

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		\$99,275		\$49,638
CASH FUNDS	\$419,747	\$270,750	\$188,554	\$135,375
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$419,747</b>	<b>\$370,025</b>	<b>\$188,554</b>	<b>\$185,013</b>

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

LB 587 eliminates provisions prohibiting persons residing outside of or attending a school outside of a metropolitan, primary, or first class city from obtaining a school permit. The bill allows any person who is between 14 years and 2 months of age up to 16 years and three months of age, who has held a LPE-learner's permit for two months, to obtain a school permit.

**# of Applicants:** The Department of Motor Vehicles (DMV) indicates there are about 17,400 fourteen year olds and 17,500 fifteen year olds in Douglas, Sarpy, Lancaster, Hall, Adams, Buffalo, Dawson, Lincoln and Scottsbluff counties. Using this number and assuming there are additional fourteen and fifteen year olds impacted by the bill in other cities of the first class, it is assumed 19,000 fourteen and 19,000 fifteen year olds will be newly eligible for a school permit in FY2017-18. It is assumed that only half of that number will be eligible in the following year and each year thereafter because only persons turning age 14 or older in that year will be newly eligible for a school permit. The projection by DMV that 50% of eligible persons will apply for an LPE-learner's permit appears reasonable. It is assumed that 90% will subsequently apply for a school permit in the same year.

**Revenue:** Applicants for a LPE-learner's permit or a school permit pay a \$10.50 fee. The estimated increase in cash fund revenue assuming 19,000 LPE-learner's permits and 17,100 school permits are issued in FY18 is \$379,050 which will accrue to the General Fund (\$99,275), DMV Cash Fund (\$270,750), and counties (\$9,025). The estimated increase in cash fund revenue in FY19 and thereafter based upon 9,500 LPE-learner's permits and 8,550 school permits is \$189,525. The revenue will be deposited in the General Fund (\$49,638) and the DMV Cash Fund (\$135,375) and counties will receive \$4,512.

**Expenditures:** The cash fund fiscal impact of the bill for the DMV depends upon the workload increase created to issue additional LPE-learner's permits and school permits pursuant to the bill. Applicants for learner's permits must provide documentation and pass a knowledge and eye test. Applicants for school permits are required to have completed a 50 hour driving certification and must pass a driving skills test administered by a DMV examiner or successfully complete an approved driver safety course.

DMV estimates the additional workload will require four new examiner positions in FY18. It is anticipated the examiners will be placed in some of the small or medium sized examining stations in the state. The number of examiners can be reduced to two in FY19, assuming half as many applicants. The estimated cost for staff and operating expenses is \$185,456 in FY18 and \$92,709 in FY19.

The cost for DMV to print licenses and permits is \$5.31 per card. The estimated printing expense related to the bill is \$191,691 in FY18 and \$95,845 in FY19 for school and learner's permits. There will also be one-time computer programming expenses of \$38,000 in FY18 and about \$4,600 will be expended on LPE-learner's permit and school permit forms.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 587	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Lee Will	DATE: 02/07/2017	PHONE: <a href="tel:4024714175">(402) 471-4175</a>
COMMENTS: The Department of Motor Vehicles' estimate of fiscal impact appears to be reasonable given the assumptions used.		

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**2017**

**LB<sup>(1)</sup> 587**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Motor Vehicles

Prepared by: <sup>(3)</sup> Bart Moore Date Prepared: <sup>(4)</sup> February 3, 2017 Phone: <sup>(5)</sup> (402)471-3902

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		90,893		42,875
CASH FUNDS	403,562	247,890	175,497	116,933
FEDERAL FUNDS				
COUNTY FUNDS		8,263		3,898
<b>TOTAL FUNDS</b>	<b>403,562</b>	<b>347,046</b>	<b>175,497</b>	<b>163,706</b>

**Explanation of Estimate:**

LB587 eliminates the provision in law prohibiting persons who either reside outside a city of the metropolitan, primary, or first class or attends a school which is outside a city of the metropolitan, primary, or first class from obtaining a school permit. In essence, LB587 makes any person at least 14 years of age and less than 16 years and 3 months of age eligible for a school permit. Persons are required to hold an LPE for at least 2 months prior to obtaining a school permit. In order to be issued an LPE, a person must provide the required documentation, and pass a knowledge and eye test. To be issued a school permit a person must complete the 50 hour driving certification and pass a driving skills test with an examiner or successfully complete an approved driver safety course.

**Expenditures:**

There are 17,412 14 year olds and 17,509 15 year olds in Douglas, Sarpy, Lancaster, Hall, Adams, Buffalo, Dawson, Lincoln, and Scotts Bluff counties. The DMV anticipates that 50% of these 14 and 15 year olds will obtain LPE's, or 17,114 and an additional 15,938 would apply for a School Permit. The DMV estimates these counties represent the majority of new eligible applicants; however there are an additional 19 First Class Cities whose 14 and 15 year olds would be eligible.

This additional workload would require 4 new examiner positions in FY17-18 and be reduced to 2 examiners when 50% of 14-15 year olds complete these requirements in FY 18-19. Additional operating costs to issue these permits will include: office equipment/supplies, new data forms, programming, and permit issuance costs.

**Revenues:**

FY 17-18 LPE Issue 17,114 X \$10.50 = \$179,697 and FY 17-18 SCP Issue 15,938 X \$10.50 = \$167,349  
 FY 18-19 LPE Issue 8,359 X \$10.50 = \$ 87,770 and FY 18-19 SCP Issue 7,232 X \$10.50 = \$ 75,936

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
MV DRVR LIC SVS EXAMINER I	4.00	2.00	124,409	62,204
Benefits.....			51,008	25,504
Operating.....			228,145	87,788
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>403,562</b>	<b>175,497</b>

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**2017**

**LB<sup>(1)</sup> 587**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Roads

Prepared by: <sup>(3)</sup> Becky Fleming Date Prepared: <sup>(4)</sup> 2/22/2017 Phone: <sup>(5)</sup> (402) 479-4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB 587 changes provisions relating to school permits. This bill allows a person who is younger than sixteen years and three months of age but is older than fourteen years and two months of age to be issued a school permit without any restrictions as to where the person resides or attends school.

No fiscal impact is anticipated to the Department.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____