

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB1540

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                 In Committee              Substitute                  Enrolled

**2. Patron:**        Hugo

**3. Committee:** Transportation

**4. Title:**         **Driver training schools; regulation by DMV.**

**5. Summary:** This bill transfers to the Department of Motor Vehicles (DMV) responsibility for driver training programs established for the public school system by the Department of Education (DOE).

**6. Fiscal impact estimates:** Preliminary. See Item #8.

**7. Budget amendment necessary:** Yes, Items 139 and 443.

**8. Fiscal implications:** This bill repeals § 22.1-205, relating to driver education programs in the public school system, while expanding the definition of a “driver training school” under the purview of the Department of Motor Vehicles (DMV) to include those programs established in public schools prior to July 1, 2008.

A portion of all the fees collected for original or renewal driver's licenses (\$1.50) and the learner's permit and motorcycle learner's permit fees (\$3) collected by DMV (except for the driver's license reexamination fee) are currently directed to the Driver Education Fund, pursuant to § 46.2-332 and § 46.2-335, respectively. In FY 2008, the transfer amount is \$2,173,000. The Driver Education Fund is intended to support school-based driver education programs.

This legislation transfers responsibility for driver training programs in public schools from the Department of Education (DOE) to DMV. The Driver Education Fund is currently transferred to Direct Aid and serves as a fund source for Basic Aid payments to local public schools. If these funds are redirected to DMV to support the provisions of this legislation, such funds would need to be supplanted by the general fund in order to prevent any prorating of Basic Aid Payments.

DMV does not have sufficient staff to conduct initial and follow-up site visits and audit additional driver training schools (DTSs) and instructors. DMV believes this activity would require 6 FTEs with associated salary and travel costs, totaling approximately \$429,000. Additional staffing requirements for headquarters licensing activities would also be required and are projected to cost \$308,000 for 8 FTEs.

If the DOE driver education program is repealed as proposed, DMV would have to:

- Maintain and update the standardized driver's education program (curriculum) and Teen/Parent Driver Training Guide. DMV does not have in-house expertise or resources to do this. DOE has experts in the field of education and the development of curriculum and educational materials.
- Review and approve correspondence courses (on-line courses) for the classroom training component of driver education used by home-schooled students. Again, DMV does not have the resources or expertise to do this.

**9. Specific agency or political subdivisions affected:** Department of Motor Vehicles, Department of Education.

**10. Technical amendment necessary:** Various statutes (§§ 46.2-323, 46.2-324.1, 46.2-335, etc) that refer to "driver education program approved by the State Department of Education" or Va. Code § 22.1-205 may need to be amended.

**11. Other Comments:** It is unclear as to whether DOE and public/private high schools would be able to offer driver's education as an option for students.

There are not enough driver training schools (DTSSs) to handle the increased volume. Public schools teach nearly 60-65 percent of students completing driver's education annually. In some areas of the state there are few or no DTSSs available.

**Date:** 1/29/2008/jlv

**Document:** G:\08-10\FIS\HB1540.Doc Janet Vogelgesang

cc: Secretary of Transportation  
Secretary of Education