



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

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State Fiscal Note for Bill Number:

2025-H 5284

Date of State Budget Office Approval: Tuesday, April 29, 2025

Date Requested: Monday, February 10, 2025

Date Due: Thursday, February 20, 2025

<i>Impact on Expenditures</i>	<i>Impact on Revenues</i>
FY 2025 \$0	FY 2025 \$0
FY 2026 \$36,180	FY 2026 \$(41,697)
FY 2027 \$36,180	FY 2027 \$(41,697)

Explanation by State Budget Office:

This act would exempt any individual who is aging out of foster care from the payment of any fee associated with the issuance of an operator's license as well as the payment of the fee for driver's education classes at CCRI required by § 31-10-19(e). The fee waiver is in effect until the individual reaches twenty-seven (27) years of age. This act would take effect upon passage.

Summary of Facts and Assumptions:

The bill is effective upon passage. Given the time needed by DMV to implement this proposal, the Office of Management and Budget (OMB) assumes the fee exemption would be effective on July 1, 2025.

In 2025, 226 individuals in foster care or adoptive care will age out of the system after turning 18. As a simplifying assumption, OMB assumed that all these foster care youth would already have gained their Limited Instructional Permit and Limited Provisional License by age 18, and the fees for those permits and licenses would not be affected by this proposal. (It is also worth noting that Limited Instructional Permit fees are governed by a different section, R.I. Gen. Laws § 31-10-6.3.) OMB assumed all 226 individuals would apply for a full operator's license when they turned 18.

Given these assumptions, OMB analyzed the impact of exempting 226 individuals from paying fees on their first full operator's license. OMB assumed that by eliminating the fee for former foster care youth, DMV would also not collect the license surcharge and the technology surcharge. The operator license fee is \$25 for an initial license, and that is combined with a \$12 license surcharge and a \$2.50 technology surcharge, yielding a total fee of \$39.50 per license. Exempting 226 individuals from this fee would decrease RIHMA revenue by up to \$8,362 and DMV restricted receipt revenue by up to \$565, for a total loss of up to \$8,927.

As written, this bill would only exempt former foster care and adoptive youth from the fee on their first operator's license (because the bill narrows the exemption to R.I. Gen. Laws § 31-10-31(a)(1)). If an eligible individual obtains a first license at age 18, they would be required to renew twice before they turn 27, paying \$62.50 each time (two years after their initial license, and then five years after that). The revenue loss would grow up to \$23,052 in year three and up to \$37,177 in year eight if these renewals were also exempted.



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In FY 2024, the CCRI driver education program served 7,403 student drivers with a total expense of \$872,960. This indicates that the per-student cost to CCRI is \$117.92. Revenues from the drivers education class in FY 2024 totaled \$691,495, indicating that the revenue sustained by CCRI per student is approximately \$93.40.

Drivers education classes are not mandatory for individuals over the age of 18, but young adults age 18 to 21 may opt to take the course. It is unclear how many of these individuals would take driver's education classes at CCRI, however this fiscal note assumes that CCRI driver's education classes will have 100% uptake from eligible individuals. While the impact on CCRI is not included in the fiscal impact, if all eligible individuals did take driver's education classes at CCRI, the college would lose annually \$32,770 in revenue that is dedicated to the driver's education program (226 individuals * \$145 class fee, not including the textbook charge). Further, the cost associated with the drivers education for CCRI is \$117.92 per student, resulting in up to a \$27,829 expense for the state. If the cost of the textbook is also covered by the state, that will result in an additional \$8,351 expense (226 individuals * \$36.95 textbook fee). In total, the State would lose up to \$41,697 in revenues, and expend up to \$36,280 annually.

Comments on Sources of Funds:

Operator license fees are transferred to the Rhode Island Highway Maintenance Account (RIHMA). This proposal would also impact the operator license surcharge, which is also transferred to the RIHMA, and the technology surcharge, which is a restricted receipt revenue under the Division of Motor Vehicles (DMV). CCRI driver's education class fees are retained by the college to fund the driver's education program.

Summary of Fiscal Impact:

Expenditures FY 2025: \$0
Revenues FY 2025: \$0

Expenditures FY 2026: \$31,180
Revenues FY 2026: \$(41,697)

Expenditures FY 2027: \$31,180
Revenues FY 2027: \$(41,697)

Budget Office Signature: _____

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Joseph Codega
Date: 2025.04.30
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Fiscal Advisor Signature: _____