

Individual State Agency Fiscal Note

Bill Number: 1581 S HB H-4188.3	Title: 30 dollar vehicle lic. fee	Agency: 240-Department of Licensing
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
State Patrol Highway Account-State 081-1		41,900,660	41,900,660	86,335,420	89,238,630
Motor Vehicle Account-State 108-1		(47,313,760)	(47,313,760)	(97,489,020)	(100,767,290)
Puget Sound Ferry Operations Account-State 109-1		5,413,100	5,413,100	11,153,600	11,528,660
Total \$					

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
Account					
Motor Vehicle Account-State 108-1	41,113	0	41,113	0	0
Total \$	41,113	0	41,113	0	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).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Jerry Long	Phone: 360-786-7306	Date: 02/10/2016
Agency Preparation: Rene Davis	Phone: 360-902-3751	Date: 02/12/2016
Agency Approval: Dan Weeks	Phone: (360) 902-0147	Date: 02/12/2016
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 02/15/2016

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 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
E-Goods and Other Services	41,113		41,113		
Total:	\$41,113	\$0	\$41,113	\$0	\$0

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Information Services (200)	41,113		41,113		
Total \$	41,113		41,113		

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.

Individual State Agency Fiscal Note

Bill Number: 1581 SHB	Title: Redistribution of \$30 Vehicle License Fee	Agency: 240 Department of Licensing

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Fund	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
Motor Vehicle Fund		(47,313,760)	(47,313,760)	(97,489,020)	(100,767,290)
Puget Sound Ferry Operations		5,413,100	5,413,100	11,153,600	11,528,660
State Patrol Highway Account		41,900,660	41,900,660	86,335,420	89,238,630
Total		0	0	0	0

Estimated Expenditures from:

	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
FTE Staff Years					
Fund					
Motor Vehicle Fund		41,113	41,113		
Other					
Other					
Other					
Total	0	41,113	41,113	0	0

The revenue 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 the fiscal impact is **less than \$50,000** per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I)

☒ If fiscal impact is **greater than \$50,000** per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form

☐ Capital budget impact, complete Part IV

☐ Requires new rule making, complete Part V

Legislative Request:	Phone:	Date:
Agency Preparation: Rene Davis	Phone: 360-902-3751	Date: 2/11/16
Agency Approval: Diamatris Winston/Tami Dohrman	Phone: 360-902-3644	Date: 2/11/16

Request #: _____

Bill: **1581 SHB**

Part II: Explanation

This bill amends RCW 46.68.030 and changes the distribution of the \$30 vehicle license fee.

This bill is different than the original bill in that it changes the distribution of the \$30 from each initial and renewal vehicle license fee from the state patrol highway account to –

- \$28 of each initial and renewal license fee to state patrol highway account
- \$2 of each initial and renewal license fee to Puget Sound ferry operations account

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

Section 1 amends RCW 46.68.030 to distribute \$28 of the initial and renewal vehicle license fees to the state patrol highway account and \$2 of the initial and renewal vehicle license fees to the Puget Sound ferry operations account.

Section 2 provides the effective date of July 1, 2016.

Note: Because of the length of time needed to the program the Department of Licensing's (DOL) information technology systems, the effective date of July 1, 2016 cannot be met. DOL estimates that the earliest this bill can be implemented is November 1, 2016. However, as stated below, we recommend an effective date of July 1, 2017.

II. B – Cash Receipt Impact

The vehicle registration and fee revenue forecast as adopted by the Transportation Revenue Forecast Council in November 2015 is used to estimate the revenue distribution impact of this proposed legislation.

<u>Cash Receipts</u>	<u>FY 16</u>	<u>FY 17</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
Motor Vehicle Fund	-	(47,313,760)	(47,313,760)	(97,489,020)	(100,767,290)
Puget Sound Ferry Operations		5,413,100	5,413,100	11,153,600	11,528,660
State Patrol Highway Account		41,900,660	41,900,660	86,335,420	89,238,630
Total Revenue	-	-	-	-	-

II. C – Expenditures

Due to the effective date of July 1, 2016, Information Services work will be done in our existing legacy applications during the same time period that Department of Licensing project teams are configuring, testing, and implementing our new Driver and Vehicle System (DRIVES). DOL estimates the earliest that DOL can implement the bill would be November 1, 2016. To mitigate the potential risk to the release of DRIVES, the department recommends an effective date of July 1, 2017. We also anticipate the cost of implementation would decrease from \$41,113 to \$24,254.

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire Agency temporary staff to support permanent staff assigned to this legislative effort.

Breakdown of Contracted IS Startup Costs:									
Cost Category	Description	FY 16 Months	FY 17 Months	FY 18 Months	FY 19 Months	FY 20 Months	FY 21 Months	Rate	Cost
Developer/Tester	Modify programming and coding to all major systems; test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	1.1	-	-	-	-	-	\$18,444	\$20,288
Analyst	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	0.2	-	-	-	-	-	\$26,448	\$5,290
Project Manager	Manage schedule and contracts	0.1	-	-	-	-	-	\$27,492	\$2,749
Quality Assurance Oversight*	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	0.2	-	-	-	-	-	\$31,668	\$6,334
Architect	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	0.1	-	-	-	-	-	\$27,144	\$2,714
Contracted FAST Developer / Tester	Updates to the DRIVES system will require additional vendor hours outside of the contracted maintenance to make system updates to implement this bill.	-	-	-	-	-	-	\$39,150	\$0
Project Contingency	Office of the Chief Information Officer designated rate of 10%								\$3,738
	Totals	1.7	-	-	-	-	-		\$41,113

* DOL includes Quality Assurance oversight costs estimates for fiscal note evaluations per the requirement of the Office of the Chief Information Officer (OCIO) Policy 132. DOL has requested an exemption to this requirement for legislative requests and will adjust cost estimates as appropriate following a determination from the OCIO.

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
FTE Staff Years					
Goods and Services	41,113		41,113		
TOTAL	41,113		41,113		

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

Object E Breakdown:	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
ER Application Programmers	41,113		41,113		
Total Goods & Svcs	41,113		41,113		

III. B – FTE Detail

III. B – Expenditures by Program (optional)

Program	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
200 - Information Services	41,113		41,113		
Total	41,113	-	41,113	-	-

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.