

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSHB 180(FIN)
 Fiscal Note Number 3 **CORRECTED**
 (H) Publish Date 2/10/12

Identifier (file name) HB180CS(FIN)-DOA-DMV-2-8-2012 Dept. Affected Administration
 Title Veteran Designation on Driver's License Appropriation Motor Vehicles
 Allocation Motor Vehicles
 Sponsor Representative Saddler
 Requester House Finance OMB Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	24.2		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	8.7		17.5	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	32.9	0.0	17.5	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)	32.9	17.5	0.0	0.0	0.0	0.0	0.0
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		32.9	0.0	17.5	0.0	0.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES	51.3		102.7	0.0	0.0	0.0	0.0
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

- 1) Eliminated cost of redesigning the cards.
- 2) Reduced the estimated revenue to reflect the change in the fee from \$15 to \$5 to obtain a replacement card.

Prepared by Whitney Brewster, Director
 Division Motor Vehicles
 Approved by John Cramer, Deputy Commissioner
Department of Administration

Phone 907-269-5559
 Date/Time 2/8/12 8:30 AM
 Date 2/8/2012

Analysis*The effective date of this CS is March 1, 2013.***Expenditures**

- 1) The Division of Motor Vehicles' (DMV) antiquated database is almost 30 years old; the way it was programmed makes it difficult to effect even minor changes.
- a) Add a 'veteran' field to DMV's database - **109 contract hours**
The field must be added to 40-50 programs within the database; each program will have to be tested prior to deployment. Since DMV shares data with Department of Public Safety, a field will also need to be added to the shared program, then tested and deployed.
- b) Create a reporting feature for notification to Department of Military & Veterans Affairs - **60 contract hours**
The bill does not specify exactly what would be required. The 60 hour estimate is based on producing a scheduled weekly mainframe report showing additions only.

Total estimated contract hours: 169**Cost per hour: \$143 (contract rate per the State's task order system for IT professional services)****Total programming cost: 169 x \$143 = \$24,167**

- 2) Cost to produce replacement licenses/IDs for existing population of Alaska veterans. DMV anticipates that 50% of qualified veterans will opt for the designator within the first year. Of those who opt for the designator in the first 12 months after the March 1, 2013, effective date, approximately one-fifth will have licenses/IDs that expire within those first 12 months; DMV will be required to issue replacement licenses/IDs to the remaining four-fifths of veterans opting for the designator within the first 12 months.

77,000 Quantity of veterans in Alaska as of 09/30/10 per U.S. Dept. of Veterans Affairs
x 50% Estimated percentage of veterans opting for the designator in the first 12 months
 38,500 Quantity of veterans opting for the designation
-7,700 20% of veterans whose license/IDs expire within the 12 month period; DMV assumes they will NOT come in for a replacement, but will have the designator added at the time of renewal.
 30,800 Quantity of veterans obtaining replacement licenses/IDs in the first 12 months
x \$.85 Cost per license/ID for printer ribbon, laminate, and card
 \$ 26,180 Total cost to produce replacement driver's licenses /IDs in the first 12 months (03/01/13-02/28/13)
\$ 8,727 \$26,180/12 x 4 months - Cost to produce replacement cards in **FY13** (03/01/13-06/30/13)
\$ 17,453 \$26,180/12 x 8 months - Cost to produce replacement cards in **FY14** (07/01/14-02/28/14)

Revenue

30,800 Quantity of veterans obtaining replacement licenses in the first 12 months
x \$5 Replacement fee
 \$ 154,000 Estimated additional revenue collected in the first 12 months (03/01/13-02/28/14)
\$ 51,300 \$154,000/12 x 4 months Estimated additional revenue collected in **FY13** (03/01/13-06/30/13)
\$ 102,700 \$154,000/12 x 8 months Estimated additional revenue collected in **FY14** (07/01/14-02/28/14)

Performance Measures

DMV currently produces about 270,000 driver's licenses and identification cards each year. The anticipated additional 30,800 customers in the twelve months following implementation may impact DMV's ability to meet the performance measure of serving customers in an average of 20 minutes or less.