

Multiple Agency Fiscal Note Summary

Bill Number: 6605 SB	Title: Security guard licensing
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Washington State Patrol	0	212,796	0	425,592	0	425,592
Department of Licensing	0	389,000	0	778,000	0	778,000
Total \$	0	601,796	0	1,203,592	0	1,203,592

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State Patrol	.7	0	167,000	1.4	0	306,000	1.4	0	306,000
Criminal Justice Training Commission	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	2.2	0	526,000	3.7	0	628,000	3.6	0	628,000
Total \$	2.9	0	693,000	5.1	0	934,000	5.0	0	934,000

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Criminal Justice Training Commission	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Veronica Jarvis, OFM	Phone: (360) 902-0649	Date Published: Final 2/14/2020
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Individual State Agency Fiscal Note

Revised

Bill Number: 6605 SB	Title: Security guard licensing	Agency: 225-Washington State Patrol
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Fingerprint Identification Account-State 225-1		212,796	212,796	425,592	425,592
Total \$		212,796	212,796	425,592	425,592

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	1.4	0.7	1.4	1.4
Account					
Fingerprint Identification Account-State 225-1	0	167,000	167,000	306,000	306,000
Total \$	0	167,000	167,000	306,000	306,000

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:

- 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: Susan Jones	Phone: 360-786-7404	Date: 02/04/2020
Agency Preparation: Mario Buono	Phone: (360) 596-4072	Date: 02/13/2020
Agency Approval: Walter Hamilton	Phone: 360-596-4046	Date: 02/13/2020
OFM Review: Jenna Forty	Phone: (360) 902-0419	Date: 02/13/2020

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.

This legislation requires the Department of Licensing (DOL) to conduct an investigation on license renewals for private security guards, armed private security guards, and private security companies.

Since we currently only process background checks for the initial application, this legislation will increase the number of state and federal fingerprint based background checks submitted to the Washington State Patrol (WSP).

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.

The DOL provided an updated estimate of 9,252 armed and unarmed security guards per year that would be renewed and require background checks.

Assuming electronic submissions, the WSP will charge \$34.25 for background checks, of which \$13.25 is the FBI fee (\$11.25 passed to the FBI and \$2.00 retained by the WSP.) The balance of the fee (\$21.00) is the WSP's fee, leaving total revenue to the Fingerprint Identification Account of $\$2 + \$21 = \$23$ per background check.

The estimated annual revenue for the Fingerprint Identification Account in FY 2021 and ongoing is $9,252 \text{ checks} \times \$23 = \$212,796$.

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.

Based on the DOL's updated estimate of background checks, we estimate an increased workload equivalent of about 1.37 FTE of a Fingerprint Technician 2 in FY 2021 and ongoing.

Salary is at Step L and includes the July 1, 2020 three percent pay increase. Benefits are based on July 1, 2019 rates aside from health insurance, which is based on estimated July 1, 2020 rates. Estimates for goods and services, equipment, and travel are based on our budget rule-of-thumb costs per FTE, which are derived from historical expenditures. We base our estimate for agency indirect costs on the approved federal indirect cost rate of 27.22 percent. We apply this indirect cost rate percentage to all categories of expenditure with only two exceptions: capital equipment and expenditures after \$25,000 of each projected contract. Indirect costs include, but are not limited to, computer and telecommunications support, payroll processing, vendor payments, general accounting, procurement administration, inventory control, and human resource management.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
225-1	Fingerprint Identification Account	State	0	167,000	167,000	306,000	306,000
Total \$			0	167,000	167,000	306,000	306,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		1.4	0.7	1.4	1.4
A-Salaries and Wages		76,000	76,000	152,000	152,000
B-Employee Benefits		32,000	32,000	64,000	64,000
C-Professional Service Contracts					
E-Goods and Other Services		9,000	9,000	16,000	16,000
G-Travel		2,000	2,000	4,000	4,000
J-Capital Outlays		15,000	15,000	6,000	6,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Indirect		33,000	33,000	64,000	64,000
Total \$	0	167,000	167,000	306,000	306,000

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Fingerprint Technician 2	55,524		1.4	0.7	1.4	1.4
Total FTEs			1.4	0.7	1.4	1.4

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 6605 SB	Title: Security guard licensing	Agency: 227-Criminal Justice Training Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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:

- 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: Susan Jones	Phone: 360-786-7404	Date: 02/04/2020
Agency Preparation: Brian Elliott	Phone: 206-835-7337	Date: 02/05/2020
Agency Approval: Brian Elliott	Phone: 206-835-7337	Date: 02/05/2020
OFM Review: Cynthia Hollimon	Phone: (360) 902-0562	Date: 02/05/2020

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.

This bill has no fiscal impact on the Washington State Criminal Justice Training Commission.

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.

This bill has no cash receipt impact.

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.

This bill has no expenditure impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 6605 SB	Title: Security guard licensing	Agency: 240-Department of Licensing
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Business and Professions Account-State 06L-1		389,000	389,000	778,000	778,000
Total \$		389,000	389,000	778,000	778,000

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	4.3	2.2	3.7	3.6
Account					
Business and Professions Account-State 06L-1	0	526,000	526,000	628,000	628,000
Total \$	0	526,000	526,000	628,000	628,000

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:

- 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: Susan Jones	Phone: 360-786-7404	Date: 02/04/2020
Agency Preparation: Sieng Bonham	Phone: 360-902-3932	Date: 02/12/2020
Agency Approval: Kristin Bettridge	Phone: 360-902-3644	Date: 02/12/2020
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 02/12/2020

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.

This bill requires armed security guard fees be itemized on each initial application and renewal forms; also requires a background check for both armed and unarmed security guards upon renewal.

Section 1: Amends RCW 18.170.040 adding language to:

- (1)(d) requires that fees established by the director are itemized on each application/renewal form.

Section 2: Amends RCW 18.170.130

- (2) replaces “a license” with “licensure or renewal”
- Strikes “the director shall solicit comments from the chief law enforcement officer of the county/city/town in which the applicant’s employer is located on issuance of a permanent private security guard license”.

This bill takes effect 90 days past Sine Die.

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.

The cost of this increased workload would be covered by an increase to the Security Guard renewal fees. The three year annual average of renewal rate is 9,252. A \$42 increase to renewals would be adopted to recover one time and on-going costs. Current renewal fees are \$85. This increase would bring the annual renewal to \$127.

$$9,252 \times \$42 = \$388,584$$

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.

Section 2 amends RCW 18.170.130 to require a background check for both armed and unarmed security guards upon renewal.

- Unarmed initial security guard applications receive a background check through Washington State Patrol (WSP). Adding an armed endorsement to the security guard license requires an additional fingerprint based background check through the Federal Bureau of Investigations (FBI).
 - DOL receives on average 7,000 initial applications per year, 50% include the armed endorsement.
 - DOL receives on average 9,500 renewal applications per year.
- 2% of initial applications background check results requires further investigation.

Workload Indicator:

Currently, to process the average initial applications and to conduct the investigations takes the following amount of staff time:

- It takes a Customer Service Specialist 2 approximately 5 minutes to scan background check results from WSP and either process application or pass on for further review; with approximately.
- It takes a Program Specialist 2 approximately 15 minutes to review a disqualifying criminal history and make a determination on the nexus of criminal history to profession; assigns to Investigations if necessary or return to program to issue license if no nexus; makes final determination on license issuance.
- It takes an Investigator 1 approximately 180 minutes to conduct an investigation into the criminal history if nexus to profession; recommends determination on issuance.

Program currently reviews an average of 16,500 applications (initial and renewal). The addition of yearly background checks upon renewal is anticipated to increase the background check review and investigation workload by 64%. We receive an average of 9,500 annual renewal applications. The department estimates we will need additional staff to implement this bill:

There will be a one-time cost for a .5 FTE Management Analyst 3 (MA3) to assist and support DOL stakeholders on the change to the renewal form. This organizational change management resource will provide communication and outreach to 249 security guard company principals and 13,911 active security guards.

FY2021 and on-going:

- 1.0 FTE for Customer Service Specialist 2 (CSS2) for the increase in screening an additional 9,500 background results from WSP and FBI.
- 1.0 FTE for a Program Specialist 2 (PS2) for the increase of reviews for possible disqualifying criminal history and make determination on nexus of criminal history to profession; assigns to Investigations if necessary or return to program to issue license if no nexus; makes final determination on license issuance
- 1.0 FTE for an Investigator 1 for the increase in conducting investigations into criminal history if nexus to profession; recommends determination on issuance to the PS2.

Total one time staffing and related costs are \$54,000

Total on-going staffing and related costs are \$250,000 per fiscal year.

Legal Services workload impact:

The Attorney General support would be minimal and will be absorbed with the current fund sources.

Standard FTE goods and services (object E) costs are included on Table 3.B.1. Standard FTE costs do not include objects EM (AG services), ER (contractual services), and EZ (Other goods & Svcs) which are also shown in Table 3.B.1.

Information Services:

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.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

The following contracted DOL technology changes are required for implementation of this bill.

- Application and renewal fee information is itemized for security guards with an armed endorsement.
- Require fingerprint information on renewals for both armed and unarmed security guards on the public portal.
- Add fingerprint elements to renewals for both armed and unarmed security guards in the back office.
- Fingerprint functionality for renewals is the same as for security guard applications, including the ability to open a compliance case if needed.
- Fingerprint data for security guards who are renewing is included in existing fingerprint reports.
- The same vendor will collect fingerprints for renewals as does for applications.
- Training is not in scope
- Integrations are not in scope
- Data update activities are not in scope

The system changes identified above impact an existing Commercial Off the Shelf (COTS) product and require modifications by the vendor. The design, development and configuration. In addition to costs shown in the attached table, there is a one-time vendor cost of \$91,000 to make the modification. Total Information Services Costs are \$144,000 in in FY 21.

Support Services:

Agency Administrative Overhead is included at a rate of 26 percent of the direct program costs. This funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

FY 20 - \$14,000

FY 21 and on-going \$65,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
06L-1	Business and Professions Account	State	0	526,000	526,000	628,000	628,000
Total \$			0	526,000	526,000	628,000	628,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		4.3	2.2	3.7	3.6
A-Salaries and Wages		230,000	230,000	374,000	374,000
B-Employee Benefits		97,000	97,000	162,000	162,000
C-Professional Service Contracts					
E-Goods and Other Services		197,000	197,000	90,000	90,000
G-Travel					
J-Capital Outlays		2,000	2,000	2,000	2,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	526,000	526,000	628,000	628,000

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Customer Service Specialist 2	3,511		1.0	0.5	1.0	1.0
Indirect ISD IT Cust. Support - Journey	7,033		0.2	0.1	0.2	0.1
Indirect MSS Fiscal Analyst 2	4,509		0.6	0.3	0.5	0.5
Investigator 1	4,161		1.0	0.5	1.0	1.0
Management Analyst 3	5,604		0.5	0.3		
Program Specialist 2	4,161		1.0	0.5	1.0	1.0
Total FTEs			4.3	2.2	3.7	3.6

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Mgmt & Support Services (100)		48,000	48,000	78,000	78,000
Information Services (200)		174,000	174,000	50,000	50,000
Business and Professions (700)		304,000	304,000	500,000	500,000
Total \$		526,000	526,000	628,000	628,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

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.

Rule making for fee increases would be required.

Information Services Contract Programming Costs

Cost Category	Description	Rate	2020	2021	2022	2023	2024	2025	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 18,444	-	24,000	-	-	-	-	24,000
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 26,448	-	10,600	-	-	-	-	10,600
PROJECT MANAGER	Manage schedule and contracts	\$ 27,492	-	8,200	-	-	-	-	8,200
SECURITY AND ARCHITECT SERVICES	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.	\$ 27,144	-	5,400	-	-	-	-	5,400
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ -	-	4,800	-	-	-	-	4,800
Totals			-	53,000	-	-	-	-	53,000