

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5251 SB	<b>Title:</b> Commercial driver's licenses	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Highway Safety Account-State 106-1	13,000	27,000	40,000	52,000	53,000
<b>Total \$</b>	13,000	27,000	40,000	52,000	53,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
Highway Safety Account-State 106-1	146,000	0	146,000	0	0
<b>Total \$</b>	146,000	0	146,000	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:

- 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: Bryon Moore	Phone: (360)786-7726	Date: 01/11/2023
Agency Preparation: Don Arlow	Phone: (360) 902-3736	Date: 01/11/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 01/11/2023
OFM Review: Kyle Sieferring	Phone: (360) 995-3825	Date: 01/12/2023

## Part II: Narrative Explanation

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

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

Please see attached fiscal note.

### II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Please see attached fiscal note.

### II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Please see attached fiscal note.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
106-1	Highway Safety Account	State	146,000	0	146,000	0	0
<b>Total \$</b>			146,000	0	146,000	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	146,000		146,000		
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-					
<b>Total \$</b>	146,000	0	146,000	0	0

**III. C - Operating FTE Detail:** FTEs listed by classification and corresponding annual compensation. Totals 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**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

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

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Please see attached fiscal note.

# Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: SB 5251

Bill Title: Commercial driver’s licenses

**Part 1: Estimates**

No Fiscal Impact

**Estimated Cash Receipts:**

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Highway Safety	106	13,000	27,000	40,000	52,000	53,000
<b>Account Totals</b>		<b>13,000</b>	<b>27,000</b>	<b>40,000</b>	<b>52,000</b>	<b>53,000</b>

**Estimated Expenditures:**

	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	-	-	-	-	-

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Highway Safety	106	146,000	-	146,000	-	-
<b>Account Totals</b>		<b>146,000</b>	<b>-</b>	<b>146,000</b>	<b>-</b>	<b>-</b>

*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 Parts I-V.
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Bryon Moore	Phone: (360) 786-7726	Date: 1/11/2023
Agency Preparation: Don Arlow	Phone: (360) 902-3736	Date: 1/11/2023
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	5251 SB

## Part 2 – Explanation

This bill modifies retesting and retraining provisions for people that previously held a commercial driver license (CDL). The bill also modifies the CDL skills test fee structure to allow applicants to pay one fee per test.

### **2.A – Brief Description Of What The Measure Does That Has Fiscal Impact**

Section 1 amends RCW 46.25.088 to remove the requirement that a CDL applicant submit their application to DOL in person.

Section 2 amends RCW 46.25.060 to change the CDL skills test fee. The fee is changed from \$250 for up to two tests to \$175 per test. School bus driver applicants are not impacted by this change. This section permits the Department of Licensing (DOL) to waive all or part of the commercial driver license or commercial learner's permit qualification standards applicants who have previously surrendered a commercial driver license.

Section 3 establishes an effective date of January 1, 2024.

### **2.B - Cash receipts Impact**

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Highway Safety	106	13,000	27,000	40,000	52,000	53,000
<b>Account Totals</b>		<b>13,000</b>	<b>27,000</b>	<b>40,000</b>	<b>52,000</b>	<b>53,000</b>

This bill will have an impact on cash receipts. The bill will change the fee amount as well as structure for CDL skills testing. The proposed fee is \$175 per CDL skills test, which is a change from the current fee of \$250 for up to two tests. The following assumptions were used:

- The June 2022 CDL forecast was used to estimate the impact of this bill with an assumed implementation/effective date of January 1, 2024.
- It is assumed that changes to the testing structure from up to two tests per fee to one test per fee would enable more testing. The current test structure requires the same skills test examiner to conduct both tests, and the change would allow for the test to be scheduled with a different examiner.
- In addition, it is assumed that the passing rate will increase as improvements are made by the CDL program. Historical information was provided by the CDL program and analysis of passing rates as well as the number of tests taken by individuals provided a basic framework for estimating the impact of the proposed changes.
- FY 2024 impact is a partial year (6 months) due to the bill's effective date.

	Potential Single Test Fee Transactions	Total Fee Amount Paid	Difference from June 2022 Fcst
CDL Skills Tests			
FY 2024	4,451	\$917,750	\$12,750
FY 2025	5,370	\$939,800	\$27,300
FY 2026	5,390	\$943,300	\$25,800
FY 2027	5,420	\$948,500	\$26,000

*Note: table may exhibit minor differences due to rounding.*

## 2.C – Expenditures

Implementation will require DOL to manually review certain driver records if clarifying information is needed. This is expected to be a low volume activity. In 2019, DOL identified 835 PDL transfers from out of state that subsequently had a CDL issuance within two years. Not all these transactions would have required additional review. However, using 835 actions as the high end, and assuming five minutes per review, this proposal could generate workflow requiring 0.05 FTE. This volume of work can be accomplished within existing resources.

### Information Services:

This proposal will require modifications to DOL’s information technology systems. DOL 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.

Cost Category	Description	Rate	2024	2025	2026	2027	2028	2029	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 22,620	29,400	-	-	-	-	-	29,400
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 16,530	6,600	-	-	-	-	-	6,600
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	8,600	-	-	-	-	-	8,600
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.	\$ 16,530	3,300	-	-	-	-	-	3,300
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.	\$ 34,800	48,700	-	-	-	-	-	48,700
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	9,000	-	-	-	-	-	9,000
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,230	10,600	-	-	-	-	-	10,600
<b>Totals</b>			<b>116,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,200</b>

What DOL will implement:

1. Modify the validations/processes to allow online renewal for CDL holders. In-state customers would be able to renew within business defined timeframe for eligibility.
2. Changes to issuance process for CDL, PDL holder previous out of state CDL holder, logic and system changes, screen changes and form changes.
  - a. PDSP, CDLIS checks must completed before issuance, disqualifying information, creates a system hard stop.

- b. Creation of a case for incomplete information returned from history request, or information mismatch from customer given information to LSR and history request of OOS history.
3. Modify the requirement (length of time) if a driver wants to re-apply for a new commercial driver license if the holder was previously disqualified or surrendered their credential.
  4. Fee change, user is not allowed two exams for one fee of \$250, it is now \$175 per test. Also, modify logic for multiple exams.

**Support Services:**

Agency Administrative Overhead is included at a rate of 26.0 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.

**Part 3 – Expenditure Detail**

**3.A – Operating Budget Expenditures**

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Highway Safety	106	146,000	-	146,000	-	-
<b>Account Totals</b>		<b>146,000</b>	<b>-</b>	<b>146,000</b>	<b>-</b>	<b>-</b>

**3.B – Expenditures by Object or Purpose**

Object of Expenditure	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Goods and Services	146,000	-	146,000	-	-
<b>Total By Object Type</b>		<b>146,000</b>	<b>-</b>	<b>146,000</b>	<b>-</b>

**3.C – FTE Detail**

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
<b>Total FTE</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

*Totals may differ due to rounding.*

**Part 4 – Capital Budget Impact**

None.

**Part 5 – New Rule Making Required**

Implementation of this bill will require new rulemaking. No additional expenditures are associated with this rulemaking process.