

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1241 (Delegate Dembrow)

Ways and Means

Driver Education Programs in Public Schools - State Funding

This bill establishes a driver education account in the Transportation Trust Fund (TTF) for the purpose of reimbursing an approved high school for the costs associated with its driver education program. The Motor Vehicle Administration (MVA) must collect an \$8 surcharge for each driver's license issued and deposit the funds in the driver education account. The amount provided to each high school cannot exceed \$100 for each eligible individual completing the driver education course.

Fiscal Summary

State Effect: TTF revenues would increase by \$3.2 million annually. TTF expenditures would increase by a maximum of \$100 for each eligible individual who completes an approved high school driver education program. Administrative expenditures within the Maryland State Department of Education (MSDE) and at each high school could increase to the extent that local school systems implement a driver education program.

Local Effect: Garrett County would receive approximately \$30,000 annually in State reimbursement from the TTF for students completing the school system's driver education program. Other local school systems could receive up to \$100 for each student that completes an approved high school driver education program.

Small Business Effect: Minimal.

Analysis

Current Law: Local boards of education are authorized to provide a driver education program to students. The State does not provide any reimbursement to local school systems for providing these programs.

Background: Four local school systems currently provide driver education programs (Baltimore City, Baltimore, Calvert, and Garrett), with Garrett County being the only local school system including the program within its regular school hours. The Garrett County School System spends approximately \$137,000 on its driver education program or \$456 per student; however, the school system does not charge students fees. The other three local school systems provide the driver education program as a continuing education course or as an extra curricular activity. These three local school systems charge participants a fee to cover program costs.

Most local school systems discontinued providing driver education programs during the 1980s and early 1990s. Anne Arundel County stopped providing driver education to students in 1992. The county's expenses for the program exceeded \$1 million; however, the school system collected only \$273,000 in fees.

State Fiscal Effect: TTF revenues would increase by \$3.2 million annually. This estimate is based on the issuance of 400,000 driver's licenses each year and an \$8 surcharge per license. The additional revenues must be deposited in the driver education account of the TTF for the purpose of reimbursing approved high school programs for the costs associated with providing a driver education program. The amount provided to each high school cannot exceed \$100 for each eligible individual completing the driver education course.

MSDE must include in its annual budget funds for its administrative costs that are incurred by it and by each school that participates in the driver education program. MSDE advises that administrative costs to implement and administer the driver education program would total approximately \$43,000 in fiscal 2001 and \$54,000 on an annualized basis to hire one staff specialist. Potential administrative costs incurred by each school is not known at this time; the costs depend on whether local school systems implement a driver education program.

Local Fiscal Effect: Garrett County is the only school system that provides a driver education program within its regular school hours. Approximately 300 students in Garrett County complete the school system's driver education program each year. Based on a \$100 per pupil grant, Garrett County would receive \$30,000 in State funding. The increased State funding would cover about 20% of the total cost to operate the driver education program in

the county.

There are approximately 60,000 public school students in the 10th grade. Most students take driver education at a private driving school which costs on average between \$250 and \$300 per student. Based on the available funding within the proposed driver education account, local school systems would receive about \$50 per student if all public school students in the 10th grade complete an approved high school driver education program. Since the State reimbursement would cover only a small portion of the total per pupil cost of operating a driver education program, many local school systems may decide not to start a driver education program.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2000
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