

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6286 SB	<b>Title:</b> Identicards	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
Highway Safety Account-State 106-1		215,700	215,700	879,540	864,900
<b>Total \$</b>		215,700	215,700	879,540	864,900

### Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.0	1.3	0.7	2.5	2.5
<b>Fund</b>					
Highway Safety Account-State 106-1	0	215,116	215,116	393,954	385,533
<b>Total \$</b>	0	215,116	215,116	393,954	385,533

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Kimberly Johnson	Phone: (360) 786-7486	Date: 01/24/2006
Agency Preparation: Don Arlow	Phone: (360) 902-3736	Date: 01/24/2006
Agency Approval: Sam Knutson	Phone: 360-902-3644	Date: 01/25/2006
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 01/25/2006

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

### II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SEE ATTACHMENT

### II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

SEE ATTACHMENT

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		1.3	0.7	2.5	2.5
A-Salaries & Wages		47,740	47,740	192,767	189,518
B-Employee Benefits		17,134	17,134	69,185	68,117
C-Personal Serv Contr					
E-Goods and Services		144,323	144,323	124,843	122,635
G-Travel		1,381	1,381	2,815	2,769
J-Capital Outlays		4,538	4,538	4,344	2,494
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
<b>Total:</b>	\$0	\$215,116	\$215,116	\$393,954	\$385,533

### III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Financial Analyst 2	41,808		0.1	0.1	0.2	0.2
IT Systems Spec 4	59,088		0.1	0.1	0.1	0.1
Licensing Srv Rep 2	36,948		1.1	0.6	2.2	2.2
<b>Total FTE's</b>			1.3	0.7	2.5	2.5

### III. C - Expenditures By Program (optional)

Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
Mgmt & Support Services (100)		6,384	6,384	24,281	23,790
Information Services (200)		117,525	117,525	22,800	21,894
Vehicle Services (300)					
Driver Services (600)		91,207	91,207	346,873	339,849
Business and Professions (700)					
<b>Total \$</b>		215,116	215,116	393,954	385,533

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**Part IV: Capital Budget Impact**

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

## Part II: Explanation

This bill would allow an individual to obtain an identicards while holding a valid state driver's license.

### II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 (1) – This section amends RCW 46.20.117 and 2005 c314 s 305 by striking the prohibition against issuing an identicard to an applicant who holds a valid Washington driver's license.

<u>Workload Indicator</u>	<u>FY 06</u>	<u>FY 07</u>	<u>05-07 Total</u>	<u>07-09 Total</u>	<u>09-11 Total</u>
Additional ID Cards Issued	-	10,785	10,785	43,977	43,245

### II. B – Cash Receipt Impact

The following assumptions were used to develop this fiscal note:

- Projections of original driver license (DL) issuances, driver license renewals are from the November 2005 revenue forecast as approved by the Transportation Revenue Forecast Council.
- Two percent of customers who will get an original driver license or renew an existing driver license would apply for an identicard (ID).
- Participation would be phased in following implementation, with 50 percent participation in Fiscal Year 2007 and full participation in subsequent years.
- Under current law the fee for an identicard is \$20.

<u>Projections</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Original DLs	246,648	250,104	253,596	257,148	259,716
Renewal DLs	831,850	840,451	854,722	925,201	720,188
Original + Renewals	1,078,498	1,090,555	1,108,318	1,182,349	979,904
2% ID application	10,785	21,811	22,166	23,647	19,598

For Fiscal Year 2007:

$(10,785 \text{ identicard applicants}) \times \$20 \text{ per identicard} = \$215,700$

<u>Cash Receipts</u>	<u>FY 06</u>	<u>FY 07</u>	<u>05-07 Total</u>	<u>07-09 Total</u>	<u>09-11 Total</u>
Highway Safety Fund	-	215,700	215,700	879,540	864,900
Total Revenue	-	215,700	215,700	879,540	864,900

### II. C – Expenditures

Processing the identicard requests will take 7.98 minutes per application and will be processed by License Services Representative 2s (LSR2s). For Fiscal Year 2007:

$(10,785 \text{ applications}) \times (7.98 \text{ minutes}) / (78,942 \text{ available minutes per LSR2 FTE per year}) = 1.1 \text{ FTE.}$

Implementation of this bill will require modifications to several Department information systems, including the Driver Field System, the Duplicate Drivers License System, the Online License Renewal System, and the Driver Status Display System. The Department will utilize contract programmers to make necessary modifications to these systems.

In addition to the direct costs associated with this fiscal note, DOL included funding to cover agency wide indirect costs. Based on the cost allocation methodology adopted by DOL in 1999 (with funding realignment approved in the 2000 and 2002 Supplemental budgets as well as funding realignment requested in the 2004 Supplemental budget) administrative support is provided to the agency at a rate of 12 percent of the direct program costs proposed in this decision package. This 12 percent is split 7 percent for Management and Support Services functions and 5 percent for Information Services functions. These costs are allocated in

object E to cover agency wide handling and processing of vendor payments; equipment purchase, delivery, storage and set-up; technical assistance to employees; desktop support; contract administration; security; handling of mail; and other indirect support services functions as needed. Thus, the total cost for the decision package is: direct Driver Services program cost \$91,207 + information services direct cost \$112,965 + administrative indirect \$6,384 + information services indirect \$4,560 = \$215,116.

The amount received in either Management Support Services or Information Services may not be sufficient to actually hire a new staff person. However, depending on the needs of the division this indirect funding could be used to pay current staff for overtime or extending or increasing the use of temporary and seasonal employees. Expenditures of these types are reflected as FTE usage in the statewide AFRS reports.

Support services functions covered by the indirect FTEs include the handling and processing of vendor payments; equipment purchase, delivery, inventory, storage and set-up; technical assistance to employees; desk-top support; contract administration; handling of mail; personnel and payroll related tasks; and, other indirect support services functions.

### Part III: Expenditure Detail

#### III. A – Expenditures by Object or Purpose

	FY 06	FY 07	05-07 Total	07-09 Total	09-11 Total
FTE Staff Years		1.3	0.7	2.5	2.5
Salaries and Wages		47,740	47,740	192,767	189,518
Employee Benefits		17,134	17,134	69,185	68,117
Personal Service Contracts					
Goods and Services		144,323	144,323	124,843	122,635
Travel		1,381	1,381	2,815	2,769
Equipment		4,538	4,538	4,344	2,494
Inter Agency Fund Transfers					
Grants and Subsidies					
Debt Service					
Interagency Reimbursement					
Intra-Agency Reimbursement					
Other					
<b>Total</b>		215,116	215,116	393,954	385,533

#### III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

Object E Breakdown:	FY 06	FY 07	05-07 Total	07-09 Total	09-11 Total
EA Office Supplies		867	867	3,536	3,477
EN Personnel Services		287	287	1,172	1,152
EK Facilities Costs		6,032	6,032	24,597	24,187
EZ Other Goods & Svcs		25,951	25,951	95,538	93,819
ER DP Cont Programmers		111,186	111,186		
<b>Total Goods &amp; Svcs</b>		144,323	144,323	124,843	122,635

#### III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3644.

**III. B – FTE Detail****EXPENDITURE DETAIL – STAFF**

<b>Job Classification</b>	<b>Salary</b>	<b><u>FY 06</u></b>	<b><u>FY 07</u></b>	<b><u>05-07 Total</u></b>	<b><u>07-09 Total</u></b>	<b><u>09-11 Total</u></b>
Licensing Srv Rep 2	36,948		1.1	0.5	2.2	2.2
IT Systems Spec 4	59,088		0.1	0.1	0.1	0.1
Financial Analyst 2	41,808		0.1	0.1	0.2	0.2
Total FTEs		0.0	1.3	0.6	2.5	2.5

**III. B – Expenditures by Program (optional)**

<b>Program</b>	<b><u>FY 06</u></b>	<b><u>FY 07</u></b>	<b><u>05-07 Total</u></b>	<b><u>07-09 Total</u></b>	<b><u>09-11 Total</u></b>
100 - Mgmt & Support Services		6,384	6,384	24,281	23,790
200 - Information Services		117,525	117,525	22,800	21,894
300 - Vehicle Services					
600 - Driver Services		91,207	91,207	346,873	339,849
700 - Business & Professions					
<i>Total</i>	-	215,116	215,116	393,954	385,533

**Part IV: Capital Budget Impact**

None

**Part V: New Rule Making Required**

None