

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 11, 2023

Agency Submitting: Department of Motor Vehicles, Research and Project Management

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Contract Programmer Hours (Budget Account 4715, Cat 43) (Expense)		\$168,047		
Temporary Employee Wages (Budget Account 4741 Cat 01) (Expense)		\$34,175	\$34,175	
Temporary Employee Computer Equipment Costs (Budget Account 4741 Cat 26) (Expense)		\$4,812		
Temporary Employee Operating Costs (Budget Account 4741 Cat 04) (Expense)		\$805	\$805	
Temporary Employee Operating Equipment Costs (Budget Account 4741 Cat 04) (Expense)		\$2,471		
Travel Training for FSD staff (Budget Account 4735 Cat 03) (Expense)		\$4,256		
Total	0	\$214,566	\$34,980	0

Explanation

(Use Additional Sheets of Attachments, if required)

SB 403 (BDR S-997) makes an appropriation to DMV in the amount of \$250,000,000 to provide discounts on basic governmental services tax (BGST) to eligible vehicles, with certain exceptions. Beginning in calendar year 2024, for each eligible vehicle registered with DMV during that time, at the time of registration renewal, is eligible for a discount equal to the lesser of the BGST imposed on the vehicle, or \$100. This bill becomes effective upon passage and approval.

The Department has reviewed this bill and determined there will be an impact as written. Central Services Division (CSD) anticipates an increased amount of interaction with customers inquiring about BGST discounts and will require 2 temporary staff members assigned to the call center to assist with the increased customer communications. Field Services Division (FSD) trainers will require travel to DMV offices to instruct staff on discount procedures. A media and public education outreach campaign will also be coordinated using existing outreach funds. The proposed allocation of \$250 million to be used to supplement BGST distributions may not be enough to cover all BGST costs. There is a projected count of 2,766,950 vehicles eligible to receive the proposed discount. If fully applied to all eligible vehicles, there will be a shortfall of approximately \$26 million. DMV may be required return to IFC for additional funds if the shortfall is realized.

DMV is currently engaged in its "transformation effort" (DTE), to revise business processes, reorganize, and move systems to a cloud solution. This will greatly improve DMV services and allow customer transactions online. DTE project delivery will continue into 2026 and involves over 100 staff and contractors. The proposed effective date will require programming, testing and implementation in the legacy system and creates risk and additional work. Due to DTE, DMV is unable to absorb work for changes. Work completed will be done by new contract programmers.

Name Bethany Musselman

Title Management Analyst IV

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Monday, April 10, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

BDR /Bill/ Amendment #: SB 403

Agency Name: **Department of Motor Vehicles**

Division Name: **RPM**

Date: **4/3/2023**

Basis for Calculation:

(1) MVIT staff estimate that contract programmers will be needed to perform the updates to the current legacy DMV Application in order to provide the discounts to customers in CY24 on all qualifying vehicles that are registering within the year's timeframe. Hours estimated to make changes to existing Cobol, .Net and PowerBuilder applications, as well as the creation of new account codes for distribution of funds, is projected to be 1,533 hours; at \$109.62 per hour for contract programming work will equate to \$168,047.

(2) Estimate for Field Services Division (FSD) trainers to travel to southern and rural offices to instruct front-line staff in how to process discounts for customers; projected to be 2 weeks of travel.

(3) Fielding inquiries and requests from customers about GST discounts for one calendar year (CY) of work will require 2 additional temporary staff positions at a DMV Technician II (grade 25 step 1) level to work in the Central Services Division Call Center. Temporary Employees will work in a temporary workspace set up in a small conference room. Base salary is calculated at \$25,504 plus 34% for contracting with a staffing agency to provide

(4) Additional positions will require purchasing of equipment and operating supplies.

Category	FY 22/23 (Based on FY22 Actuals)	FY 23/24	FY 24/25	Future Biennia (FY26 + FY27)
Programming Cost	\$ -	\$ 168,047.00	\$ -	\$ -
Travel Costs for Trainers	\$ -	\$ 4,256.00	\$ -	\$ -
Temporary Staff Salary (2 staff in CSD Call Center telecommuting)	\$ -	\$ 34,175.00	\$ 34,175.00	\$ -
CSD Temporary Staff Computer Equipment Costs	\$ -	\$ 4,812.00	\$ -	\$ -
CSD Temporary Employee Operating Costs	\$ -	\$ 805.00	\$ 805.00	\$ -
CSD Temporary Employee Operating Equipment Costs	\$ -	\$ 2,471.00	\$ -	\$ -
Totals	\$ -	\$ 214,566	\$ 34,980	\$ -

**TEMPLATE FOR NEW STAFF
FY24/25 Biennium
4741 - Central Services**

On-Going Operating - CAT 04	Base Costs	FTE	Cost Detail	
			Per FTE	Information
7020 - Operating Supplies, Consumable	\$ 6,343.51	130	\$ 48.80	Annualized by FTE based on FY22 Actuals / FTE for Budget Account
7023 - Operating Supplies, Tech supplies, consumable	\$ 6,214.96	130	\$ 47.81	Annualized by FTE based on FY22 Actuals / FTE for Budget Account
7024 - Operating Supplies, Tech supplies, non-consumable	\$ -	130	\$ -	Annualized by FTE based on FY22 Actuals / FTE for Budget Account
7027 - Operating Supplies, Non-Consumable	\$ 5,056.15	130	\$ 38.89	Annualized by FTE based on FY22 Actuals / FTE for Budget Account
7222 - Data Processing Supplies	\$ 18,453.12	130	\$ 141.95	Annualized by FTE based on FY22 Actuals / FTE for Budget Account
7289 - Phone Line and Voicemail	Per Person		\$ 87.48	per EITS schedule
7296 - EITS Long Distance	\$ 3,364.83	130	\$ 25.88	Annualized by FTE based on FY22 Actuals / FTE for Budget Account
7297 - EITS 800 Toll Free Charges	\$ -	130	\$ -	Annualized by FTE based on FY22 Actuals / FTE for Budget Account
7460 - Equipment < \$1,000	\$ 1,543.08	130	\$ 11.87	Annualized by FTE based on FY22 Actuals / FTE for Budget Account
			<u>402.68</u>	

**Standard Equipment
Year One Only**

Calculator	\$ 51.78
Electric Stapler	\$ 79.99
Secretarial Chair	\$ 332.00
Telephone	\$ 350.00
Wastebasket	\$ 18.00
Chair Mat	\$ 22.00
24" Privacy Screen Filters x2	\$ 184.00
Ergonomic Keyboard	\$ 197.64
Total	\$ 1,235.41

Laptop PC: Year 1

Hardware Laptop w/ operating system	\$ 1,579.00
Hardware Laptop Docking Station	\$ 189.00
Software MS Office Suite Pro	\$ 330.00
Software Exchange (CALs)	\$ 22.00
Visio	\$ 162.00
Software Windows License	\$ 124.00
Total Standard User	\$ 2,406.00

Temporary Staff Salary Calculation

2 Additional Temporary Staff required at DMV Tech II	
Base salary of \$25,504 + 34%	\$34,175.36
Multiplied by two positions	\$68,350.72
Divided by half for FY because positions will start Jan. 1 2024 (last half of FY24)	\$34,175.36
Salary for 2 temporary positions for first half of FY25 (positions end 12/31/24)	\$34,175.36

Trainer Travel Estimates

Projection is for 2 trainers based in Northern Nevada to travel to Southern Metro and rural offices to train staff in GST discount procedures; 2 weeks of travel, inc. airfare, motor pool vehicle and mileage. Lodging and per diem.

Traveler	GL 6200 Per Diem	GL 6211 Monthly Motor Pool Rental	GL 6250 In- State Airfare	GL 6240 POV	Trip Totals
Travel Week #1 for LV Metro and Southern offices (2 trainers)	\$1,073.52	\$214.20	\$675.92	\$41.40	\$1,963.64
Travel Week #2 for Rural offices (2 trainers)	\$1,167.54	\$335.36	\$789.94	\$41.40	\$2,292.84
	\$2,241.06	\$549.56	\$1,465.86	\$82.79	\$4,256.48

LV Metro Office Travel

MAXIMUM AMOUNT for FOOD/INCIDENTALS			
GSA rates	days	per diem	sub-total
Breakfast (before 6:30am)	5	\$16.00	\$ 80.00
Lunch (11:29am - 1:01pm)	5	\$17.00	\$ 85.00
Dinner (see GSA for area)	5	\$31.00	\$ 155.00
Incidentals	5	\$5.00	\$ 25.00
Parking	5	\$16.00	\$ 80.00
	Total Cost for F/I Expense		\$ 425.00
MAXIMUM AMOUNT for HOTEL			
Lodging (average tax of \$46.37 included)	4	\$ 166.37	\$ 665.48
	Total Other Charges		\$ 665.48

Rural Offices Travel

MAXIMUM AMOUNT for FOOD/INCIDENTALS			
GSA rates	days	per diem	sub-total
Breakfast (before 6:30am)	4	\$16.00	\$ 64.00
Lunch (11:29am - 1:01pm)	4	\$17.00	\$ 68.00
Dinner (see GSA for area)	4	\$31.00	\$ 124.00
Incidentals	4	\$5.00	\$ 20.00
Parking	4	\$16.00	\$ 64.00
Total Cost for F/I Expense			\$ 340.00
MAXIMUM AMOUNT for HOTEL			
Lodging (average tax of \$18 included)	3	\$ 138.00	\$ 414.00
Total Other Charges			\$ 414.00

Airfare for Southwest Flights	
Airfare (LV Metro offices week), 2 trainers	\$675.92
Airfare (Rurals offices week), 2 trainers	\$789.94

Motor Pool Costs	
Motor Pool Costs (LV Metro office week), 1 intermediate vehicle at rate of \$38.84 per day and \$0.20 per mile, estimated 100 total mi. traveled	\$214.20
Motor Pool Costs (Rural offices week), 1 intermediate vehicle at rate of \$38.84 per day and \$0.20 per mile, estimated 900 total mi. traveled	\$335.36

Personal Vehicle Mileage	
Mileage from Carson City to Reno-Tahoe Airport	31.6
Mileage reimbursement	\$ 0.66
Round trip reimbursement	\$ 20.70

Vehicles Eligible for Discount and Projected Shortfall

SB 403 appropriates the sum of \$250,000,000 to provide Nevada drivers with a discount in CY24 on their BGST upon registration renewal for qualifying vehicles. A count of FY22 vehicles registered in NV equaled 2,766,950 among several vehicle types, shown below. If these were to all get a \$100 discount DMV would need \$276,695,000, leaving an estimated shortfall of \$26,695,000 (or 266,950 vehicles).

FY22 Vehicle Counts per **Federal Highway Administration Report**

Automobiles	1,949,166
Light Trucks	572,243
Motor Homes	12,951
House Trailers	43,224
Small Trailers	111,667
Motorcycles	77,699
Total	2,766,950