposited into the Public Safety and Education Account. The fee will be used to reduce the cost of traffic safety education for students who also qualify for reduced-cost or free school lunches

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 – Establishes an additional \$1.00 fee to be collected by the Department of Licensing at the time of each original vehicle registration or upon periodic mandatory replacement of license plates (RCW 46.16.233). The \$1.00 fee will be deposited into the Public Safety and Education Account.

Section 3 – Effective date of July 1, 2003 is established for this bill.

II. B – Cash Receipt Impact

The department analyzed its database of vehicle registrations to obtain workload estimates for this fiscal note. The following assumptions were used:

- Approximately one-eighth of all vehicle registrations are initial registrations. This number is used to determine fee revenue for original vehicle registrations.
- All \$1.00 fees collected are deposited to the Public Safety and Education Account.
- Vehicle registration and plate replacement estimates are based on the forecast developed in November 2002 as adopted by the Interagency Task Force on Transportation Revenues.

Table I – Original Registrations and Plate Replacements

	FY 04	FY 05	2003-05 Total	2005-07 Total	2007-09 Total
Original Registrations	779,498	794,596	1,574,094	1,632,700	1,685,421
Plate Replacements	514,526	626,104	1,140,630	1,819,904	1,903,070
Total Revenue	\$1,294,024	\$1,420,700	\$2,714,725	\$3,452,604	\$3,588,491

Cash Receipts	FY 04	FY 05	03-05 Total	05-07 Total	07-09 Total
GF- State	-	-	-	-	-
Public Safety & Education	1,294,024	1,420,700	2,714,725	3,452,604	3,588,491
Total Revenue	1,294,024	1,420,700	2,714,725	3,452,604	3,588,491

II. C – Expenditures

Contract programmers (5.25 staff months) would be required to modify the existing Vehicle Field System (VFS), Vehicle Headquarters System (VHS), and Internet Payment Option (IPO) systems to recognize the new \$1.00 fee at the time of registration or plate renewal; revise databases, screens, and reports; and distribute revenue to the correct fund. Standard computer and communication equipment is included for the contract programmers.

Although the agency does not anticipate increased Internet Payment Option (IPO) transactions as a result of this bill, the average per transaction cost will increase by the \$1.00 fee. Credit card costs paid by the department are based on 2.218 percent of the total cost of the transaction. For purposes of this analysis, only plate replacement transactions were used to estimate the increased per transaction amount. The department assumes a 9 percent IPO usage in Fiscal Year 2004, increasing by 3 percent per year to 24

percent by Fiscal Year 2009. Using this methodology, Fiscal Year 2004 credit card costs will be \$1,027 increasing to \$4,659 by Fiscal Year 2009.

The department will issue press releases and perform other public awareness activities to inform the public of the new fee. Costs are included (\$500) for public information.

Attorney General assistance (1.0 hours) will be required for legal analysis regarding implementation of this bill.

Note of changed assumptions impacting costs reflected in fiscal notes during the 2002 session: During the 2002 Legislative Session the department included in fiscal notes the costs for moving from the current postcard mailer format to a mailer format that would result in higher costs. This assumption was based on the need to accommodate the detail for legislation that proposed new fees collected through the vehicle renewal process. The new format was required because of lack of space on the current postcard format. Since last session, the agency has evaluated the effectiveness of using space on the renewal notice that (1) allowed the vehicle owner to add or correct their driver license ID number; and (2) the reminder regarding the need for two plates even though only the back plate tab is provided. The decision to no longer include this information has allowed the agency to eliminate the need to go to a more expensive renewal notice. The changes now allow for up to three additional lines to detail state or local fees that may be required either through new laws or the exercise of current authority already granted to local entities. After the space is exhausted and if the demand for detailed information is to be met, fiscal notes will need to reflect the more costly billing procedure.

In addition to direct program costs, support services costs are included. The standard agency rate for cost of goods and services (supplies and materials, facilities, and training) are included for the Management and Support Services and Information Services programs.

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

	FY 04	FY 05	03-05 Total	05-07 Total	07-09 Total
FTE Staff Years					
Salaries and Wages					
Employee Benefits					
Personal Service Contracts					
Goods and Services	127,028	1,866	128,894	7,540	10,579
Travel					
Equipment					
Inter Agency Fund Transfers					
Grants and Subsidies					
Debt Service					
Interagency Reimbursement					
Intra-Agency Reimbursement					
Other					
Total	127,028	1,866	128,894	7,540	10,579

III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

Object E Breakdown:	FY 04	FY 05	03-05 Total	05-07 Total	07-09 Total
EB Phone/Fax Install	600		600		
EB Phone/Fax/DP Lines	236		236		
EM Attorney Gen Svcs	89		89		
EM Other Legal Costs	89		89		
EZ Other Goods & Svcs	15,367	1,866	17,233	7,540	10,579
EQ Equipment - Under \$5,00	10,067		10,067		
ER DP Cont Programmers	100,580		100,580		
Total Goods & Svcs	127,028	1,866	128,894	7,540	10,579

III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3633.

III. B – FTE Detail**EXPENDITURE DETAIL – STAFF****III. B – Expenditures by Program (optional)**

Program	FY 04	FY 05	03-05 Total	05-07 Total	07-09 Total
100 - Mgmt & Support Services	7,939	117	8,056	472	661
200 - Information Services	5,671	83	5,754	336	472
300 - Vehicle Services	113,418	1,666	115,084	6,732	9,446
600 - Driver Services					
700 - Business & Professions					
<i>Total</i>	127,028	1,866	128,894	7,540	10,579

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 1796 HB	Title: Driver's education funding	Agency: 350-Supt of Public Instruction
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years	0.7	0.8	0.8	1.1	1.1
Fund					
Public Safety and Education Account-State 02V-1	1,294,000	1,421,000	2,715,000	3,453,000	3,589,000
Total \$	1,294,000	1,421,000	2,715,000	3,453,000	3,589,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jill Satran	Phone: 360-786-7315	Date: 02/11/2003
Agency Preparation: Nick Lutes	Phone: 360-725-6283	Date: 02/19/2003
Agency Approval: Nick Lutes	Phone: 360-725-6283	Date: 02/19/2003
OFM Review: Julie Salvi	Phone: 360-902-0542	Date: 02/19/2003

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 increases the fee for vehicle registration and license renewal by one dollar, the proceeds of which are to be used for reducing the cost of traffic safety education courses for students.

Section 2 authorizes the superintendent to determine the per-pupil reimbursement for the traffic safety education course and amends RCW 28.220 Traffic Safety to require school districts to provide a reduced traffic safety education fee for students qualified to receive school lunches on a reduced-cost or free basis.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 1 increases the fee for vehicle registration and license renewal by one dollar, the proceeds of which are to be used for reducing the cost of traffic safety education courses for students. The Department of Licensing projects that licensing fees will increase by \$1,294,000 in FY 2004 and \$1,421,000 in FY 2005. It is projected that the fee will increase by \$3,453,000 in the 2005-07 biennium and \$3,589,000 in 2007-09.

Section 2 authorizes the superintendent to determine the per-pupil reimbursement for the traffic safety education course and amends RCW 28.220 Traffic Safety to allow for a reduced traffic safety education fee for students qualified to receive school lunches on a reduced-cost or free basis. In FY 2002, State traffic safety funding was provided for students eligible to receive school lunches on a reduced-cost or free basis. No funding was provided for traffic safety in FY 2003. Previous apportionment methodology reimbursed districts, per projected eligible pupil completion, the difference between the district's regular traffic safety fee and their fee for eligible low-income students or the per pupil average statewide, whichever was less. It is anticipated that this methodology will be used to allocate the funding established in this bill. Assuming a reduction in available authority by 5% for administrative expenses (as amended in section 2 of the bill) there will be \$1,229,000 in FY 2004 and \$1,350,000 FY 2005 for program subsidy. It is estimated there will be approximately 14,000 pupils eligible for school lunches on a reduced-cost or free basis who will complete the program per year. The maximum per pupil subsidy amount is \$87.79 in FY 2003 and is projected to grow to an average of \$121.75 in the 2007-09 Biennium. See Attachment A for projected expenditure and completion details.

When previously funded, the Office of the Superintendent of Public Instruction provide technical assistance to the school districts. Two FTEs provided regional coordination. It is anticipated that technical assistance will still be required and that all available administrative resources, as outlined in the bill, will be used in administering the program. For the purposes of the fiscal note it is assumed that the program will require a program supervisor and associated operating expenses to provide technical assistance. As the funding is tied to 5% of licensing revenue collected for the program, it is further assumed that the supervisor FTE will be fully funded by FY 2006.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years	0.7	0.8	0.8	1.1	1.1
A-Salaries and Wages	42,000	49,800	91,800	126,000	132,000
B-Employee Benefits	7,500	9,700	17,200	22,927	25,000
C-Personal Service Contracts					
E-Goods and Services	2,500	2,500	5,000	5,073	5,000
G-Travel	9,000	9,000	18,000	18,000	18,000
J-Capital Outlays	4,000		4,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	1,229,000	1,350,000	2,579,000	3,281,000	3,409,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$1,294,000	\$1,421,000	\$2,715,000	\$3,453,000	\$3,589,000

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2004	FY 2005	2003-05	2005-07	2007-09
Program Supervisor	60,000	0.7	0.8	0.8	1.1	1.1
Total FTE's		0.7	0.8	0.8	1.1	1.1

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Attachment A: HB 1796 Funding Driver's Education for Low Income Students

Office of the Superintendent of Public Instruction

Figure 1: Projected Licensing Revenue

Revenue	FY 2004	FY 2005	2003-05	2005-07	2007-09
One Dollar	1,294,024	1,420,701	2,714,725	3,452,604	3,588,491
round	1,294,000	1,421,000	2,715,000	3,453,000	3,589,000

Figure 2: Projected Expenditures

5% Administrative					
Allowable	65,000	71,000	136,000	172,000	180,000
Projected					
Administrative	65,000	71,000	136,000	172,000	180,000
School Allocations	1,229,000	1,350,000	2,579,000	3,281,000	3,409,000
Total Projected					
Expenditures	1,294,000	1,421,000	2,715,000	3,453,000	3,589,000

Estimated number
of Eligible

Completions

per Pupil Funding \$ 87.79 96.43 92.11 117.18 121.75