

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1331-01
Bill No.: SB 234
Subject: Disabilities; Interstate Cooperation; Licenses - Driver's; Motor Carriers;
Department of Revenue
Type: Original
Date: February 26, 2019

Bill Summary: This proposal enacts provisions relating to disability accommodations for commercial driver's license applicants.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$10,611) to (\$66,632)	\$0 to (\$80,631)	\$0 to (\$81,312)
Total Estimated Net Effect on General Revenue	(\$10,611) to (\$66,632)	\$0 to (\$80,631)	\$0 to (\$81,312)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Federal Highway Funds	\$0	\$0 or (Up to \$26,000,000)	\$0 or (Up to \$52,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0 or (Up to \$26,000,000)	\$0 or (Up to \$52,000,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Work with OA-ITSD to update the Missouri Electronic Driver License system (MEDL) and the Missouri Driver License system (MODL);
- Complete programming and user acceptance testing;
- Update procedures and the Department website;
- Update the Uniform License Issuance Manual (ULIM); and
- Update the Missouri Driver Guide.

FY 2020 - Driver License Bureau

Management Analysis Spec II	160 hrs. @ \$20.57 per hr.	= \$3,291
Administrative Analyst II	80 hrs. @ \$17.13 per hr.	= \$1,370
Revenue Manager	40 hrs. @ \$20.59 per hr.	= \$ 824
Total		= \$5,485

FY 2020 - Personnel Services Bureau

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Management Analysis Spec I	10 hrs. @ \$18.42 per hr.	= \$ 184
Total		= \$ 382

Total Cost **= \$5,867**

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of \$10,611 (141.48 hours x \$75 per hour) in FY 2020.

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the MODL system.

ASSUMPTION (continued)

Administrative Impact (continued)

ITSD estimates the project would take 148.48 hours at a contract rate of \$75 per hour for a total cost to the state of \$10,611. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$10,611) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

Revenue Impact

DOR notes guidance from the Federal Motor Carrier Safety Administration in regards to prohibited use of interpreters for the commercial skills testing under 49 CFR 383.133, is that sign language interpreters are prohibited during the skills testing.

Implementation of accommodations that do not comply with Federal test standards may result in a withholding of Federal-aid highway funds apportioned to the State, as defined in 49 CFR 374.401, as up to 4 percent (\$26 million) following the first year of non-compliance and up to 8 percent (\$52 million) in the second and subsequent years of non-compliance.

Based on DOR's response, **Oversight** assumes this proposal could cause non-compliance with federal standards. If Missouri were to become non-compliant, Missouri would risk losing federal funding of \$26 million (4%) in FY 2021 and \$52 million (8%) in FY 2022 and beyond.

Officials from the **Department of Transportation (MoDOT)** and **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000.

ASSUMPTION (continued)

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

FISCAL IMPACT - State Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
Cost - DOR - ITSD costs (ranged from contracting out programming (\$10,611) to hiring additional FTE IT Specialist)	(\$10,611) to (\$66,632)	\$0 to (\$80,631)	\$0 to (\$81,312)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$10,611) to (\$66,632)	\$0 to (\$80,631)	\$0 to (\$81,312)
Estimated Net FTE Change to the General Revenue Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

FISCAL IMPACT - State Government (continued)	FY 2020 (10 Mo.)	FY 2021	FY 2022
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FEDERAL HIGHWAY FUNDS

<u>Loss</u> - MoDOT - Missouri potentially out of compliance with federal regulations	\$0	\$0 or (Up to \$26,000,000)	\$0 or (Up to \$52,000,000)
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ESTIMATED NET EFFECT ON FEDERAL HIGHWAY FUNDS	<u>\$0</u>	<u>\$0 or (Up to \$26,000,000)</u>	<u>\$0 or (Up to \$52,000,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act specifies that a hearing test shall not be required for commercial driver's license (CDL) applicants who are deaf or hard of hearing, and provides for a process by which CDL applicants with disabilities can request testing accommodations for the written and driving tests.

The act also specifies that any entity providing training to persons preparing to apply for a CDL shall provide reasonable accommodations for persons who are deaf or hard of hearing.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety - Missouri Highway Patrol
Department of Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules



Kyle Rieman
Director
February 26, 2019

Ross Strobe
Assistant Director
February 26, 2019