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NEWS RELEASE

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Auditor of State David A. Vaudt today released a report on the driver's license issuance program administered by the Department of Transportation (DOT) and County Treasurers' offices. The review, required by section 321M.9 of the *Code of Iowa*, was conducted to calculate and compare the cumulative costs of issuing driver's licenses and non-operator's identification cards by DOT issuance stations and County Treasurers' offices.

County Treasurer's offices in 81 counties issue driver's licenses and non-operator's identification cards. The other 18 counties are served by DOT issuance stations.

Vaudt reported the cost to issue a card (whether a driver's license or a non-operator's identification card) ranged from \$3.65 to \$31.34 during the fiscal year ended June 30, 2005. The cost per card does not include the cost of equipment or materials, such as card stock, laminate and photography equipment, to produce driver's licenses and non-operator's identification cards because those costs are paid by DOT for all DOT issuance stations and County Treasurers' offices. The cost per card is summarized in the following table.

	Number of Cards Issued	Ranges of Total Cost per Card	Average Cost per Card	
			Salaries and Benefits Only	Total Cost
DOT Issuance Stations	644,482	\$ 9.36 - 31.34	11.92	12.29
County Treasurers' Offices	357,976	3.65 - 19.62	9.41	9.93

The following tables identify the two DOT issuance stations and the five County Treasurers' offices with the highest and lowest cost per card.

DOT Issuance Station	Number of Cards Issued	Salaries and Benefits Only		Total Costs	
		Amount	Cost per Card	Amount	Cost per Card
Highest:					
Clay	12,544	\$ 311,820	24.86	319,770	25.49
Carroll	9,722	297,620	30.61	304,697	31.34
Lowest:					
Dubuque	30,857	280,366	9.09	288,818	9.36
Scott	59,029	565,243	9.58	587,138	9.95

County Treasurer's Office	Number of Cards Issued	Salaries and Benefits Only		Total Costs	
		Amount	Cost per Card	Amount	Cost per Card
Highest:					
Fayette	6,168	102,498	16.62	105,391	17.09
Pocahontas	2,392	38,962	16.29	41,243	17.24
Lucas	3,299	58,136	17.62	61,496	18.64
Sac	1,662	29,171	17.55	32,459	19.53
Palo Alto	2,226	43,315	19.46	43,680	19.62
Lowest:					
Cherokee	4,323	14,538	3.36	15,794	3.65
Union	4,642	19,408	4.18	19,995	4.31
Warren	11,525	51,523	4.47	51,918	4.50
Jasper	11,693	54,634	4.67	59,730	5.11
Wayne	2,048	9,834	4.80	10,622	5.19

Vaudt reported a number of factors contribute to the variations in cost per card at both the DOT issuance stations and the County Treasurers' offices. These factors include the number of commercial driver's licenses issued and the level of testing offered, the number of staff issuing licenses, the percentage of time spent issuing licenses, the salary levels of employees issuing licenses, whether the County Treasurer spends a large percentage of time on driver's license services, indirect costs and multiple issuance sites. Vaudt also stated these factors may explain variations in the cost per card between particular locations, but the effects of each factor are not uniform at all locations.

While the fees collected for the issuance of individual cards range from \$1 to \$40, the County Treasurers' offices retain \$7 of the total fees collected for issuing each card. During the fiscal year ended June 30, 2005, the 81 counties issuing cards collected approximately \$5.1 million of fees and retained approximately \$2.5 million of those fees. The remainder was remitted to DOT.

Vaudt recommended the Governor and General Assembly consider:

- what costs the amounts retained by the counties are intended to cover,
- whether the fee retained by the counties should be tiered and based on the type of card issued,
- requesting the County Finance Committee to establish standardized accounting requirements for the driver's license issuance function, including identifying costs to be included as part of the driver's license issuance function, and
- whether it would be beneficial to allow additional counties to issue driver's licenses.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.