

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$54,265		\$73,982	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$54,265		\$73,982	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 351 requires an applicant for a motor vehicle operator's license to pass a cognitive test in order to be issued a license, if the applicant is eighty years of age or older. The Department of Motor Vehicles (DMV) may adopt a cognitive test by rule and regulation. Any applicant who fails the cognitive test will be required to pass the written test authorized under the Motor Vehicle Operator's License Act in order to be issued a license. The act is operative on January 1, 2014.

DMV indicates there were 60,770 licensed drivers in the state, ages 80 or older, in 2011. It is assumed that about one-fifth of these individuals, or 12,154 people, will be renewing a license each year. The bill requires these drivers to pass a cognitive test in order to receive a drivers' license. DMV projects that 12.6% of the applicants, or 1,537 individuals, will fail the cognitive test. The projection is based upon using population statistics of persons with dementia in the state and adjusting the statistics to reflect persons who are in long-term care facilities who will be unable to drive.

DMV is not projecting any fiscal impact in terms of the cognitive test. The bill increases the workload of the department driver license examiners to administer the cognitive test to applicants who are 80 years of age or older, and to administer the written test to those who fail the cognitive test. DMV also intends to administer a drive test to applicants who fail the cognitive test.

Since the bill increases the workload for examiners, DMV projects the need for two additional driver license examiners statewide to handle the workload increase. DMV estimates the cost to be \$72,354 of cash funds in FY14 and \$73,982 of cash funds in FY15, assuming the examiners are hired six months in advance for training. This fiscal note assumes the examiners are hired three months in advance of the January 1, 2014 operative date, so the fiscal impact in FY14 is estimated to be \$54,265 of cash funds. If the Legislature opts not to increase the number of examiners to handle the workload increase pursuant to the bill, then the wait time at examining stations will likely increase or the drive test will be administered to a fewer number of younger drivers.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 351	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: David Spatz	DATE: February 1, 2013	PHONE: 471-4179
COMMENTS: Concur with Department of Motor Vehicles' analysis and estimated of increased fiscal impact.		

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$ 72,354		\$ 73,982	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 72,354	\$ -	\$ 73,982	\$ -

Explanation of Estimate:

LB 351 requires a cognitive test for persons eighty years of age or older. For those that fail the cognitive test they will be required to pass a written test prior to taking a drive test. In 2011 there were 60,770 licensed drivers 80 years of age or older. It is estimated (see attached estimate) that 7,685 drivers over the age of 80 would likely fail the cognitive test out of this pool. Approximately 12,154 individuals 80 and over will be renewing their licenses every year. Of that pool, approximately 1,537 will fail and be required to pass the written test and then take a drive test. This will increase the workload at the exam stations and the amount of time spent with applicants over the age of 80. The number in this age group will be increasing significantly in the coming years. It is estimated that this group will increase to 110,723 by 2030.

	Number	Min.	Total
Additional time to explain and grade the cognitive test and scan tests	12,154	9	109,386
Written tests given to those that fail	1,537	4	6,148
Additional written tests for those that fail written test	769	4	3,076
Drive tests given	1,537	27	41,499
Total additional time in minutes			160,109
Total additional work hours			2,668
Additional FTE needed to cover the workload			1.50

	FTE	FY14	FY15
Salaries	2.0	\$ 55,232	\$ 56,475
Benefits		\$ 17,122	\$ 17,507

Note: LB 351 has an implementation date of Jan. 1, 2014, however the additional FTE would need to be added 6 months in advance for training purposes.

MAJOR OBJECTS OF EXPENDITURE				
POSITION TITLE	NUMBER OF POSITIONS		FY 2013-2014	FY 2014-2015
	13-14	14-15	EXPENDITURES	EXPENDITURES
Driver Licensing Examiner	2.0	2.0	\$ 55,232	\$ 56,475
Benefits			\$ 17,122	\$ 17,507
Operating				
Travel				
Capital Outlay				
Aid				

Capital Improvements

Total

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\$ 72,354

\$ 73,982