

# Fiscal Note

Fiscal Note Number: 4  
 Bill Version: CSHB 180(FIN)  
 (H) Publish Date: 4/30/12

State of Alaska  
 2012 Legislative Session

Identifier: HB180CS(FIN)-DOA-DMV-4-6-12  
 Title: VETERAN DESIGNATION ON DRIVER'S  
 LICENSE  
 Sponsor: SADDLER  
 Requester: Senate Finance

Department: Department of Administration  
 Appropriation: Motor Vehicles  
 Allocation: Motor Vehicles  
 OMB Component Number: 2348

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2013	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2013 Request	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>OPERATING EXPENDITURES</b>	<b>FY 2013</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Personal Services							
Travel							
Services	24.2						
Commodities	8.7		17.5				
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>32.9</b>	<b>0.0</b>	<b>17.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

1005 GF/Prgm	32.9		17.5				
<b>Total</b>	<b>32.9</b>	<b>0.0</b>	<b>17.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>	51.3	0.0	102.7				
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Estimated SUPPLEMENTAL (FY2012) cost: 0.0

Estimated CAPITAL (FY2013) cost:

## Reason For Change:

- 1) Updated to reflect SCS CSHB 180(STA), which added the requirement to print "veteran" on the license/ID card.
- 2) Updated to include brief synopsis of bill.

## Analysis:

The effective date of this CS is March 1, 2013.  
 House Bill 180 seeks to help Alaska veterans in receiving more of the benefits that they are entitled to by allowing the Division of Motor Vehicles (DMV) to add information to drivers' licenses or identification cards signifying the holder's status as a veteran, and would allow DMV to share the holder's contact information with the Office of Veterans Affairs within the Department of Military and Veteran's Affairs (DMVA).

## Expenditures

- 1) The DMV's 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

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APPROVED BY  
 CONFERENCE  
 COMMITTEE

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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.