

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6503 SB	<b>Title:</b> Traffic safety education	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	2.3	1.2	1.2	0.0
<b>Account</b>					
Highway Safety Account-State 106-1	94,935	210,449	305,384	202,222	0
<b>Total \$</b>	94,935	210,449	305,384	202,222	0

### Estimated Capital Budget Impact:

NONE

*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:

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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.

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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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Agency Preparation: Jill Rider	Phone: (360) 902-3943	Date: 02/07/2014
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 02/07/2014
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 02/09/2014

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## 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.

### 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.

## Part III: Expenditure Detail

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

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years		2.3	1.2	1.2	
A-Salaries and Wages		125,970	125,970	125,395	
B-Employee Benefits		42,624	42,624	42,411	
E-Goods and Other Services	94,935	19,391	114,326	18,088	
G-Travel		8,164	8,164	16,328	
J-Capital Outlays		14,300	14,300		
<b>Total:</b>	<b>\$94,935</b>	<b>\$210,449</b>	<b>\$305,384</b>	<b>\$202,222</b>	<b>\$0</b>

**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 2014	FY 2015	2013-15	2015-17	2017-19
BPD Auditor 3	55,836		1.0	0.5	0.5	
Fiscal Tech 2	45,828		0.2	0.1	0.1	
IT Specialist 4	71,496		0.1	0.1	0.1	
Prof Licensing Manager 2	53,148		1.0	0.5	0.5	
<b>Total FTE's</b>	<b>226,308</b>		<b>2.3</b>	<b>1.2</b>	<b>1.2</b>	<b>0.0</b>

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

Program	FY 2014	FY 2015	2013-15	2015-17	2017-19
Mgmt & Support Services (100)		13,005	13,005	12,526	
Information Services (200)	94,935	11,665	106,600	10,763	
Business and Professions (700)		185,779	185,779	178,933	
<b>Total \$</b>	<b>94,935</b>	<b>210,449</b>	<b>305,384</b>	<b>202,222</b>	

## Part IV: Capital Budget Impact

NONE

## 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.

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## Part II: Explanation

This bill authorizes the Department of Licensing (DOL) to establish a pilot project to provide an online option to fulfill certain traffic safety education requirements. It also requires persons age 18 to 24 who are applying for their first driver's license to complete a "young driver risk preventions" traffic safety course if they did not complete a traffic safety education course.

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

#### Section 1

- allows DOL to establish an online pilot to provide a traffic safety education course;
- limits the pilot program to 1,000 students with at least 40 percent residing in Eastern Washington;
- requires DOL to adopt rules for the implementation of the pilot program;
- directs DOL to report back to the Legislature within 6 months after the pilot program conclusion;
- sunsets the pilot program after the one thousandth student has completed the course or June 30, 2016, whichever is earlier

#### Section 2

- requires persons age 18 to 24 who are applying for their first driver's license to complete a "young driver risk prevention" traffic safety course if they have not completed a course in traffic safety education;
- allows individuals who have held an out-of-state driver's license for at least one year to be exempt from this requirement

#### Section 3

- allows driver training schools to offer a "young driver risk prevention" traffic safety course in addition to their basic curriculum;
- requires the course to meet minimum standards as established by DOL;
- authorizes DOL to revoke the license of the school or the instructor if proven that the standards have not been met

### II. B – Cash Receipt Impact

None

### II. C – Expenditures

The Department of Licensing (DOL) will need to develop a pilot project to deliver online traffic safety education and adopt administrative rules providing direction for how online training will be provided, to include requirements for in-person training to supplement online training, and standards for determining whether students are meeting educational requirements.

DOL currently oversees 343 private driver training companies/school locations that can provide testing. 103 of these, or 30 percent, are located in Eastern Washington. Section 1 requires that 40 percent (or 400 students) be in the Eastern Washington area meaning it is possible that all 103 locations would participate in this pilot. The remaining 600 students would be located in Western Washington and due to its population difference, may require fewer schools to participate.

DOL assumes 1.0 FTE Professional Licensing Manager 2 (PLM2) would be needed to develop rules, determine school participation, amend service delivery contracts, review and approve online training curriculum, and coordinate activities between the department and the driver training schools. The PLM2 would also prepare the required Legislative report at the conclusion of the pilot. In addition, 1.0 FTE Business & Professions Division (BPD) Auditor 3 would be needed to audit participating schools to ensure Legislative requirements are met. This includes time with each school providing technical assistance on curriculum delivery, auditing compliance with regulations for Traffic Safety Education requirements under

RCW 46.20.100, and ensuring 37 hours of electronic classroom instruction and in-person skills testing are met, and travel.

Cost have been estimated for two full-time positions for Fiscal Years 2015 and 2016 which include salaries, benefits, office equipment, telephones, and general office supplies. Travel has been estimated for the BPD Auditor 3 position at a rate of two days per week. It is assumed there will be more audits in Fiscal Year 2016 as the pilot would be fully implemented and underway.

The Information Services Division (ISD) will need to program and test DOL computer systems to meet the requirements of this bill. The systems impacted are the Business and Professions Division (BPD) Technology Group (BTG) and the Driver Technology Group (DTG).

**Breakdown of Contracted IS Startup Costs:**

<b>Cost Category</b>	<b>Description</b>	<b>FY 14 Months</b>	<b>FY 15 Months</b>	<b>Rate</b>	<b>Cost</b>
Project Developers/Testers	Modify programming and coding to all major systems; test to verify individual components meet requirements; ensure that other business transactions have not been impacted	3.0	-	\$16,878	\$50,634
Expert Analyst	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	1.0	-	\$22,620	\$22,620
Expert Project Manager	Manage schedule and contracts	0.5	-	\$26,100	\$13,050
Project Contingency	OCIO designated rate of 10%				\$8,631
		<b>4.5</b>	<b>-</b>		<b>\$94,935</b>

Information Services expenditures and resultant revenue impacts may vary if leveraged with other technology development activities being proposed for the department. For purposes of this fiscal note, estimated expenditure impacts are determined on a standalone basis using standard contractor rates.

Administrative support (indirect costs) is included at a rate of 12 percent of the direct program costs proposed in this fiscal note. 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; contract administration; security; handling of mail; and other indirect support services functions as needed.

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.

## Part III: Expenditure Detail

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

	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
FTE Staff Years		2.3	1.2	1.2	
Salaries and Wages		125,970	125,970	125,395	
Employee Benefits		42,624	42,624	42,411	
Goods and Services	94,935	19,391	114,326	18,088	
Travel		8,164	8,164	16,328	
Equipment		14,300	14,300		
<b>TOTAL</b>	<b>94,935</b>	<b>210,449</b>	<b>305,384</b>	<b>202,222</b>	

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

Object E Breakdown:	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
EA Office Supplies		1,500	1,500	1,500	
EB Phone/Install/Usage		1,950	1,950	1,240	
ED Facility/Lease Costs		11,966	11,966	11,966	
EG Training		1,064	1,064	1,064	
EL Interagency DP Svcs		696	696	696	
EN Personnel Services		763	763	763	
ER Application Programmers	94,935		94,935		
EY Software Maintenance		560	560		
EZ Other Goods & Svcs		892	892	859	
<b>Total Goods &amp; Svcs</b>	<b>94,935</b>	<b>19,391</b>	<b>114,326</b>	<b>18,088</b>	

### 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

Job Classification	Salary	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
Prof Licensing Manager	53,148	0.0	1.0	0.5	0.5	0.0
BPD Auditor 3	55,836	0.0	1.0	0.5	0.5	0.0
Fiscal Tech 2	45,828	0.0	0.2	0.1	0.1	0.0
IT Specialist 4	71,496	0.0	0.1	0.1	0.1	0.0
<b>Total FTEs</b>		<b>0.0</b>	<b>2.3</b>	<b>1.2</b>	<b>1.2</b>	<b>0.0</b>

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

Program	FY 14	FY 15	13-15 Total	15-17 Total	17-19 Total
100 - Mgmt & Support Services		13,005	13,005	12,526	
200 - Information Services	94,935	11,665	106,600	12,579	3,632
700 - Business & Professions		185,779	185,779	178,933	
<i>Total</i>	94,935	210,449	305,384	204,038	3,632

#### **Part IV: Capital Budget Impact**

None

#### **Part V: New Rule Making Required**

Rulemaking is required.