

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1359 HB	<b>Title:</b> Prof. licenses/new residents	<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
Architects' License Account-State 003-1	12,000		12,000		
Real Estate Commission Account-State 026-1	62,000		62,000		
Real Estate Appraiser Commission Account-State 06G-1	12,000		12,000		
Business and Professions Account-State 06L-1	239,000		239,000		
Funeral and Cemetery Account-State 15V-1	12,000		12,000		
Landscape Architects' License Account-State 16B-1	12,000		12,000		
Appraisal Management Company Account-State 16M-1	12,000		12,000		
Limousine Carriers Account-State 17W-1	12,000		12,000		
Geologists' Account-State 298-1	12,000		12,000		
<b>Total \$</b>	385,000		385,000		

### Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
Architects' License Account-State 003-1	12,000	0	12,000	0	0
Real Estate Commission Account-State 026-1	62,000	0	62,000	0	0
Real Estate Appraiser Commission Account-State 06G-1	12,000	0	12,000	0	0
Business and Professions Account-State 06L-1	239,000	0	239,000	0	0
Funeral and Cemetery Account-State 15V-1	12,000	0	12,000	0	0
Landscape Architects' License Account-State 16B-1	12,000	0	12,000	0	0
Appraisal Management Company Account-State 16M-1	12,000	0	12,000	0	0
Limousine Carriers Account-State 17W-1	12,000	0	12,000	0	0
Geologists' Account-State 298-1	12,000	0	12,000	0	0
<b>Total \$</b>	385,000	0	385,000	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: Megan Mulvihill	Phone: 360-786-7304	Date: 01/17/2023
Agency Preparation: Gina Rogers	Phone: 360-634-5036	Date: 01/20/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 01/20/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/24/2023

## 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.

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.

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.

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
003-1	Architects' License Account	State	12,000	0	12,000	0	0
026-1	Real Estate Commission Account	State	62,000	0	62,000	0	0
06G-1	Real Estate Appraiser Commission Account	State	12,000	0	12,000	0	0
06L-1	Business and Professions Account	State	239,000	0	239,000	0	0
15V-1	Funeral and Cemetery Account	State	12,000	0	12,000	0	0
16B-1	Landscape Architects' License Account	State	12,000	0	12,000	0	0
16M-1	Appraisal Management Company Account	State	12,000	0	12,000	0	0
17W-1	Limousine Carriers Account	State	12,000	0	12,000	0	0
298-1	Geologists' Account	State	12,000	0	12,000	0	0
<b>Total \$</b>			<b>385,000</b>	<b>0</b>	<b>385,000</b>	<b>0</b>	<b>0</b>

**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	385,000		385,000		
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>	385,000	0	385,000	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.*

See attached fiscal note

# Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: HB 1359

Bill Title: Expediting professional licenses for new Washington residents

**Part 1: Estimates**

No Fiscal Impact

**Estimated Cash Receipts:**

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Architects' License	003	12,000	-	12,000	-	-
Real Estate Commission	026	62,000	-	62,000	-	-
Real Estate Appraiser Commission	06G	12,000	-	12,000	-	-
Business and Professions	06L	239,000	-	239,000	-	-
Funeral and Cemetery	15V	12,000	-	12,000	-	-
Landscape Architects' License	16B	12,000	-	12,000	-	-
Appraisal Management Company	16M	12,000	-	12,000	-	-
Limousine Carriers	17W	12,000	-	12,000	-	-
Geologists'	298	12,000	-	12,000	-	-
<b>Account Totals</b>		<b>385,000</b>	<b>-</b>	<b>385,000</b>	<b>-</b>	<b>-</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
Architects' License	003	12,000	-	12,000	-	-
Real Estate Commission	026	62,000	-	62,000	-	-
Real Estate Appraiser Commission	06G	12,000	-	12,000	-	-
Business and Professions	06L	239,000	-	239,000	-	-
Funeral and Cemetery	15V	12,000	-	12,000	-	-
Landscape Architects' License	16B	12,000	-	12,000	-	-
Appraisal Management Company	16M	12,000	-	12,000	-	-
Limousine Carriers	17W	12,000	-	12,000	-	-
Geologists'	298	12,000	-	12,000	-	-
<b>Account Totals</b>		<b>385,000</b>	<b>-</b>	<b>385,000</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: Rep Cheney	Phone: (360)	Date:
Agency Preparation: Gina Rogers	Phone: (360) 634-5036	Date: 1-17-2023
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	1359 HB

## **Part 2 – Explanation**

This bill requires DOL to develop a process for expediting licenses, and issuing temporary permits to individuals moving from out of state.

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

Sec. 1 – Adds a new section to Title 18 RCW

- (4) directs DOL to expedited licensing applications for all individuals moving from out of state if the requirements for licensure where they obtained a previous license is equivalent to those of WA

Sec. 2 – Adds a new section to chapter 43.24 RCW

- (1) “department” means DOL
- (2) by January 1, 2024 DOL must establish procedures to expedite license issuance to individuals who are licensed in another state
- (3) this procedure must include a process for issuing that individual a license if DOL believes the licensing requirements in their original jurisdiction are equivalent for WA
- (4) DOL must develop a method and adopt rules to authorize individuals who meet the criteria in subsection (2) to perform services regulated in WA by issuing a temporary license for a limited period of time
  - This allows them to perform regulated services while completing specific additional WA requirements not related to training or practice standards that weren’t required in the other state
  - DOL isn’t required to issue a temporary license if the other state’s standards are unequal to WA
- (5) applicants must state in their application that they:
  - (a) have requested verification from the other state where they are currently licensed
  - (b) aren’t subject to disciplinary sanctions or restrictions by the regulatory body of the other state
- (6) if DOL finds reasonable cause to believe an applicant falsely affirmed requirements under Section 5, they may suspend/revoke the license
- (7) this section doesn’t apply when there is a reciprocity licensing agreement with a national organization

Sec. 3 – Adds a new section to Title 18 RCW

- Same subsections and requirements as Section 2

Sec. 4 – New Section

- Section 3 constitutes a new chapter in Title 18 RCW

**2.B - Cash receipts Impact**

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Architects' License	003	12,000	-	12,000	-	-
Real Estate Commission	026	62,000	-	62,000	-	-
Real Estate Appraiser Commission	06G	12,000	-	12,000	-	-
Business and Professions	06L	239,000	-	239,000	-	-
Funeral and Cemetery	15V	12,000	-	12,000	-	-
Landscape Architects' License	16B	12,000	-	12,000	-	-
Appraisal Management Company	16M	12,000	-	12,000	-	-
Limousine Carriers	17W	12,000	-	12,000	-	-
Geologists'	298	12,000	-	12,000	-	-
<b>Account Totals</b>		<b>385,000</b>	<b>-</b>	<b>385,000</b>	<b>-</b>	<b>-</b>

**2.C – Expenditures**

**What IS Will Implement:**

- Update applications on public portal and back-office initial application flows and add new questions to applications.
- Add two temporary license indicators to Falcon Red, DOL Central Document Service.
- Update enterprise interface with Falcon Red to capture the temporary license indicators for BPD applications.
- Update the JSON sent from the enterprise interface to POLARIS elicencing service to include the new temporary license status indicators.
- Update POLARIS so that the temporary license indicators are displayed as a status on the Submissions object.
- Add temporary license status to the POLARIS Submissions object dropdown.
- Update back office features to support management of prioritized applications.
- Create case for temporary licenses that expire.
- Capture data for reports.
- Create new letter and notifications.

**Project Duration:** 12 months

**Effective Date:** 1/1/2024

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.

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	101,800	-	-	-	-	-	101,800
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	19,800	-	-	-	-	-	19,800
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	25,800	-	-	-	-	-	25,800
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	9,900	-	-	-	-	-	9,900
DEVELOPERS	Modify programming and coding to all major systems	\$ 19,140	15,300	-	-	-	-	-	15,300
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	27,100	-	-	-	-	-	27,100
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	20,000	-	-	-	-	-	20,000
<b>Totals</b>			<b>219,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219,700</b>

### Support Services:

Agency Administrative Overhead is included at a rate of 23.4 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
Architects' License	003	12,000	-	12,000	-	-
Real Estate Commission	026	62,000	-	62,000	-	-
Real Estate Appraiser Commission	06G	12,000	-	12,000	-	-
Business and Professions	06L	239,000	-	239,000	-	-
Funeral and Cemetery	15V	12,000	-	12,000	-	-
Landscape Architects' License	16B	12,000	-	12,000	-	-
Appraisal Management Company	16M	12,000	-	12,000	-	-
Limousine Carriers	17W	12,000	-	12,000	-	-
Geologists'	298	12,000	-	12,000	-	-
<b>Account Totals</b>		<b>385,000</b>	<b>-</b>	<b>385,000</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	385,000	-	385,000	-	-
<b>Total By Object Type</b>	<b>385,000</b>	<b>-</b>	<b>385,000</b>	<b>-</b>	<b>-</b>

### 3.C – FTE Detail

None.

## Part 4 – Capital Budget Impact

None.



## **Part 5 – New Rule Making Required**

To implement this legislation, a one-time assessment would need to be added to licenses that are funded with dedicated funds, equal to the costs contained in the expenditure section of this fiscal note. The cost allocation model applied to current expenditures is used to establish the revenue breakdown. For efficiency purposes, the department will add inclusion of this one-time assessment per license, to a planned fee rulemaking process in the spring of 2024, with any fee proposed increases to go into effect in June 2024.