

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 138** SLS 14RS 319
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 28, 2014 2:25 PM	Author: MILLS
Dept./Agy.: Public Safety	Analyst: Matthew LaBruyere
Subject: Drivers' Licenses	

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Authorize university logo to be placed on a driver's license or identification card issued by the office of motor vehicles. (1/1/15)

Proposed law provides for exhibition of any Louisiana university's logo in color on a driver's license or identification card, upon request and payment of a university logo fee, if any, established by a Louisiana university for the use and display of its logo.

Proposed law provides for collection of such university logo fees by the Department of Public Safety and Corrections and quarterly disbursement of monies collected to the foundation of such state universities.

Proposed law requires participating university foundation to pay implementation costs.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

To the extent a state university enters into an agreement with the Office of Motor Vehicles (OMV) for placement of the university logo on a driver's license, the university foundation will incur a one-time cost of \$30,000 for the vendor to add a logo to the system. The term university refers to institutions offering undergraduate programs and degrees. As such, there are 14 public and 10 private universities in Louisiana. From committee testimony, it is understood the logo would be placed where the "I'm a Cajun" designation is located. This placement would negate the initial professional services contract to change the driver's license format.

The proposed law would result in an increase in expenditures as a result of coding changes to the DPS Driver's Licensing System. Technical modifications will be necessary to expand the driver's license database to store the state university logos, collect fees and disburse university royalties, and modify the Financial and Revenue Classification system. DPS estimates these changes will require 500 hours of overtime for an IT Programmer Analyst III, 800 hours for IT Programmer Analyst II, 100 hours for an IT Management Consultant, 80 hours for an IT Support Specialist, and 60 hours for an IT Programmer Manager II. At \$32 per hour, the overtime expense is estimated at \$49,995 (1,540 hours x \$32 = \$49,280 for salaries; \$49,280 X 1.45% = \$715 for Medicare costs).

NOTE: Although the proposed legislation indicates that university foundations would incur the costs associated with the logo program, it is unknown how university foundations would share in the upfront costs associated with the program such as:

- 1) The IT work will have to be completed by OMV prior to the placement of logos on driver's licenses.
- 2) To the extent the logo placement cannot fit in the "I'm a Cajun" location and the driver's license format has to be changed, a \$175,000 professional services contract would be required.
- 3) For the upfront costs (\$50,000 IT and/or \$175,000 contract), the potential exists that one or more university foundations could initially sign up for the logo program and pay the upfront costs, while university foundations that sign up at a later date would not have to participate in the cost of the initial contract. The issue arises as to how the upfront costs would be shared among university foundations that participate in the program.

Fees generated through the placement of any state university logo on a driver's license shall be disbursed quarterly to state university's foundations. The LFO assumes these disbursements will occur via an interagency transfer expenditure from DPS to state university foundations.

REVENUE EXPLANATION

Proposed law instructs DPS to collect an annual fee, determined by each state university, for inclusion of a state university logo on any class of driver's license. The number of individuals that will elect to add the university logo designation to their driver's license is unknown. Proposed legislation is anticipated to result in an indeterminable increase in SGR that will be disbursed quarterly to the foundation of the public university.

Senate	Dual Referral Rules	House	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 Evan Brasseaux Staff Director
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}		
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		