

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 708 (Delegate Rudolph)
 Environmental Matters

Vehicle Laws - Driver Education - Computer-Based Program

This bill permits a learner’s instructional permit holder to complete a computer-based driver’s education program before taking a driver skills test or road examination for a provisional license, instead of the current mandatory program. However, the computer-based program must include at least 10 hours of highway driving instruction.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures could increase by an estimated \$45,000 in FY 2006 for one additional position at the Motor Vehicle Administration (MVA) to develop computer-based criteria for driver’s education and to monitor computer-based programs for continued compliance with standards. Future year expenditure estimates reflect annualization, salary increases, and inflation. Revenues would not be affected.

| (in dollars) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 |
|----------------|------------|------------|------------|------------|------------|
| SF Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| SF Expenditure | 45,000 | 61,100 | 64,500 | 68,100 | 72,000 |
| Net Effect | (\$45,000) | (\$61,100) | (\$64,500) | (\$68,100) | (\$72,000) |

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

Local Effect: None.

Small Business Effect: Potentially meaningful to the extent that driving education schools that are small businesses would be able to offer alternative driver education programs.

Analysis

Current Law: A learner's instructional permit holder may not take a driver skills examination or driver road examination for a provisional license until after successful completion of a driver's education program consisting of at least 30 hours of classroom instruction and at least 6 hours of highway driving instruction.

Background: The MVA has spent two years researching the possibility of shifting to a computer-based driver's education program. The MVA advises that at least eight states – California, Connecticut, Florida, Nevada, Oklahoma, Pennsylvania, Texas, and Virginia – offer some form of driver education through alternative delivery systems. These delivery systems include home-schooling options and Internet-based programs.

Many states, including Maryland, California, Virginia, Florida, and Texas, allow individuals to use Internet-based programs either for points reduction or points conferences. However, California requires in-person final testing for successful completion of the course.

Legislation authorizing Internet driver improvement and driver education has been proposed in the past but has not been enacted. HB 875 in the 2003 session would have permitted the MVA to authorize an alternative form of driver's education, including computer-based programs. It received an unfavorable report from the House Environmental Matters Committee.

In the 2001 session, HB 963 would have prohibited the MVA from offering or providing any driver instruction program over the Internet unless specifically authorized by law. The General Assembly passed the bill, but the Governor vetoed it citing that the decision to provide such instruction should be the MVA's and that the bill's policy conflicted with the Electronic Government Initiative enacted in 2000 (Chapter 5). That initiative required all units of the Executive Branch to have 50% of their public information and services available over the Internet by 2002.

State Expenditures: Currently the MVA has one instructor to inspect the State's 129 certified driving schools, some of which have multiple branches. The current inspector has no background in computer-based curriculum or monitoring of computer-based programs; it would be necessary to hire an additional person to develop criteria to ensure that computer-based programs meet the MVA's standards and to monitor the programs for possible fraud and abuse.

TTF expenditures could therefore increase by an estimated \$44,959 in fiscal 2006, which accounts for the bill's October 1, 2005 effective date. This estimate reflects the cost of hiring an additional computer information services specialist (grade 15). It includes a

salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. Future year expenditures reflect: (1) a full salary with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Small Business Effect: Current providers of computer-based driver's education programs, or businesses that wanted to become providers of computer-based driver's education would benefit from increased business.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, *The Washington Post*, *The Potomac Almanac*, *The Capital*, *PRWeb*, *Wired*, A Better Traffic School.com, Department of Legislative Services

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