

Individual State Agency Fiscal Note

| | | |
|-----------------------------|------------------------------------|--|
| Bill Number: 1448 HB | Title: Motor carrier safety | Agency: 240-Department of Licensing |
|-----------------------------|------------------------------------|--|

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 | | (20,900) | (20,900) | (63,000) | (63,000) |
| Total \$ | | (20,900) | (20,900) | (63,000) | (63,000) |

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|------------------------------------|-----------|----------|-----------|----------|----------|
| FTE Staff Years | 0.0 | (0.3) | (0.2) | (0.3) | (0.3) |
| Account | | | | | |
| Highway Safety Account-State 106-1 | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |
| Total \$ | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |

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: Michael Hirsch | Phone: 360-786-7195 | Date: 01/23/2023 |
| Agency Preparation: Don Arlow | Phone: (360) 902-3736 | Date: 01/23/2023 |
| Agency Approval: Gerrit Eades | Phone: (360)902-3863 | Date: 01/23/2023 |
| 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.

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 |
|-----------------|------------------------|-------|-----------|----------|-----------|----------|----------|
| 106-1 | Highway Safety Account | State | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |
| Total \$ | | | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|-----------|----------|-----------|----------|----------|
| FTE Staff Years | | (0.3) | (0.2) | (0.3) | (0.3) |
| A-Salaries and Wages | | (14,000) | (14,000) | (28,000) | (28,000) |
| B-Employee Benefits | | (7,000) | (7,000) | (14,000) | (14,000) |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 1,077,000 | (3,000) | 1,074,000 | (6,000) | (6,000) |
| 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 \$ | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |

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 |
|-------------------------------|--------|---------|---------|---------|---------|---------|
| Customer Service Specialist 2 | 46,980 | | (0.3) | (0.2) | (0.3) | (0.3) |
| Total FTEs | | | (0.3) | (0.2) | (0.3) | (0.3) |

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.

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: HB 1448

Bill Title: Motor carrier safety

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 | - | (21,000) | (21,000) | (64,000) | (64,000) |
| Account Totals | | - | (21,000) | (21,000) | (64,000) | (64,000) |

Estimated Expenditures:

| | FY 24 | FY 25 | 23-25 Total | 25-27 Total | 27-29 Total |
|-----------------|-------|-------|-------------|-------------|-------------|
| FTE Staff Years | - | (0.3) | (0.2) | (0.3) | (0.3) |

| Operating Expenditures | Fund | FY 24 | FY 25 | 23-25 Total | 25-27 Total | 27-29 Total |
|------------------------|------|------------------|-----------------|------------------|-----------------|-----------------|
| Highway Safety | 106 | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |
| Account Totals | | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |

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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| Legislative Contact: Michael Hirsch | Phone: (360) 786-7195 | Date: 1/23/2023 |
| Agency Preparation: Don Arlow | Phone: (360) 902-3736 | Date: 1/23/2023 |
| Agency Approval: Gerrit Eades | Phone: (360) 902-3931 | Date: |

| | |
|-----------|---------|
| Request # | 1 |
| Bill # | 1448 HB |

Part 2 – Explanation

This bill modifies current statute to add the Federal Motor Carrier Safety Administration’s (FMCSA) drug and alcohol clearinghouse as a method of receiving drug and alcohol violations committed by commercial driver license (CDL) holders.

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

Section 1 amends RCW 46.25.010(25) to remove the definition for “verified positive drug test”.

Section 2 amends RCW 46.25.052(1) to prohibit the Department of Licensing (DOL) from issuing a commercial learner’s permit (CLP) to an individual if they cannot operate a commercial motor vehicle (CMV) because of a drug or alcohol violation in FMCSA’s clearinghouse.

Section 3 amends RCW 46.25.060(1) to prohibit DOL from issuing a CDL to an individual if they cannot operate a CMV because of a drug or alcohol violation in FMCSA’s clearinghouse.

Section 4 amends RCW 46.25.088 to prohibit DOL from renewing a CDL for an individual if they cannot operate a CMV because of a drug or alcohol violation in FMCSA’s clearinghouse.

Section 5 amends RCW 46.25.100(1) to remove the disqualification process under RCW. 46.25.090(7). and associated fees.

Section 6 amends RCW 46.25.090(7) to strike the subsection in its entirety around previous state procedures for disqualification due to positive drug or alcohol violation.

Section 7 adds new section to Chapter 46.25 RCW that establishes new procedures for downgrading a CLP or CDL upon a drug or alcohol violation as provided by 49 C.F.R. §382.

Section 8 amends RCW 46.25.120 to strike subsections (7) and (8) in their entirety around previous state procedures for testing and hearing provisions.

Section 9 amends RCW 46.25.324(1) to remove RCW.46.25.125 from the administrative review and hearing process.

Section 10 repeals RCW 46.25.123 (mandatory reporting of positive test) and RCW 46.25.125 (disqualification for positive test-procedure).

Section 11 establishes an effective date of November 18, 2024.

2.B - Cash receipts Impact

| Revenue | Fund | FY 24 | FY 25 | 23-25 Total | 25-27 Total | 27-29 Total |
|----------------|-----------------------|-------|-----------------|-----------------|-----------------|-----------------|
| Highway Safety | 106 | - | (21,000) | (21,000) | (64,000) | (64,000) |
| | Account Totals | - | (21,000) | (21,000) | (64,000) | (64,000) |

This bill will have an impact on cash receipts. The proposed bill eliminates the \$150 CDL requalification fee in RCW 46.25.100. When DOL receives notification that a CLP or CDL holder is

no longer prohibited from operating a commercial motor vehicle under provisions of the proposed bill, DOL removes the downgrade or pending downgrade.

There is no reapplication or requalification fee. DOL will change the status between “licensed” and “downgraded” based exclusively on the data from the federal medical clearinghouse. There is no state procedure a person will have to complete – it will be automated.

Assumptions:

- The bill is effective November 18, 2024.
- DOL estimates that 210 persons per year would be subject to the \$150 fee.
- The revenue impact analysis is based on the June 2022 forecast and FY 2024 reflects a partial year (8 months) impact.

2.C – Expenditures

DOL will develop an interface with the new federal Drug & Alcohol Clearinghouse and will require modifications to the department’s information technology systems. Expenditures include both one-time costs for initial systems modifications and development, and ongoing costs for systems maintenance. Implementation will result in a minor reduction to current driver records workload.

Workforce assumptions

Staff in DOL’s Driver and Vehicle Records unit process actions that would be subject to transmission through the new interface. Although workload has become variable during the COVID pandemic, actions related to positive test refusals, compliance, forms requiring clarification, and interaction with substance abuse professionals require 0.3 Customer Service Specialist 2 per year. It is assumed that this workflow will no longer be necessary following implementation of the interface.

Implementation of the associated bill will result in up to 45 fewer administrative reviews per year. These reviews are conducted by DOL Hearings Examiner staff. The reduction in workload represents a change of less than 0.1 FTE and is not considered material for this package.

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).

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 analysts that document and review the system changes, architect services that analyze 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.

DOL will complete the following:

- New interface with Drug and Alcohol Clearinghouse, including site configuration to interface with the new system.
- Structured and casual testing.
- Regression testing.
- Security assessment for new interface.

| 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 | 149,300 | - | - | - | - | - | 149,300 |
| 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 | 24,800 | - | - | - | - | - | 24,800 |
| PROJECT MANAGER | Manage schedule and contracts | \$ 28,710 | 31,600 | - | - | - | - | - | 31,600 |
| QUALITY ASSURANCE | Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives. | \$ 37,410 | 164,600 | - | - | - | - | - | 164,600 |
| 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 | 13,200 | - | - | - | - | - | 13,200 |
| SERVER & NETWORK SUPPORT | Services such as network infrastructure, cloud infrastructure, firewall and load balancing. Installations, maintenance, troubleshooting of server systems, and management of Windows-based systems to ensure reliability for clients. | \$ 16,530 | - | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 8,500 |
| DEVELOPERS | Modify programming and coding to all major systems | \$ 19,140 | - | 3,800 | 3,800 | 3,800 | 3,800 | 3,800 | 19,000 |
| 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 | 194,900 | - | - | - | - | - | 194,900 |
| Trainer | Trains business partners and employees in new system processes and capabilities. | \$ 22,620 | 33,900 | - | - | - | - | - | 33,900 |
| Organizational Change Management | Prepares stakeholders for the change and develops strategies to ensure the changes are fully adopted. | \$ 37,410 | 164,600 | - | - | - | - | - | 164,600 |
| Project Contingency | Office of the Chief Information Officer designated rate of 10% | \$ 25,230 | 77,700 | 600 | 600 | 600 | 600 | 600 | 80,700 |
| Totals | | | 854,600 | 6,100 | 6,100 | 6,100 | 6,100 | 6,100 | 885,100 |

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 |
|------------------------|------|------------------|-----------------|------------------|-----------------|-----------------|
| Highway Safety | 106 | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |
| Account Totals | | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |

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 | 0.0 | (0.3) | (0.2) | (0.3) | (0.3) |
| Salaries and Wages | - | (14,000) | (14,000) | (28,000) | (28,000) |
| Employee Benefits | - | (7,000) | (7,000) | (14,000) | (14,000) |
| Goods and Services | 1,077,000 | (3,000) | 1,074,000 | (6,000) | (6,000) |
| Total By Object Type | 1,077,000 | (24,000) | 1,053,000 | (48,000) | (48,000) |

3.C – FTE Detail

| Staffing | Salary | FY 24 | FY 25 | 23-25 Total | 25-27 Total | 27-29 Total |
|---|--------|------------|-------------|-------------|-------------|-------------|
| Customer Service Specialist 2 | 46,980 | 0.0 | -0.3 | -0.2 | -0.3 | -0.3 |
| Total FTE | | 0.0 | -0.3 | -0.2 | -0.3 | -0.3 |
| <i>Totals may differ due to rounding.</i> | | | | | | |

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.