

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1158-02
Bill No.: Perfected HB 450
Subject: Licenses - Driver's; Department of Health and Senior Services
Type: Original
Date: March 13, 2019

Bill Summary: This proposal modifies provisions relating to the Organ Donor Registry.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$33,632) to (\$94,632)	\$0 or (\$80,631)	\$0 or (\$81,312)
Total Estimated Net Effect on General Revenue	(\$33,632) to (\$94,632)	\$0 or (\$80,631)	\$0 or (\$81,312)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Organ Donor Fund (0824)	Up to (\$92,515)	Up to (\$21,779)	Up to (\$22,038)
Total Estimated Net Effect on <u>Other</u> State Funds	Up to (\$92,515)	Up to (\$21,779)	Up to (\$22,038)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Organ Donor Fund	0 or 0.5 FTE	0 or 0.5 FTE	0 or 0.5 FTE
Total Estimated Net Effect on FTE	0 to 1.5 FTE	0 to 1.5 FTE	0 to 1.5 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services (DHSS)** assume the following regarding this proposal:

Sections 194.225.1(1) and 302.171.2, RSMo. of the proposed legislation state the Department of Health and Senior Services will work with the Department of Revenue (DOR) to process and provide donor symbol stickers to individuals who want to place a sticker indicating an anatomical gift instead of a printed symbol on their driver license or identification card. When an application to make an anatomical gift is made via the DHSS website, the department shall determine if the symbol is printed on the registrant's driver's license or identification card, and if not, mail a donor symbol sticker to the registrant to place on their license or identification card using first class mail.

DOR data from May 19, 2014 thru June 30, 2018 is reflected in the table below. In addition, the table includes data for the Donor Registry System (DRS), online and paper registrations; actual, percent, and averages are provided.

	May 19, 2014 - May 18, 2015	July 1, 2015 - June 30, 2016	July 1, 2017 - June 30, 2018	Average Annual Number of Individuals
No to Donation so symbol question not asked	840,660	802,507	958,640	867,269
Yes to Donation and Yes to Symbol	724,373	769,580	725,631	739,861
Yes to Donation and No to Symbol	11,200	8,027	5,542	8,256
Total DOR	1,576,233	1,580,114	1,689,813	1,615,386
Online Registrations*	2,706	2,659	366	1,910
Paper Registrations*	2,488	2,339	2,233	2,353

*Online and paper registrations reporting does not coincide with some of the dates in the above table. DHSS has provided the best estimate utilizing dates closest to those presented in the table. The Organ and Tissue Donor Program does not have data for FY 17 from DOR and therefore excluded that year for all rows.

ASSUMPTION (continued)

Section 194.225.5, RSMo. would require the Department of Health and Senior Services to mail a donor symbol sticker to every individual who registers to make an anatomical gift via the department's website. The yearly average of online registrants is 1,910 individuals. Subsection 2 of Section 302.171, RSMo. also allows an individual to request a donor symbol sticker via the department's website if they are already registered to make an anatomical gift. We assume that up to 10 percent of the yearly average that say "yes" to donation at DOR and "no" to the printed symbol may change their mind, and request a donor symbol sticker, which would be 826 requests ($8,256 \times 0.10 = 826$ as a rounded number). We also assume that as much as 45.8 percent of individuals who register via a paper registration will request a donor symbol sticker, on the basis that 45.8 percent of individuals who register at DOR want a donor symbol ($739,861/1,615,386$), which would be 1,078 requests ($2,353 \times 0.458 = 1,078$ as a rounded number). The total number of estimated requests for a donor symbol sticker is therefore 3,814 annually ($1,910 + 826 + 1,078 = 3,814$).

DHSS will incur costs for printing an average of 4,000 stickers at a State Printing cost estimate of \$0.04/each = \$160. DHSS will incur first class mailing costs for an average of 3,814 letters annually at \$0.47 = \$1,793. DHSS will incur costs of window envelopes for 8/boxes of 500 x \$9.37/box = \$75.

An office support assistant (OSA) at 0.5 FTE will be required for clerical aspects of fulfilling the necessary paperwork and phone calls related to the proposed requirements. This includes printing letters, affixing stickers to letters, folding letters, stuffing and sealing envelopes, and answering phone calls from applicants who applied for a sticker or want to apply for a sticker. Division of Community and Public Health (DCPH) staff assume 3,814 sticker requests a year, which breaks down to the OSA processing an approximate average of 73 requests per week or approximately 15 a day. DHSS, accounting for hiring time, assumes this position will begin September 1, 2020. The salary listed for this position reflects the average annual salary of staff in these positions within the Division of Community and Public Health as of December 1, 2018.

The DHSS website will need to be modified to accommodate an application so the public can apply for a sticker. Additionally, the current DRS does not capture data regarding whether individuals say "Yes" or "No" to the symbol at the time of DOR license or identification card application. The DRS system or Organ and Tissue Donor Program staff will need to check with or lookup information in the DOR system for each of the 3,814 annual requests to determine if a symbol was or was not added to the driver license or identification card, develop correspondence to acknowledge receipt of sticker request and indicate the sticker is enclosed. Correspondence will need to include how to adhere the sticker to the license or identification card.

ASSUMPTION (continued)

Oversight is unsure of how much work will be required to implement this proposal; however, Oversight does not have any information to the contrary in regards to DHSS's assumptions. Therefore, Oversight will range the fiscal impact of this proposal from \$0 (does not require additional FTE) to the costs reflected in DHSS's assumptions (0.5 FTE).

Oversight notes the Organ Donor Fund (0824) had a fund balance of \$701,321 as of January 2019.

DHSS also notes OA-ITSD services will be required at a cost of \$61,560 (820.80 hours x \$75 per hour) in FY 2020.

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the Donor Registry system. ITSD estimates the project would take 820.80 hours at a contract rate of \$75 per hour for a total cost to the state of \$61,560. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$61,560) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

Officials at the **Department of Revenue (DOR)** assume to implement the proposed legislation, the Department will be required to:

- Complete programming, business requirements, design documents, and user acceptance testing of the Missouri Electronic Driver License (MEDL) system;
- Work with DHSS to revise informational pamphlets required to be provided to individuals at the time of application regarding the participation in the Organ, Eye and Tissue Donor Registry;
- Submit a change request to the current license vendor to remove the fillable donor information on the back of the driver license and nondriver identification card and request for a placeholder for a sticker issued by DHSS;
- Complete testing with factory print facility for printing the card with the new placeholder;
- Update the mail-in application forms for military renewal applications;
- Update procedures and the Department website;
- Update the Missouri Driver Guide; and
- Train staff.

ASSUMPTION (continued)

FY 2020 - Driver License Bureau

Administrative Analyst II	240 hrs. @ \$17.13 per hr.	= \$ 4,111
Management Analysis Spec II	280 hrs. @ \$20.57 per hr.	= \$ 5,760
Revenue Manager	120 hrs. @ \$20.59 per hr.	= \$ 2,471
Total		= \$12,342

FY 2020 - Personnel Services Bureau

Administrative Analyst III	30 hrs. @ \$19.80 per hr.	= \$ 594
Management Analysis Spec I	20 hrs. @ \$18.42 per hr.	= \$ 368
Total		= \$ 962

Total Costs = **\$13,304**

License Vendor Costs

Estimated cost to modify card design and factory printing process is \$28,000.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note. Oversight will reflect the vendor cost (\$28,000) on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of \$5,346 (71.28 hours x \$75 per hour) in FY 2020.

As stated above regarding DHSS' estimate for 820.8 hours of programming, **Oversight** notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, DOR-ITSD assumes they will contract out the programming changes needed to the MEDL system. DOR-ITSD estimates the project would take 71.28 hours at a contract rate of \$75 per hour for a total cost to the state of \$5,346. Oversight will range the fiscal impact to DOR-ITSD from \$0 (work will be handled by the additional FTE IT Specialist identified as a possible option for DHSS on page 5) to the \$5,346 estimate provided by DOR-ITSD. Oversight will reflect this potential ITSD FTE in the General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE			
<u>Costs</u> - DOR Vendor changes	(\$28,000)	\$0	\$0
<u>Costs</u> - DOR - ITSD costs (ranged from contracting out programming (\$5,346) to hiring additional FTE IT Specialist to include DHSS' programming needs also)	<u>(\$5,346) or (\$66,632)</u>	\$0 or <u>(\$80,631)</u>	\$0 or <u>(\$81,312)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$33,632) to (\$94,632)</u>	<u>\$0 or (\$80,631)</u>	<u>\$0 or (\$81,312)</u>
Estimated Net FTE Change to the General Revenue Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
ORGAN DONOR FUND			
<u>Cost</u> - DHSS			
Personal Services	\$0 or (\$9,485)	\$0 or (\$11,932)	\$0 or (\$12,051)
Fringe Benefits	\$0 or (\$3,000)	\$0 or (\$3,636)	\$0 or (\$3,672)
Equipment and Expense	\$0 or (\$11,370)	\$0 or (\$4,183)	\$0 or (\$4,287)
Mailing costs	(\$1,793)	(\$1,793)	(\$1,793)
Postage costs	(\$75)	(\$75)	(\$75)
Printing of stickers	<u>(\$160)</u>	<u>(\$160)</u>	<u>(\$160)</u>
Total Costs - DHSS	(\$25,883)	(\$21,779)	(\$22,038)
FTE Change - DHSS	0 or 0.5 FTE	0 or 0.5 FTE	0 or 0.5 FTE
<u>Cost</u> - DHSS - ITSD costs (ranged from contracting out programming (\$61,560) to hiring additional FTE IT Specialist in General Revenue above)	(\$61,560)	\$0	\$0
ESTIMATED NET EFFECT ON THE ORGAN DONOR FUND	<u>Up to (\$92,515)</u>	<u>Up to (\$21,779)</u>	<u>Up to (\$22,038)</u>
Estimated Net FTE Change to the Organ Donor Fund	0 or 0.5 FTE	0 or 0.5 FTE	0 or 0.5 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Local contract license offices may be impacted due to an increase in inquiries regarding the new donor symbol sticker option as a result of this proposal.

FISCAL DESCRIPTION

This bill allows a donor to make an anatomical gift by placing a donor symbol sticker authorized and issued by the Department of Health and Senior Services on the back of the donor's driver's license or identification card.

The department shall include on its website information about organ donation and a link where the person making an anatomical gift can register. Once a person has registered, the department will contact the Department of Revenue to determine whether the organ donor symbol is printed on a registrant's driver's license or identification card. If the donor symbol does not appear, the department will mail a donor symbol sticker to be placed on the back of the registrant's driver's license or identification card.

State agencies and departments may provide a link on the homepage of their website directing the public to the organ donation information and registration link.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Revenue



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March 13, 2019

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Assistant Director
March 13, 2019