

Individual State Agency Fiscal Note

Bill Number: 5105 SB	Title: Digital driver's licenses	Agency: 240-Department of Licensing
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.5	8.0	5.8	5.0	4.5
Account					
General Fund-State 001-1	441,000	365,000	806,000	292,000	292,000
Highway Safety Account-State 106-1	1,960,000	803,000	2,763,000	1,078,000	974,000
Total \$	2,401,000	1,168,000	3,569,000	1,370,000	1,266,000

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: Bryon Moore	Phone: (360)786-7726	Date: 01/19/2023
Agency Preparation: Don Arlow	Phone: (360) 902-3736	Date: 01/24/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 01/24/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/26/2023

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.

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
001-1	General Fund	State	441,000	365,000	806,000	292,000	292,000
106-1	Highway Safety Account	State	1,960,000	803,000	2,763,000	1,078,000	974,000
Total \$			2,401,000	1,168,000	3,569,000	1,370,000	1,266,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.5	8.0	5.8	5.0	4.5
A-Salaries and Wages	339,000	573,000	912,000	616,000	568,000
B-Employee Benefits	110,000	215,000	325,000	250,000	228,000
C-Professional Service Contracts					
E-Goods and Other Services	1,945,000	380,000	2,325,000	504,000	470,000
G-Travel					
J-Capital Outlays	7,000		7,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	2,401,000	1,168,000	3,569,000	1,370,000	1,266,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Contracts Specialist 3	80,952	1.0		0.5		
Customer Service Specialist 2	46,980		1.0	0.5	0.8	0.5
Customer Service Specialist 3	49,404		2.0	1.0	1.8	1.5
Investigator 2	63,216		1.0	0.5	1.0	1.0
Investigator 3	77,028		1.0	0.5	1.0	1.0
IT Project Management - Senior/Specialist	115,824	1.0	0.5	0.8		
Management Analyst 5	91,524	1.0	2.5	1.8	0.5	0.5
WMS3	102,000	0.5		0.3		
Total FTEs		3.5	8.0	5.8	5.0	4.5

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: SB 5105

Bill Title: Digital driver’s licenses

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

NONE

Estimated Expenditures:

	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	3.5	8.0	5.9	5.1	4.5

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
General Fund	001	441,000	365,000	806,000	292,000	292,000
Highway Safety	106	1,960,000	803,000	2,763,000	1,078,000	974,000
Account Totals		2,401,000	1,168,000	3,569,000	1,370,000	1,266,000

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.

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Agency Preparation: Don Arlow	Phone: (360) 902-3736	Date: 1/24/2023
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	5105 SB

Part 2 – Explanation

This bill authorizes use of a mobile driver’s license (mDL) through a mobile application, made available through a program developed by the Department of Licensing (DOL). The bill includes the following components:

- By December 1, 2023, the DOL must submit an implementation plan on a digital driver’s license program to the Legislature.
- By August 1, 2024, DOL must adopt rules around a digital driver’s license program.
- By September 1, 2024, DOL must establish said program for a licensee to acquire.
- Includes an emergency clause with an effective date of July 1, 2023.

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

Section 1 requires the department to complete an implementation plan for issuing a digital driver’s license through a mobile application by December 1, 2023. This plan must include:

- Reviewing the adoption actions in other states, including successes and lessons learned.
- Examining existing technical infrastructure and potential changes needed to maximize interoperability, utility, and privacy protection.
- Identifying the technical investments and other costs associated with issuing digital driver’s licenses through a mobile application.
- Identifying how the technology may impact and can be used by external stakeholders, such as law enforcement.
- Recommending any process changes required to implement the program successfully and ensure customer satisfaction.
- Recommending any statutory changes required to allow for the usage of digital driver’s licenses, including recognition of interstate travelers.
- The department of licensing shall submit a report of its findings and recommendations to the governor and the transportation committees of the legislature by December 1, 2023.

Section 2 amends RCW 46.20.017 to stipulate that by September 1, 2024 a licensee who utilizes a digital driver’s license must always have the license in their possession when operating a motor vehicle and display upon demand, as authorized in RCW 46.20.161(7).

Section 3 amends RCW 46.20.161 to stipulate that the Department must establish a digital driver’s license program by September 1, 2024 for a licensee to acquire. This section also requires the department to adopt rules for the digital driver’s license program by August 1, 2024. Rules must include issuance requirements, specifications, security, and privacy protections.

Section 4 is an emergency clause and establishes an effective date of July 1, 2023.

2.B - Cash receipts Impact

This bill will not impact cash receipts. No new fees or fee changes are included in the bill.

2.C – Expenditures

Note: Implementation of this bill will require a range of equipment, contractor, and staffing resources. DOL has identified some of those resources; additional resources may be required dependent on the

findings of the study required in section 1 of the bill. Those findings may also change the initial mix of resources, as well as the timing of when they are needed.

DOL will add several positions that will manage both the requirements of the study and begin preparations for rulemaking and implementation. Due to the time frames within the bill, DOL will engage in several functional areas simultaneously.

Project coordination and management

- One Management Analyst 5 position will serve a coordinating role to support the requirements of the study in section 1 and support the rulemaking process.
- One Contracts Specialist 3 position will support contract amendments for DRIVES work, research other state's contracts language, and participate in a request for proposal (RFP) as needed.
- One Project Manager will assume overall coordination duties for implementation planning and development.
- One Management Analyst 5 will support organizational change management requirements.

Data privacy

Section 3 (7)(b) requires that rulemaking address security and privacy protections. DOL will add 0.5 Management Analyst 5 to manage expected privacy concerns. This resource is expected to be ongoing. DOL will also add 0.5 WMS3 one-time capacity to oversee privacy impact assessment work.

Operations impacts

- DOL's Driver and Vehicle Investigation team requires staffing to manage an expected increase in mDL workload. An Investigator 2 and Investigator 3 will be responsible for investigating allegations of misuse, abuse, and fraud associated with mDL and providing victim assistance to customers. Cyber security training capacity is included.
- One CSS2 is included for the Driver and Vehicle Records unit to assist with driver records management, including updating or modifying driver records related to mDLs.
- The department expects increased call volumes to resolve questions about mobile digital licenses. Two Customer Service Specialist (CSS) positions, at the 2 and 3 level, are included to manage inquiries via phone calls and to resolve questions from the department's website.

Information Services

Implementation will require significant modifications to DRIVES and will also require additional contracted work to provide the link between DRIVES and customer access to their mDL. DOL has obtained very preliminary estimates for these components, which are subject to change if the department issues a request for proposal, and are also dependent on any specific recommendations from the study in section 1 of the bill. The current estimate for this body of work is \$1,780,000.

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.

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
General Fund	001	441,000	365,000	806,000	292,000	292,000
Highway Safety	106	1,960,000	803,000	2,763,000	1,078,000	974,000
Account Totals		2,401,000	1,168,000	3,569,000	1,370,000	1,266,000

3.B – Expenditures by Object or Purpose

Object of Expenditure	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	3.5	8.0	5.9	5.1	4.5
Salaries and Wages	339,000	573,000	912,000	616,000	568,000
Employee Benefits	110,000	215,000	325,000	250,000	228,000
Goods and Services	1,945,000	380,000	2,325,000	504,000	470,000
Equipment	7,000	-	7,000	-	-
Total By Object Type	2,401,000	1,168,000	3,569,000	1,370,000	1,266,000

3.C – FTE Detail

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Contracts Specialist 3	80,952	1.0	0.0	0.5	0.0	0.0
Management Analyst 5	91,524	1.0	2.5	1.8	0.5	0.5
Customer Service Specialist 2	46,980	0.0	1.0	0.5	0.8	0.5
Customer Service Specialist 3	49,404	0.0	2.0	1.0	1.8	1.5
IT Project Management - Senior/Specialist	115,824	1.0	0.5	0.8	0.0	0.0
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Investigator 2	63,216	0.0	1.0	0.5	1.0	1.0
WMS3	102,000	0.5	0.0	0.3	0.0	0.0
Total FTE		3.5	8.0	5.9	5.1	4.5

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

The bill requires rulemaking. The department will retain a staff position requested in the bill to support the rulemaking process.