

Multiple Agency Fiscal Note Summary

Bill Number: 1374 HB	Title: Patches pal license plates
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Corrections	0	0	8,000	0	0	5,000	0	0	3,000
Total \$	0	0	8,000	0	0	5,000	0	0	3,000

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Licensing	.1	0	0	28,000	.1	0	0	19,000	.1	0	0	14,000
Department of Corrections	.0	0	0	8,000	.0	0	0	5,000	.0	0	0	2,000
Total \$	0.1	0	0	36,000	0.1	0	0	24,000	0.1	0	0	16,000

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.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

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Prepared by: Kyle Siefering, OFM	Phone: (360) 995-3825	Date Published: Final 1/29/2021
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Individual State Agency Fiscal Note

Bill Number: 1374 HB	Title: Patches pal license plates	Agency: 240-Department of Licensing
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
Account					
Motor Vehicle Account-State 108-1	18,000	10,000	28,000	19,000	14,000
Total \$	18,000	10,000	28,000	19,000	14,000

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:	Phone:	Date: 01/25/2021
Agency Preparation: Kayla Gonzales	Phone: 360-902-3704	Date: 01/28/2021
Agency Approval: Kristin Bettridge	Phone: 360-902-3644	Date: 01/28/2021
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/28/2021

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 proposed legislation creates a special license plate, “Patches Pal,” to provide funds to the Seattle Children’s Hospital Strong against Cancer Program.

Section 1: Amends RCW 46.17.220 by establishing a \$40 initial and \$30 renewal fee.

Section 2: Amends RCW 46.18.200 to create a new design for “Patches Pal” special license plate.

Section 3: Amends 46.68.420 to add a new Patches Pal special plate series and provide funds to the Seattle Children’s Hospital Strong against Cancer Program.

Section 4: Creates a new section to Chapter 46.04 RCW to define “Patches Pal license plate.”

Section 5: Establishes an effective date of November 1, 2021.

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 creates a special license plate and establishes fees of \$40 for an original, \$30 for a renewed plate and establishes the distribution of those fees.

The sponsoring organization originally applied to the department in 2018 and submitted the required 3,500 signatures, however Department of Licensing (DOL) has not received any updated estimates from the organization since their initial application. Since the organization didn’t provide DOL with any new data to indicate demand for the Patches Pal plate, revenue is indeterminate. However, based on historical purchase data of all special plates, the following revenue estimates below could occur.

Original Plates:

FY 22 – 1,198

FY 23 - 670

FY 24 – 651

FY 25 - 481

FY 26 - 326

FY 27 - 345

Renewal Plates:

FY 23 – 1,032

FY 24 - 1,461

FY 25 - 1,797

FY 26 - 1,973

FY 27 – 1,981

Per Section 3, an amount not to exceed twelve dollars for initial issue and two dollars for renewal issue may be

retained by the department for administration and collection expenses incurred. This is reflected in the estimates above.

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.

RCW 46.18.140 requires special license plate sponsoring organizations to either pay all start-up costs to DOL for deposit to the motor vehicle fund before creating a special license plate series or that DOL may keep all special license plate revenue until such time that DOL’s startup costs are fully reimbursed.

Program Costs:

DOL requires a Customer Service Specialist 2 to process plate application requests. It takes approximately 2.5 minutes per plate application to process. Based on estimated plate demand and associated workload factors, FTE need varies by fiscal year to process special plates.

DOL requires a Customer Service Specialist 4 to review and approve plate applications and to provide general supervision of staff. Based on estimated plate demand and associated workload factors will require .03 in the first fiscal year 0.01 FTE on-going.

Costs have been added to provide standard office equipment, supplies, materials, facilities and other staff related expenses.

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.

Information Services:

The vehicle licensing component of DRIVES modernization was successfully implemented in December 2016. Completed IT system improvements will reduce DOL’s workload related to implementing standard special (non-complex) license plates. DOL has determined that up to five standard special plates can be implemented per legislative session without additional IT costs. However if DOL is required to implement six or more standard special plates, staff capacity is not sufficient and it would be necessary to contract required IT system changes out to a vendor at the cost of \$32,000 per special plate.

Cost of Goods:

A breakdown of cost of goods is attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
108-1	Motor Vehicle Account	State	18,000	10,000	28,000	19,000	14,000
Total \$			18,000	10,000	28,000	19,000	14,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	5,000	3,000	8,000	6,000	4,000
B-Employee Benefits	2,000	1,000	3,000	2,000	2,000
C-Professional Service Contracts					
E-Goods and Other Services	11,000	6,000	17,000	11,000	8,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	18,000	10,000	28,000	19,000	14,000

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 2022	FY 2023	2021-23	2023-25	2025-27
Customer Service Specialist 2	3,792	0.0	0.0	0.0	0.0	0.0
Customer Service Specialist 4	4,398	0.0	0.0	0.0	0.0	0.0
Indirect ADM Fiscal Analyst 2	4,509	0.0	0.0	0.0	0.0	0.0
Indirect ISD IT Cust. Support - Journey	7,033	0.0	0.0	0.0	0.0	0.0
Total FTEs		0.1	0.1	0.1	0.1	0.1

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Mgmt & Support Services (100)	11,000	7,000	18,000	13,000	8,000
Information Services (200)	1,000	1,000	2,000	2,000	2,000
Programs & Services (600)	6,000	2,000	8,000	4,000	4,000
Total \$	18,000	10,000	28,000	19,000	14,000

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

HB 1374 – Patches Pal License Plates

Department of Licensing

Cash Receipts

Plate Count	FY22	FY23	FY24	FY25	FY26	FY27
Original Plates	1,198	670	651	481	326	345
Renewal Plates	-	1,032	1,461	1,797	1,973	1,981
Total	1,198	1,702	2,112	2,278	2,299	2,326

Potential Revenue to Special Plate Account	FY22	FY23	FY24	FY25	FY26	FY27
Original Plates @ \$28	\$ 33,544	\$ 18,760	\$ 18,228	\$ 13,468	\$ 9,128	\$ 9,660
Renewal Plates @ \$28	\$ -	\$ 28,896	\$ 40,908	\$ 50,316	\$ 55,244	\$ 55,468
Total	\$ 33,544	\$ 47,656	\$ 59,136	\$ 63,784	\$ 64,372	\$ 65,128

Potential Revenue to Motor Vehicle Fund (108)	FY22	FY23	FY24	FY25	FY26	FY27
Original Plates @ \$12	\$ 14,376	\$ 8,040	\$ 7,812	\$ 5,772	\$ 3,912	\$ 4,140
Renewal Plates @ \$2	\$ -	\$ 2,064	\$ 2,922	\$ 3,594	\$ 3,946	\$ 3,962
Total	\$ 14,376	\$ 10,104	\$ 10,734	\$ 9,366	\$ 7,858	\$ 8,102

Cost of Goods

	FY22	FY23	FY24	FY25	FY26	FY27
Plate Counts	1,198	670	651	481	326	345
Plate Sets Digital @ 4.445 each	\$ 5,325	\$ 2,978	\$ 2,894	\$ 2,138	\$ 1,449	\$ 1,534

	FY22	FY23	FY24	FY25	FY26	FY27
Monthly Tab Including Renewals	1,198	670	651	481	326	345
Yearly Tab Including Renewals	1,198	670	651	481	326	345
Total	\$ 115	\$ 64	\$ 62	\$ 46	\$ 31	\$ 33

	FY22	FY23	FY24	FY25	FY26	FY27
Original Mail	1,198	670	651	481	326	345
Postage @ \$3.97	\$ 4,756	\$ 2,660	\$ 2,584	\$ 1,910	\$ 1,294	\$ 1,370
Renewal by Mail (33%)	-	341	482	593	651	654
Postage @ \$.56	\$ -	\$ 191	\$ 270	\$ 332	\$ 365	\$ 366
Total	\$ 4,756	\$ 2,851	\$ 2,854	\$ 2,242	\$ 1,659	\$ 1,736

Total for Plates, Tabs, & Postage	\$ 10,196	\$ 5,893	\$ 5,810	\$ 4,426	\$ 3,139	\$ 3,303
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Individual State Agency Fiscal Note

Bill Number: 1374 HB	Title: Patches pal license plates	Agency: 310-Department of Corrections
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Correctional Industries Account-State 401-1	5,000	3,000	8,000	5,000	3,000
Total \$	5,000	3,000	8,000	5,000	3,000

Estimated Operating Expenditures from:

Account	FY 2022	FY 2023	2021-23	2023-25	2025-27
Correctional Industries Account-State 401-1	5,000	3,000	8,000	5,000	2,000
Total \$	5,000	3,000	8,000	5,000	2,000

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:	Phone:	Date: 01/25/2021
Agency Preparation: James Killough	Phone: 360-725-8277	Date: 01/28/2021
Agency Approval: Michael Steenhout	Phone: 360-725-8270	Date: 01/28/2021
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 01/28/2021

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.

Section 1 amends RCW 46.17.220 to add a Patches pal license plate to the license plate fee list with an initial fee of \$40 and a renewal fee of \$30 distributed under RCW 46.68.420.

Section 2(2) amends RCW 46.18.200 to add Patches pal to the list of special license plates that are approved and issued by the Department of Licensing (DOL).

Section 3(2) amends RCW 46.68.420 to add Patches pal to the list of special license plate accounts and instructs that the account will provide funds to Seattle Children's Hospital strong against cancer program.

Section 4 is a new section added to chapter 46.04 RCW to define the Patches pal license plates.

Section 5 is a new section that makes this act effective November 1, 2021.

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.

There are cash receipt impacts to the Department of Corrections (DOC) non-appropriated revolving account 401.

Correctional Industries (CI) produces license plates for DOL and as a result of this bill estimates an increase in production. The cost of Patches Pal license plates is \$4.445 per set and \$2.223 per singles. Below are the estimated quantities needed by DOL to implement this bill by Fiscal Year (FY).

FY2022: 1,198 sets
FY2023: 670 sets
FY2024: 651 sets
FY2025: 481 sets
FY2026: 326 sets
FY2027: 345 sets

Based on the estimated quantities of specialty license plates provided by DOL, the projected revenue generated is:

FY2022: \$5,325 | (1,198 X \$4.445 = \$5,325)
FY2023: \$2,978 | (670 X \$4.445 = \$2,978)
FY2024: \$2,894 | (651 X \$4.445 = \$2,894)
FY2025: \$2,138 | (481 X \$4.445 = \$2,138)
FY2026: \$1,449 | (326 X \$4.445 = \$1,449)
FY2027: \$1,534 | (345 X \$4.445 = \$1,534)

Projected revenue is slightly higher than the expenditures. The variance supports administrative costs to run the program.

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.

The fiscal impact for this bill is estimated at less than \$50,000 per FY.

This bill will result in an increased number of Patches pal license plates being manufactured and has workload impact to CI. License plates are manufactured by incarcerated individuals who are paid an average of \$1.17 per hour for this line of business. Due to the increase in license plates purchased, CI will have additional costs associated for incarcerated individual pay and raw materials to produce the license plates.

Production costs by FY:

FY2022: \$4,981 | (1,198 X \$4.158 = \$4,981)
 FY2023: \$2,786 | (670 X \$4.158 = \$2,786)
 FY2024: \$2,707 | (651 X \$4.158 = \$2,707)
 FY2025: \$2,000 | (481 X \$4.158 = \$2,000)
 FY2026: \$1,356 | (326 X \$4.158 = \$1,356)
 FY2027: \$1,435 | (345 X \$4.158 = \$1,435)

ASSUMPTIONS:

1. The DOL will purchase specialty license plates from CI.
2. The cost to DOL per set of license plates is \$4.445
3. CI license plate production costs are \$4.158 per set of license plates.
4. Increased production of license plates affords incarcerated individual jobs, which enhances prison safety by reducing idleness and increases public safety by providing much needed job skills.
5. Projected revenue is slightly higher than the expenditures. The difference is for the administrative costs to run the program.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
401-1	Correctional Industries Account	State	5,000	3,000	8,000	5,000	2,000
Total \$			5,000	3,000	8,000	5,000	2,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Other	5,000	3,000	8,000	5,000	2,000
Total \$	5,000	3,000	8,000	5,000	2,000

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

NONE

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Correctional Industries (400)	5,000	3,000	8,000	5,000	2,000
Total \$	5,000	3,000	8,000	5,000	2,000

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

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB

NONE

Part V: New Rule Making Required