

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5313 SB	<b>Title:</b> Legal United States presence	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

<b>FUND</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	5.4	1.8	3.6	1.2	1.2
<b>Fund</b>					
Highway Safety Account-State 106-1	389,161	117,324	506,485	161,000	163,432
<b>Total \$</b>	389,161	117,324	506,485	161,000	163,432

*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.

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## 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.

### 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.

### 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.

SEE ATTACHMENT

## Part III: Expenditure Detail

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

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	5.4	1.8	3.6	1.2	1.2
A-Salaries & Wages	215,629	65,559	281,188	82,901	84,600
B-Employee Benefits	52,491	17,332	69,823	22,472	23,480
C-Personal Serv Contr					
E-Goods and Services	119,834	33,829	153,663	54,419	54,144
G-Travel	1,207	604	1,811	1,208	1,208
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
<b>Total:</b>	\$389,161	\$117,324	\$506,485	\$161,000	\$163,432

### III. B - 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 2006	FY 2007	2005-07	2007-09	2009-11
Customer Service Spec. 2	35,808	0.6		0.3		
Financial Analyst 2	40,512	0.3	0.1	0.2	0.1	0.1
IT Application Specialist						
IT Systems Specialist 4	57,252	0.2	0.1	0.2	0.1	0.1
Licensing Service Rep. 2	35,808	2.8	1.6	2.2	1.0	1.0
Licensing Service Rep. 4	44,724	1.0		0.5		
WMS Manager	50,592	0.5		0.3		
<b>Total FTE's</b>		5.4	1.8	3.6	1.2	1.2

**III. C - Expenditures By Program (optional)**

<b>Program</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>2005-07</b>	<b>2007-09</b>	<b>2009-11</b>
Mgmt & Support Services (100)	21,604	7,333	28,937	10,063	10,214
Information Services (200)	58,931	5,238	64,169	7,187	7,296
Vehicle Services (300)					
Driver Services (600)	308,626	104,753	413,379	143,750	145,922
Business and Professions (700)					
<b>Total \$</b>	<b>389,161</b>	<b>117,324</b>	<b>506,485</b>	<b>161,000</b>	<b>163,432</b>

**Part IV: Capital Budget Impact****Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

## **Part II: Explanation**

This bill requires the Department of Licensing to require proof (documentation) of legal presence<sup>1</sup> in the United States for all customers who apply for a Washington state driver's license, driver's instruction permit, identicard, and juvenile agricultural driving permit. This bill also requires the department to have the document's expiration date be either the same as the maximum expiration allowed for the document being issued (for example, five years for a driver's license), or the date the customer's authorization to be within the United States expires, whichever occurs first.

### **II. A – Brief Description of What the Measure Does that Has Fiscal Impact**

Sections 1(8)—An applicant for a driver's license must prove that he or she is lawfully within the United States.

Section 2 (1) (a)—An applicant for a drivers' instruction permit must prove that he or she is lawfully within the United States.

Section 2 (4)—Sets the valid term of a driver's instruction permit for one year from the date of issue or until the date the applicant's authorization to be within the United States expires, whichever occurs sooner.

Section 3 (1) (e)—An applicant for an agricultural driving permit must prove that he or she is lawfully within the United States.

Section 3 (3)—Sets the term and renewal of an agricultural driving permit at one year from the date of issue or until the date the applicant's authorization to be within the United States expires, whichever occurs sooner.

Section 3 (4) (b) —Allows the department to suspend, revoke or cancel a juvenile agricultural driving permit if it has determined that the holder's authorization to be within the United States has expired or has been withdrawn.

Section 4 (1) (c)—An applicant for an identicard must prove that he or she is lawfully within the United States.

Section 4 (2) (b)—Sets an expiration for an identicard as the fifth anniversary of the applicant's birthdate after issuance or on the date the applicant's authorization to be within the United States expires, whichever occurs sooner.

Section 4 (4) (b)—Allows the department to cancel an identicard if it has determined that the holder's authorization to be within the United States has expired or has been withdrawn.

Sections 5—A driver's license expires on the fifth anniversary of the licensee's birthdate following the issuance of the license or on the date the licensee's authorization to be within the United States expires, whichever occurs sooner.

Section 6—Authorizes the department to cancel any document upon determining the holder was not entitled to issuance, provided incorrect information, or upon notice that the authorization to be within the United States has been withdrawn.

Section 7—Permits adjustments to the expiration of a document if and when notice is received of an individual's reauthorization or extension to be within the United States at no additional fee.

Section 8—Authorizes the department to adopt rules for the implementation of this bill.

Section 9--The bill takes effect August 1, 2005.

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<sup>1</sup> Legal presence is evidence of a United States birth certificate or other documents issued by the United States government establishing a person's lawful presence within the country.

<b><u>Workload Indicator</u></b>	<b><u>FY 06</u></b>	<b><u>FY 07</u></b>	<b><u>05-07 Total</u></b>	<b><u>07-09 Total</u></b>	<b><u>09-11 Total</u></b>
Original application workload	479,881	486,981	966,862	989,928	1,008,431
Number of non-citizens applying (orig & bas	40,092	40,614	80,706	82,871	85,102
Renewal issuances due to early expiration	8,018	8,123	16,141	16,574	17,020
Denial of Application (minutes)	38,391	19,479	57,870	19,799	20,169
Explain requirements (minutes)	191,953	97,396	289,349	98,993	100,843

The original application workload numbers are from the forecast approved by the November 2004 Transportation Revenue Forecast Council.

The number of non-citizens applying for original and renewal documents is calculated from statistics obtained from the Seattle Office of the United States Citizenship & Immigration Services. Approximately 150,000 foreign nationals are currently legally in Washington State and approximately 30,000 foreign nationals legally enter Washington State each year. The Department of Licensing assumes that approximately 206,000 foreign nationals either have or will obtain one of the documents listed in this bill over a five-year period. This amount is derived by assuming that sixty-six percent of twenty percent of the 150,000 plus sixty-six percent of the 30,000 will obtain one of the documents per year. This number is adjusted yearly by population growth factors. (See Table 1) The Department of Licensing further assumes that twenty percent will return to a Licensing Service Office to renew their issued document each year.

**Table 1**

<b>Fiscal Year</b>	<b>Calculation</b>	<b>Amount</b>
2006	$((150,000 \times .2) + (30,000) \times .66) \times 1.0124$	40,092
2007	$40,092 \times 1.013$ (growth factor)	40,614
2008	$40,614 \times 1.0134$	41,160
2009	$41,160 \times 1.0134$	41,711
2010	$41,711 \times 1.0134$	42,269
	<b>Total</b>	<b>205,846</b>

The number of minutes calculated for explanations and denials are derived from the original application workload numbers. The Department of Licensing assumes twenty percent of original customers will require two additional minutes for explanation of the new laws. Ten percent of those requiring an explanation will be denied a document, requiring four additional minutes of a supervisor's time.

Note: At this time the United States Citizenship & Immigration Service (USCIS) does not share any data regarding lawful presence or visa status data with the driver's licensing jurisdictions. The Department of Licensing records also do not capture or maintain the visa status of customers. Therefore, the impact of the USCIS actively reporting expired and cancelled visas to DOL cannot be determined. However, such reporting will require DOL to audit all its records and issue cancellation letters to affected license, identicard, and permit holders. If this reporting process occurs, the fiscal impact will be substantial.

## **II. B – Cash Receipt Impact**

None

## **II. C – Expenditures**

A Program Manager will be needed for 6 months (0.5 FTE) in the Driver Examining section to coordinate and complete all business related impacts of this bill including public communications, policy and procedure revision, rule development, and training.

Licensing Service Specialists 2's (2.8 FTEs) will be needed statewide in License Service Offices to apply the new process to all original licenses, instruction permits, agriculture permits and identicard customers in addition to explaining the new laws. Total LSR service time added for the next fiscal year is 221,215

minutes. An LSR's standard productivity is 78,942 minutes per year. Therefore, in fiscal year 2006, 2.8 FTEs will be required ( $221,215/78,942 = 2.8$ ). This workload will decrease in subsequent fiscal years as the need to explain the new law decreases, resulting in fewer additional FTEs.

A Customer Service Specialist 2 (0.6 FTE) and a Licensing Services Representative 4 (1.0 FTE) will be needed in fiscal year 2006 to backfill the functions of existing staff while they do the planning and implementation required for this bill.

Contract Programmers (2.5 staff months) will be needed to modify the Driver's Services Field System, Headquarters System, Online Renewal /Duplicate System, and Drivers Data Warehouse System. These changes are needed to modify existing logic for expiration dates other than the current 5-year cycle that related to the driver's birthday.

In addition to the cost of salaries and benefits, other costs have been added which include travel, workstation and furniture, personal computers (including software and licenses), facility rent/lease and utility costs, telephone equipment and line charges, desktop support, employee training and other standard goods and services associated with adding new staff.

In addition to the direct costs associated with this fiscal note, DOL included funding to cover agency wide indirect costs. Based on the cost allocation methodology adopted by DOL in 1999 (with funding realignment approved in the 2000 and 2002 Supplemental budgets as well as funding realignment requested in the 2004 Supplemental budget) administrative support is provided to the agency at a rate of 12 percent of the direct program costs proposed in this decision package. This 12 percent is split 7 percent for Management and Support Services functions and 5 percent for Information Services functions. These costs are allocated in object E to cover agency wide handling and processing of vendor payments; equipment purchase, delivery, storage and set-up; technical assistance to employees; desktop support; contract administration; security; handling of mail; and other indirect support services functions as needed. Thus, the total cost for the decision package is: direct driver's services program cost \$413,379 + information services direct cost \$43,500 + administrative indirect \$28,937+ information services indirect \$20,669= \$506,485.

### Part III: Expenditure Detail

#### III. A – Expenditures by Object or Purpose

	FY 06	FY 07	05-07 Total	07-09 Total	09-11 Total
FTE Staff Years	5.4	1.8	3.6	1.2	1.2
Salaries and Wages	215,629	65,559	281,188	82,901	84,600
Employee Benefits	52,491	17,332	69,823	22,472	23,480
Personal Service Contracts					
Goods and Services	119,834	33,829	153,663	54,419	54,144
Travel	1,207	604	1,811	1,208	1,208
Other					
<b>Total</b>	<b>389,161</b>	<b>117,324</b>	<b>506,485</b>	<b>161,000</b>	<b>163,432</b>

### III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

Object E Breakdown:	<u>FY 06</u>	<u>FY 07</u>	<u>05-07 Total</u>	<u>07-09 Total</u>	<u>09-11 Total</u>
EA Office Supplies	2,632	2,409	5,041	1,146	1,168
EN Personnel Services	1,158	347	1,505	434	443
EF Printing	3,000	1,500	4,500	2,100	1,200
EB Phone/Fax Install	300		300		
EB Phone/Fax/DP Lines	540		540		
EK Facilities Costs	27,743	9,389	37,132	12,075	12,313
EM Attorney Gen Svcs	712		712		
EZ Other Goods & Svcs	27,709	19,664	47,373	37,624	37,980
EQ Equipment - Under \$5,000	12,540	520	13,060	1,040	1,040
ER DP Cont Programmers	43,500		43,500		
Total Goods & Svcs	119,834	33,829	153,663	54,419	54,144

### III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3633.

### III. B – FTE Detail

#### EXPENDITURE DETAIL – STAFF

Job Classification	Salary	<u>FY 06</u>	<u>FY 07</u>	<u>05-07 Total</u>	<u>07-09 Total</u>	<u>09-11 Total</u>
Licensing Service Rep. 2	35,808	2.8	1.6	2.2	1.0	1.0
WMS Manager	50,592	0.5	0.0	0.3	0.0	0.0
Licensing Service Rep. 4	44,724	1.0	0.0	0.5	0.0	0.0
Customer Service Spec. 2	35,808	0.6	0.0	0.3	0.0	0.0
Financial Analyst 2	40,512	0.3	0.1	0.2	0.1	0.1
IT Systems Specialist 4	57,252	0.2	0.1	0.2	0.1	0.1
Total FTEs		5.4	1.8	3.6	1.1	1.2

### III. B – Expenditures by Program (optional)

Program	<u>FY 06</u>	<u>FY 07</u>	<u>05-07 Total</u>	<u>07-09 Total</u>	<u>09-11 Total</u>
100 - Mgmt & Support Services	21,604	7,333	28,937	10,063	10,214
200 - Information Services	58,931	5,238	64,169	7,187	7,296
300 - Vehicle Services					
600 - Driver Services	308,626	104,753	413,379	143,750	145,922
700 - Business & Professions					
<i>Total</i>	389,161	117,324	506,485	161,000	163,432

### Part IV: Capital Budget Impact

None

### Part V: New Rule Making Required

New rules will be needed to establish procedures for verifying that a driver's license, permit, or identicaid applicant's presence in the United States is authorized, and to specify what documents are acceptable to prove legal presence.