

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1201

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

2. Patron: McQuinn

3. Committee: Transportation

4. Title: **Driver instruction; payment**

5. Summary: This bill provides that for persons who fail the behind-the-wheel examination or driver knowledge examination for driver's licenses administered by the Department of Motor Vehicles three times and must successfully complete a driver instruction program subsequent to the third examination failure, the Department shall provide by regulation for the offering of such driver's education instruction at a reduced or sliding fee scale or without charge to any person unable to pay the full cost of the program.

6. Fiscal impact estimates: Preliminary. See item #8.

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2010	-	-	-
2011	\$77,500	1.00	NGF
2012	\$77,500	1.00	NGF
2013	\$77,500	1.00	NGF
2014	\$77,500	1.00	NGF
2015	\$77,500	1.00	NGF
2016	\$77,500	1.00	NGF

7. Budget amendment necessary: No.

8. Fiscal implications: The provisions of the bill would require the Department of Motor Vehicles (DMV) to develop an evaluation process to determine a person's eligibility for a reduced cost or for no charge and further to determine the documents or materials that may be used to prove need.

In order to implement and administer the evaluation and eligibility program, the agency would need to hire one full time classified employee and one part-time wage position to administer and staff the program at an estimated annual cost of \$77,500.

In 2008, a total of 5,591 persons failed the road test or driver's license examination for a learner's permit, commercial driver's learner's permit, driver's license, or commercial driver's license for a third time. It is unknown how many of these 5,591 persons would apply for a reduced cost or no charge classroom instruction.

There are approximately 221 privately-owned driver training schools in Virginia. These businesses are licensed to operate by DMV and use the same Department of Education-approved curriculum used by public and private schools. There are no set fees. The price begins at \$150 for the course, though there is no cap on the amount that may be charged. These businesses do not receive any funding from the state, since they are for-profit businesses.

Although the exact number of persons who might qualify for this benefit cannot be estimated, if 20 percent of the 5,591 persons who failed the test were deemed to require financial assistance for the course, then the cost would be \$167,700 (20% of 5,591 = 1,118 times \$150). As written, it is unclear if the businesses or DMV would have to cover these costs.

9. Specific agency or political subdivisions affected: Department of Motor Vehicles, driver training schools.

10. Technical amendment necessary: No.

11. Other comments: The driver's education program consists of 36 fifty-minute classroom periods of instructions and 14 fifty-minute periods in-car instructions (7 periods of driving and 7 periods of observation). It includes components about alcohol safety, drug abuse awareness, aggressive driving, distracted driving, motorcycle awareness, and organ and tissue donation awareness.

Date: 1/22/10/jlv

Document: G:\10-12\FIS\HB1201.Doc Janet Vogelgesang

cc: Secretary of Transportation