

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 73 (Delegate Hammen)
Ways and Means

Education - Minors - School Attendance Classification and Driving Privileges

This bill prohibits the Motor Vehicle Administration (MVA) from issuing a learner's instructional permit or driver's license to a "nonattending student." The bill also requires the MVA to revoke a nonattending student's existing learner's permit or driver's license. Nonattending students are prohibited from taking any driver education classes offered by local school systems. Local school systems are required to report the names of nonattending students to the Motor Vehicle Administration.

This bill takes effect July 1, 1997.

Fiscal Summary

State Effect: Special fund expenditures could increase by \$394,800 in FY 1998. Future year expenditures reflect inflation and a constant number of suspensions. Indeterminate effect on special fund revenues as discussed below.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
SF Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SF Expenditures	394,800	362,100	372,500	383,200	394,300
Net Effect	(\$394,800)	(\$362,100)	(\$372,500)	(\$383,200)	(\$394,300)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Local school expenditures could increase by \$118,800 annually. Revenues would not be affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None. Small businesses would not be directly affected.

Fiscal Analysis

State Revenues: The MVA advises that it would collect \$75 each time an individual reapplies for a driver's license (\$15 reinstatement application fee, \$30 reinstatement approval fee, and \$30 new license fee). The increase in special fund revenues would depend upon the number of nonattending students that turn 18 years of age and are allowed to reapply for a driver's license. However, any additional revenues could be offset by decreased revenues from individuals prohibited from obtaining a learner's permit or driver's license. The total impact on special fund revenues cannot be determined at this time.

State Expenditures: Approximately 40,000 students statewide could be classified as a "nonattending student." It is projected that around 12,000 (30%) of these students would remain in school to prevent their licenses from being revoked. Accordingly, approximately 28,000 students could be referred to the Motor Vehicle Administration by the local boards of education. MVA estimates that 7,000 students (25%) would lose their driver's licenses or learner's permits annually. This could increase special fund expenditures by an estimated \$394,800 in fiscal 1998, which reflects a 90-day start-up delay. This estimate reflects the cost of hiring 1 Cashier, 3 Administrative Specialists, 1 Customer Service Representative, and 2 Typist Clerks to notify students of pending license suspension, schedule administrative hearings, and process license suspensions. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$136,674
Administrative Hearings	157,500
Computer Programming	66,350
Office Equipment	16,590
Operating Expenses	<u>17,710</u>
Total FY 1998 State Expenditures	\$394,824

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- 209,073 students enrolled in the 9th through 12th grades in fiscal 1996;
- 11,357 student dropouts and 8,842 withdrawals (discipline, lack of interest, expulsions, and whereabouts unknown) in fiscal 1996;
- 14% of students had more than 20 absences in fiscal 1996;
- 75% of absences estimated to be unexcused;
- 3,500 administrative hearings at \$45 per hearing; and

- 1,327 hours of computer programming/modifications at \$50 per hour.

Local Effect: The bill requires county boards of education to notify the MVA as to the names of “nonattending students” within 30 days. On similar legislation, the Maryland Association of Boards of Education estimated that compliance would increase staff costs by \$600 per school. Based on this, if each school is required to expend an additional \$600 annually, local expenditures could increase by an estimated \$118,800.

Information Source(s): Maryland Association of Boards of Education, Maryland State Department of Education, Department of Transportation, Department of Fiscal Services

Fiscal Note History: First Reader - January 27, 1997

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