

Washington State
Department of Licensing

Biennial Budget 2015–2017

dol.wa.gov



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
PO Box 9020 • Olympia, Washington 98507-9020

September 19, 2014

Mr. David Schumacher, Director
Office of Financial Management
PO Box 43113
Olympia, WA 98504-9114

Dear Mr. Schumacher:

Enclosed is the Department of Licensing's 2015-17 Biennial Budget request for your review. The budget represents the Governor's goals of safe communities; efficient, effective and accountable government and a commitment to customer service.

The department requests continued funding for technology modernizations that will improve revenue systems, align with federal mandates, and improve service to the public.

Business and Technology Modernization – Continued funding is requested for the department's legacy systems replacement project. The department received \$7.8 million in 2013 and 2014 for the initial phases of the project. The next phase includes procuring an integrated vehicle and driver administration commercial off the shelf (COTS) solution and configuring and implementing the vehicles software support module. The department's current legacy systems are outdated and can no longer be effectively maintained. This project will ultimately deliver faster, less expensive implementation of new laws including fee changes, and will provide better data reporting and economic forecasting capability. Successful implementation of the project will also create better interfaces with agency business partners including law enforcement, public safety entities, and private businesses who contract to provide services to the public.

Central Issuance System – Continued funding is requested to replace the department's aging centralized issuance system for driver licenses and identification cards. In 2014 the department received \$1.5 million for the initial phase, and this request provides funding for its completion. Once complete this new system will improve the current processes for issuing driver's licenses and will make it easier for the department to adapt to new licensing requirements. During the 2014 legislative session, DOL received \$1.5 million to complete the procurement and planning effort in preparation for the implementation of a new CIS system. DOL is on track to successfully complete procurement and planning work and anticipates entering into a contract in December 2014.

David Schumacher
September 19, 2014
Page 2 of 2

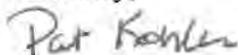
Prorate and Fuel Tax System – Continued funding is requested to replace the agency's fuel tax system that collects over \$1.2 billion annually. In 2014 funding was received to begin the installation of this new system, and this request provides resources for completion of the project. The new system will improve interstate commercial vehicle licensing and fuel tax collection and will eliminate numerous manual and redundant processes. It will allow fuel tax licensees to file electronic tax returns and will support the National Federation of Tax Administrators Uniformity Guidelines for filing electronic tax return information. The department has completed its vendor review identifying an apparent successful bidder. The contract is expected to be signed mid-September 2014.

Online Licensing Improvements – This new request improves online services for our Business and Professional licensing customers, many of whom still experience licensing through a primarily paper process that is inefficient and time consuming. This request also includes increased spending authority to improve our business and professional licensing imaging system. Additional imaging system functionality will allow licensee's documents to be more efficiently managed. Staff will be able to link documents to a licensee's account that can be centrally accessed to more efficiently manage workflow during the application process. These improvements will result in faster and simpler licensing, easier access for licensees, and reduce costs in our biennium. Funding for this request comes from license fees from persons and businesses who will directly benefit from these improvements.

Increased costs of doing business – The department requests funding to support the increased costs of providing services to Washington residents. These requests include additional funding for credit card cost increases, lease cost increases, postage cost increases, driver license cost increases, increased reimbursable costs for county auditors who license vehicles, and costs associated with federal transportation mandates.

We believe this budget clearly demonstrates our ongoing commitment to work towards a better, safer future for the state of Washington as we continue to reassess business strategies, enhance public safety, focus technology investments to meet customer expectations and provide the best value to our citizens as possible. As you and your staff review this request, if you have any questions please contact me at (360) 902-3603 or Diamatris Winston, Department of Licensing's Chief Budget Officer at (360) 902-3644.

Sincerely,



Pat Kohler
Director

cc: Diamatris Winston

Table of Contents

Tab A

Agency Organizational Chart	1
Organizational Chart – Management Support Services	2
Organizational Chart – Information Services.....	3
Organizational Chart – Customer Relations.....	4
Organizational Chart – Programs & Services	5
Organizational Chart – Business & Professions	6
Agency Activity Inventory Report	7
Indirect Cost Allocation to Activities Description	83
14-17 Strategic Plan	85

Tab B

Recommendation Summary at Agency Level	87
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Tab C

Decision Package Summary	91
BPD Licensing System Improvements.....	93
Information Technology Addendum – BPD Online Licensing.....	103
Business & Technology Modernization	119
Information Technology Addendum – Business & Technology	135
Central Issuance System	141
Information Technology Addendum – Central Issuance System.....	149
CDL Workload	155
Federal Appropriation Authority	161
Firearms Workload Staff	169
GFS – Reduction	179
GFS – Reinstatement.....	183
Ignition Interlock Assistance Funding	189
Increased Driver’s License Production.....	195
Increased Reimbursable Costs – County Auditors.....	201
Lease Rate Increase	205
License Plate Demand.....	211
Postage Rate Increase.....	215
Prorate & Fuel Tax System.....	219
Information Technology Addendum – DOL Prorate & Fuel Tax Project.....	227

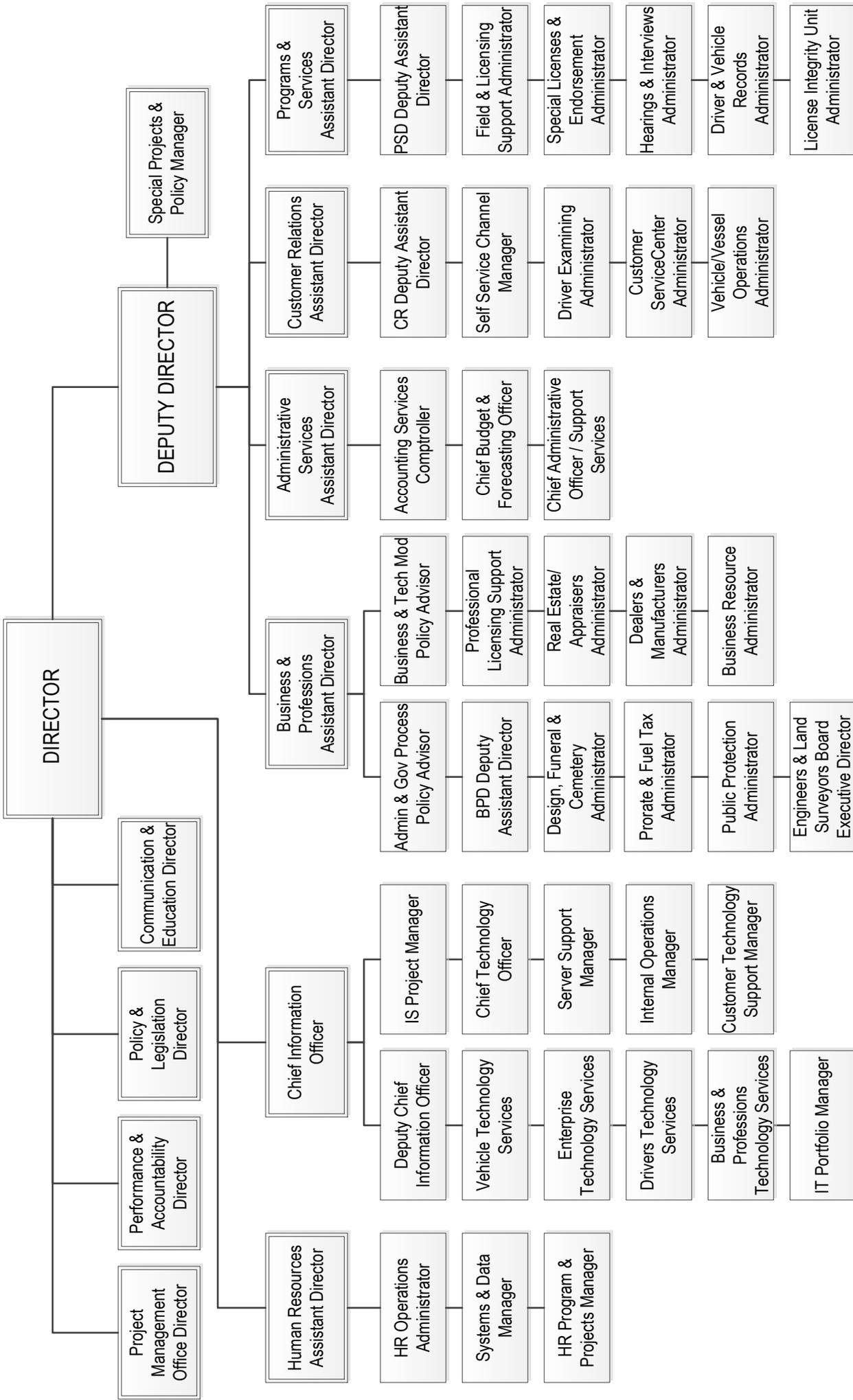
Tab D

Summarized Revenues.....	233
Working Capital Reserve.....	249

Tab E

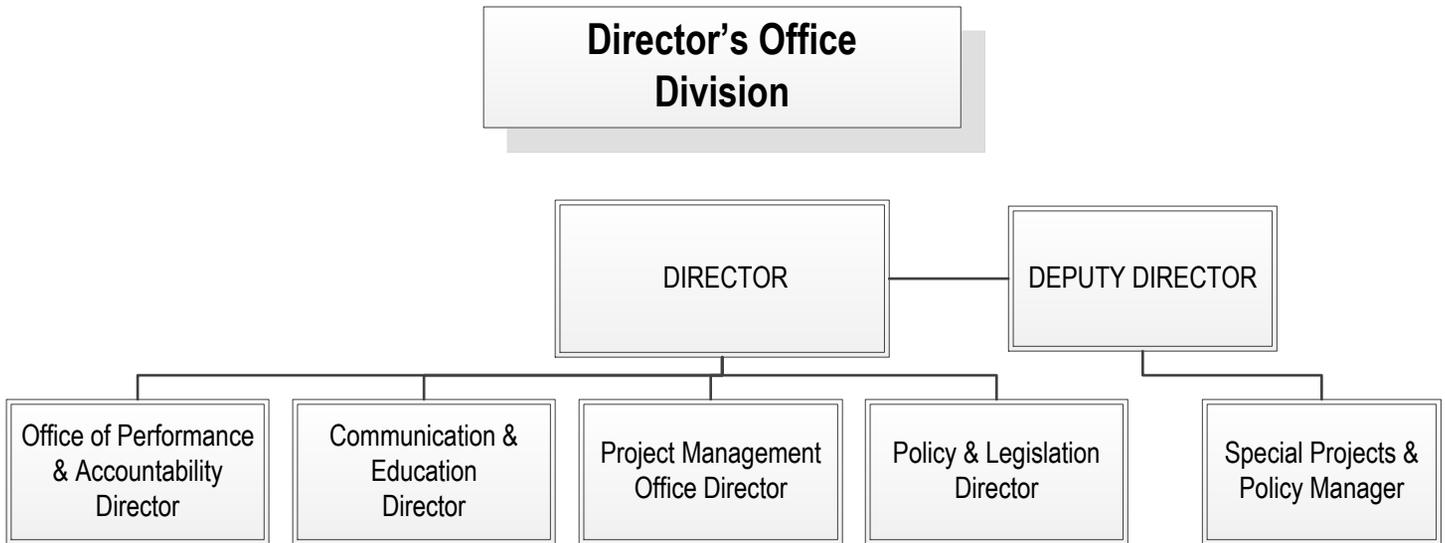
Electronic Submittal Confirmation Form	251
Decision Package IT Addendums List.....	253
Agency’s IT Investment Priority Ranking Table.....	255
License Office Consolidation Efforts	257
Data Processing Issues and Solutions	259
Information Technology Field System Modernization	263
REAL ID	265
Customer Service Wait Times by Licensing Service Office	267
Statistical & Trend Information	269

Department of Licensing



Department of Licensing

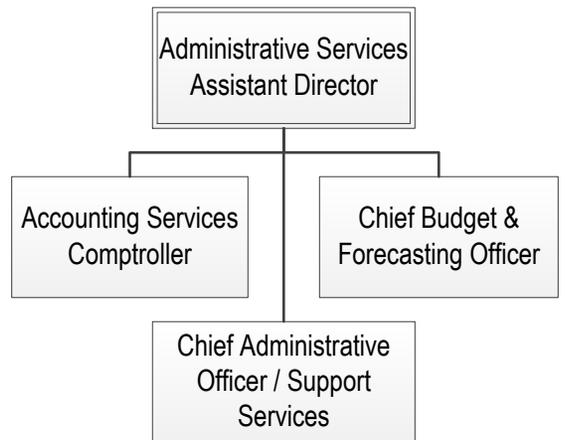
Program 100



Human Resources Division



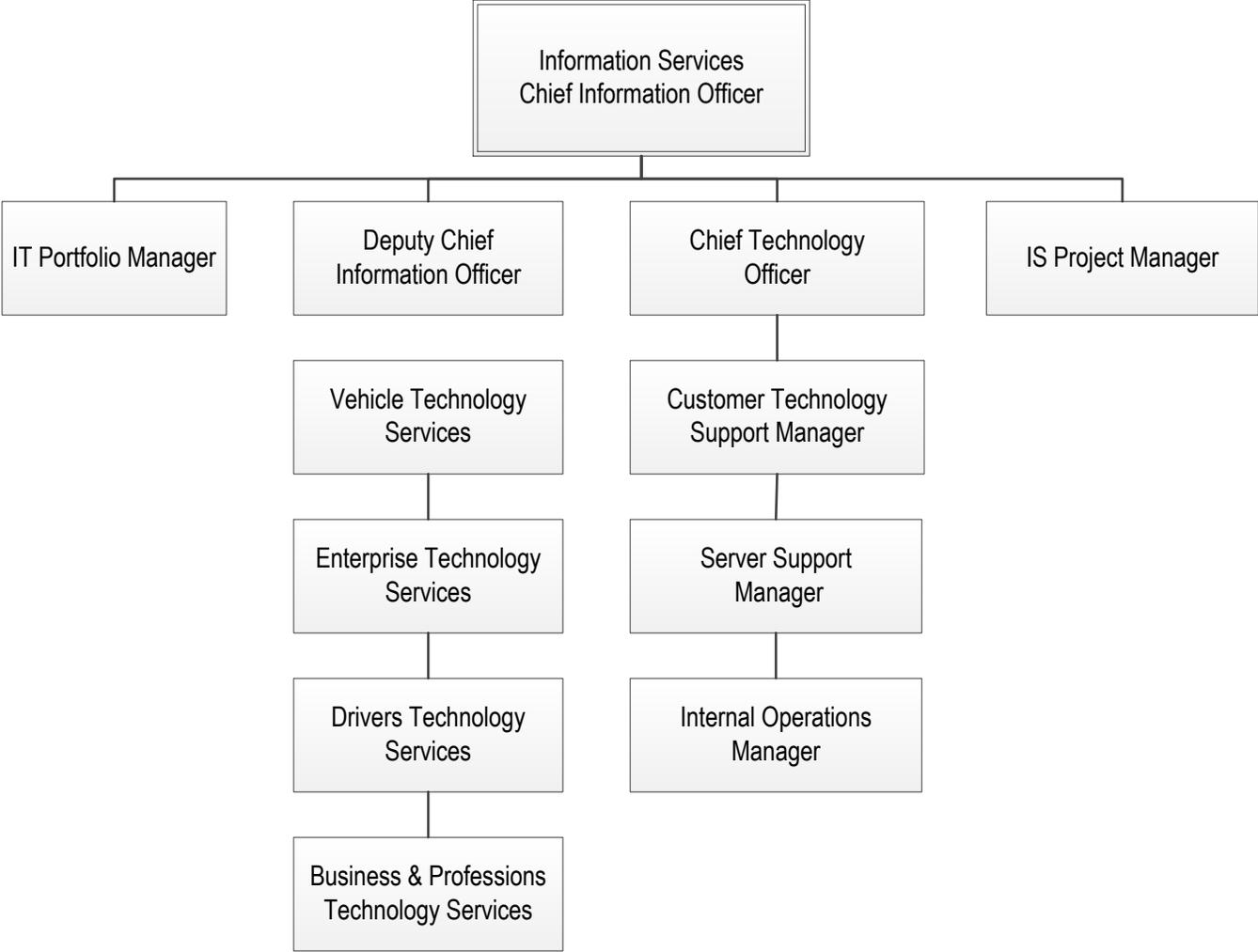
Administrative Services Division



Department of Licensing

Program 200

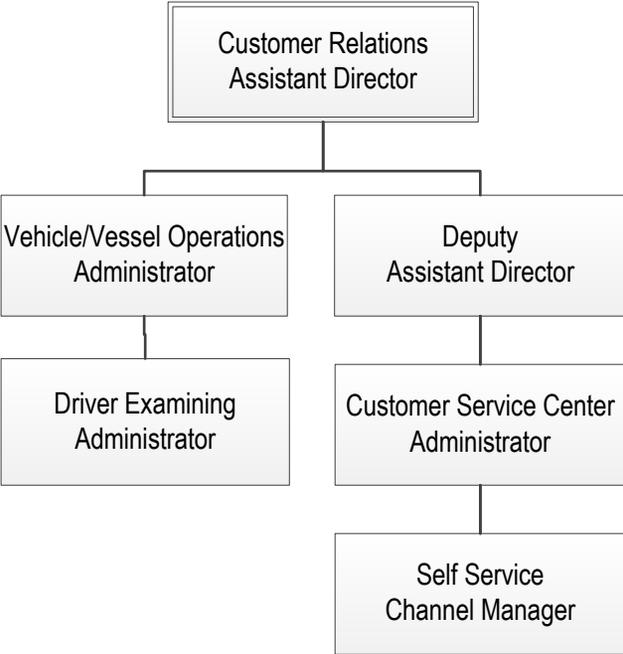
Information Services Division



Department of Licensing

Program 300

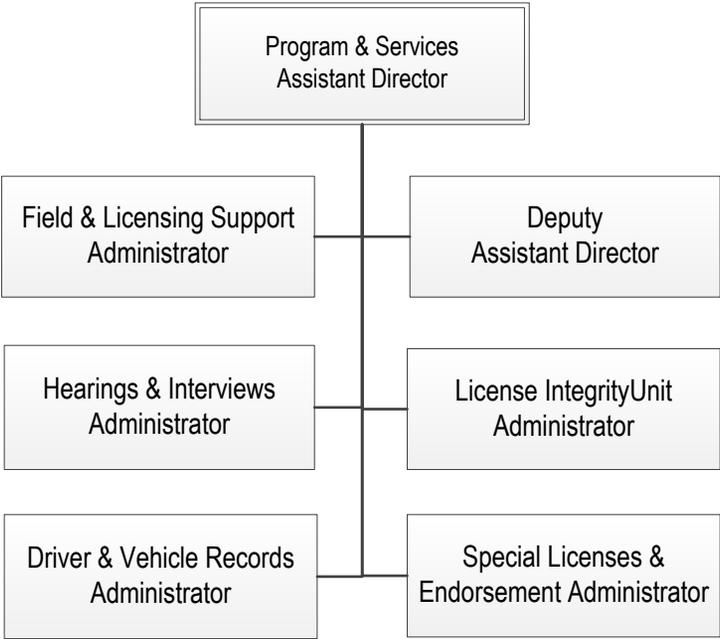
Customer Relations Division



Department of Licensing

Program 600

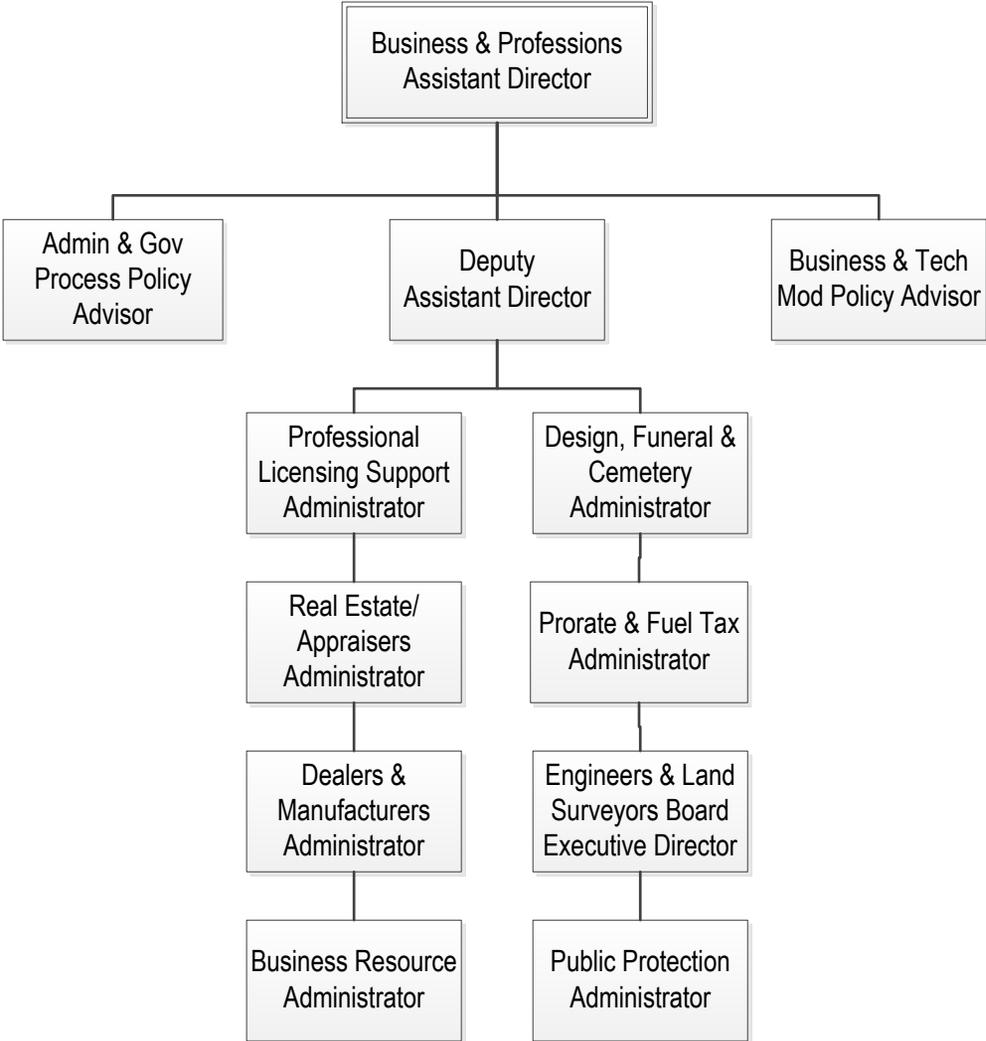
Programs & Services Division



Department of Licensing

Program 700

Business & Professions Division



240 - Department of Licensing

A009 Providing License Integrity and Protection From Identity Theft

This activity supports the safety of people and property and the economic vitality of businesses and individuals by investigating fraudulent activity. It provides public outreach, education, and assistance in partnership with the Washington State Patrol, Attorney General's Office, Federal Trade Commission, and government agencies to reduce suspected identity theft, fraud and other criminal activity. More than 70 percent of the 2,000 annual fraud allegations received by this activity are associated with crime-related activities, such as methamphetamines, check washing, credit card and check theft, loan frauds, and customer impersonation schemes. The average impact to victims of these criminal actions is over \$5,000 per incident.

Account	FY 2016	FY 2017	Biennial Total
FTE			
106-1 State	9.1	9.5	9.3
106 Highway Safety Account			
106-1 State	\$1,002,000	\$1,349,000	\$2,351,000
108 Motor Vehicle Account			
108-1 State	\$451,000	\$372,000	\$823,000

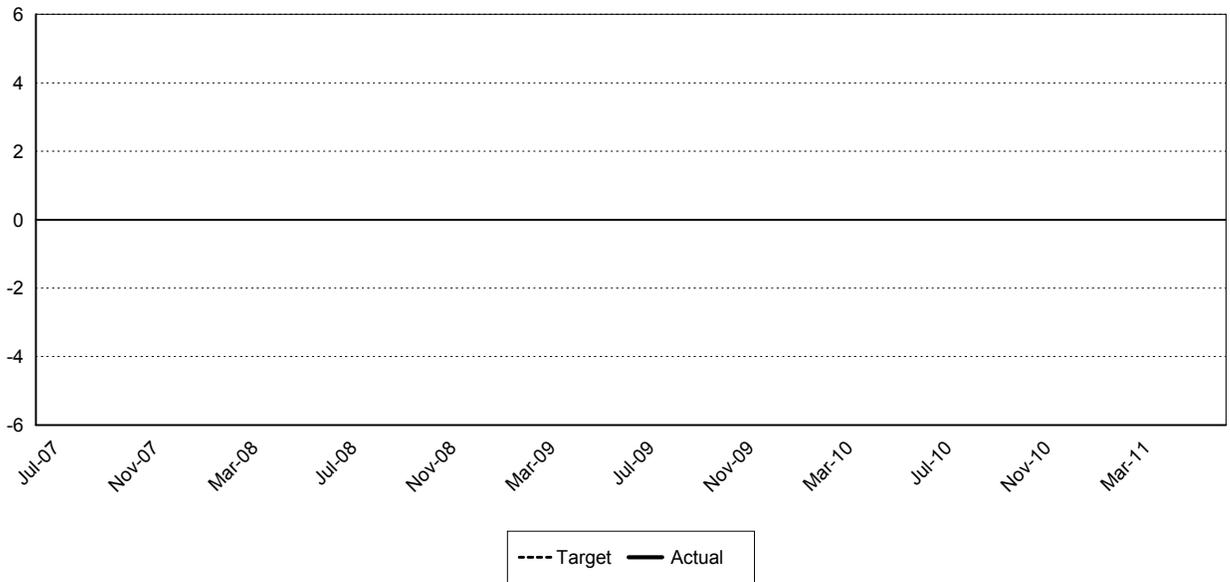
Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide consumer protection

Expected Results

Reduce financial loss to small businesses and victims due to driver license fraud. Receive over 2,000 allegations of suspected fraud or identity theft annually. Increase the percentage of suspects apprehended for identity and other serious crimes. Provide one of the main sources for law enforcement to obtain pertinent information on suspected criminals, witnesses, and victims. Receive, research, and respond to over 70,000 photo and informational requests, and over 1,000 photomontage requests from law enforcement entities annually. Investigate and process suspected internal employee fraud cases.

Number 001720 - Number of Investigations of Potential License Fraud Based on Biometric Matching by Month



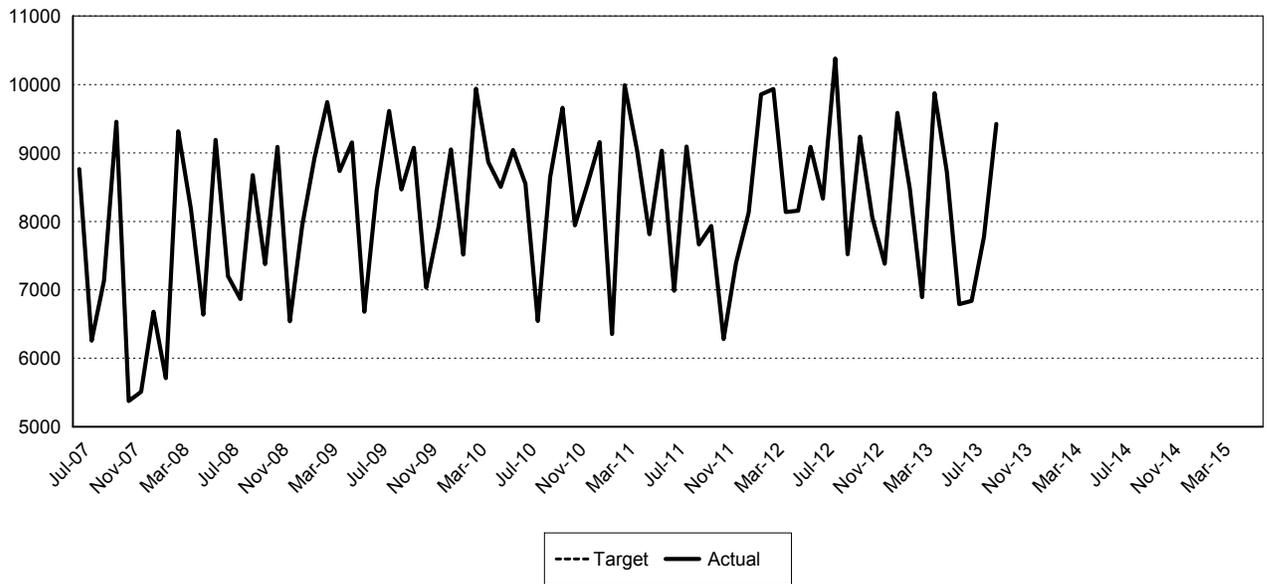
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001679 Number of Law Enforcement Requests for Information, Photo and Research Completed by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		9,422	
M02		7,776	
M01		6,835	
2011-13	M24	6,791	
	M23	8,724	
	M22	9,874	
	M21	6,894	
	M20	8,483	
	M19	9,585	
	M18	7,381	
	M17	8,052	
	M16	9,239	
	M15	7,520	
	M14	10,382	
	M13	8,332	
	M12	9,091	
	M11	8,158	
M10	8,136		
M09	9,933		

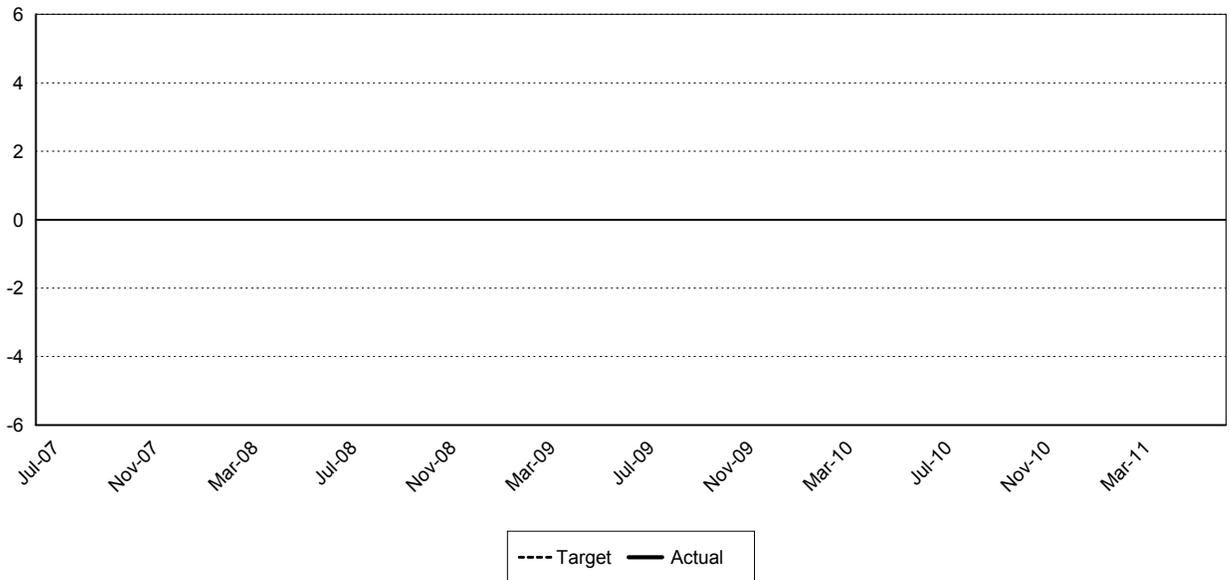
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	9,854
	M07	8,129
	M06	7,388
	M05	6,280
	M04	7,932
	M03	7,665
	M02	9,093
	M01	6,986
Performance Measure Status: Approved		

Number 001679 - Number of Law Enforcement Requests for Information, Photo and Research Completed by Month



Number 001680 - Number of License Suspensions and Cancellations Resulting from Fraud Investigation by Month



A001 Providing Strategic Direction through Executive and Technology Administration

This activity provides leadership and administration of daily functions for an agency with 1,224 employees. It focuses on strategic direction and oversight, human resources, employee development and training, performance management, public affairs, administrative services, information technology, internal audit, and budget development and monitoring. This activity partners with the courts, law enforcement, and other state and federal transportation agencies, and also serves as liaison to the Legislature, the Governor's Office, state agencies, the media, and stakeholders.

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
106-1 State	9.5	26.4	18.0
108-1 State	(18.0)	(16.0)	(17.0)
FTE Total	(8.5)	10.4	1.0
003 Architects' License Account			
003-1 State	\$7,000	\$5,000	\$12,000
06L Business and Professions Account			
06L-1 State	\$83,000	\$70,000	\$153,000
201 DOL Services Account			
201-1 State	\$85,000	\$93,000	\$178,000
15V Funeral and Cemetery Account			
15V-6 Non-Appropriated	\$1,000	\$2,000	\$3,000
001 General Fund			
001-1 State	\$21,000	\$35,000	\$56,000
298 Geologists' Account			
298-1 State	\$4,000	\$2,000	\$6,000
298-6 Non-Appropriated	\$1,000	\$0	\$1,000
298 Account Total	\$5,000	\$2,000	\$7,000
106 Highway Safety Account			
106-1 State	\$1,208,000	\$1,091,000	\$2,299,000
048 Marine Fuel Tax Refund Account			
048-1 State	\$1,000	\$3,000	\$4,000
108 Motor Vehicle Account			
108-1 State	\$212,000	\$468,000	\$680,000
082 Motorcycle Safety Education Account			
082-1 State	\$7,000	\$4,000	\$11,000
024 Professional Engineers' Account			
024-1 State	\$29,000	\$26,000	\$55,000
06G Real Estate Appraiser Commission Account			
06G-1 State	\$13,000	\$12,000	\$25,000
026 Real Estate Commission Account			
026-1 State	\$15,000	\$52,000	\$67,000
104 State Wildlife Account			
104-1 State	\$12,000	\$20,000	\$32,000
04E Uniform Commercial Code Account			

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
04E-1 State	\$36,000	\$32,000	\$68,000

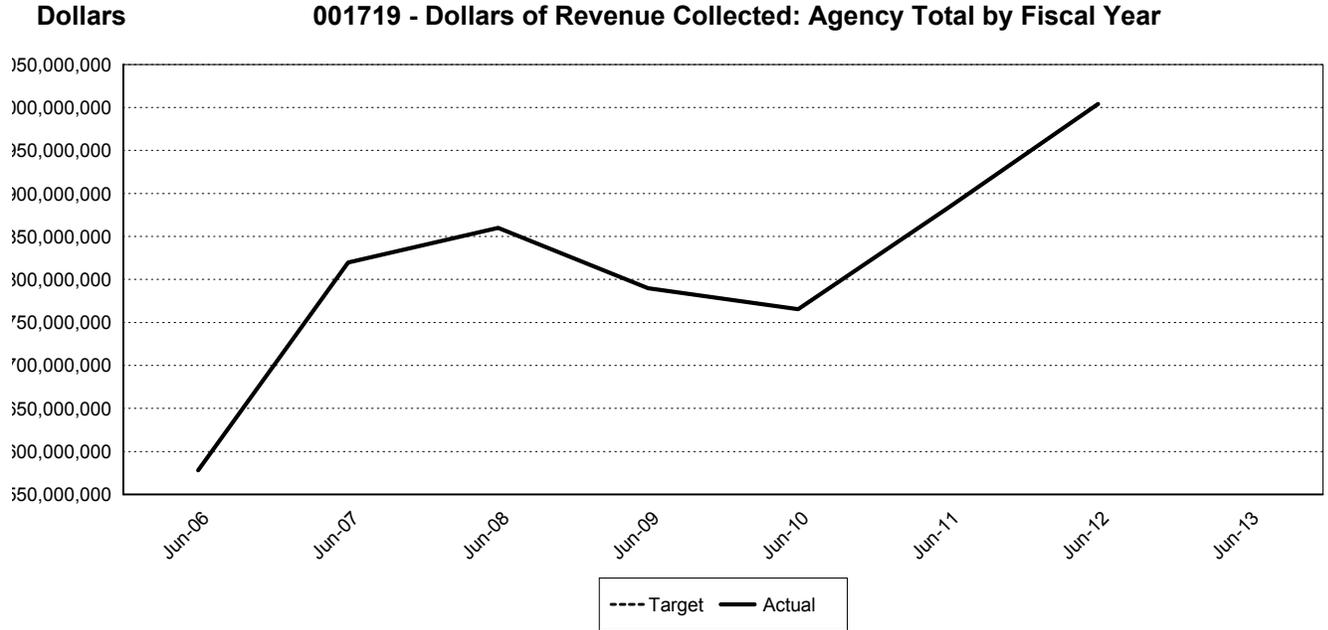
Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Enforce the law

Expected Results

Leadership, administration, and regulation of laws related to motor vehicles/vessels, driver licensing, and 27 businesses and professions. Human resource services for 1,224 employees, including 10,000 hours per year of employee development and training. Public communications regarding the Department's legislative and other activities. Strategic and financial planning for a \$225 million biennial budget, and collection of \$3 billion in transportation revenues each biennium. Accounting services for the collection, sourcing, and distribution of \$1.5 billion of state and local revenues annually. Facilities management of 75 leases for 68 field offices, seven local offices, and warehouses. Contract administration of 637 contracts. Management and administration of all forms and records (1,700 unique record series, 71 million records, 900 forms, and 3,223,819 impressions). Information technology (IT) policy development, implementation, security administration, privacy protection, and operational integrity of 152 IT applications linked to 122 databases with more than 25 million client and client related records with 238 electronic interfaces to individual citizen records. Auditing and advisory services supporting the Department's accountability and performance improvement.

001719 Dollars of Revenue Collected: Agency Total by Fiscal Year			
Biennium	Period	Actual	Target
2011-13	A3		
	A2	\$3,004,000,575	
Performance Measure Status: Draft			



A004 Driver License Suspensions and Reinstatements, and Maintenance of Driver Records

This activity maintains on-line driver records that provide vital information on the license history and status of Washington drivers. These records are relied upon by the Department, law enforcement, and the courts to ensure the safety of people and property. Other entities, such as the Department of Social and Health Services' Division of Child Support and insurance companies, require timely and accurate driver licenses or identification cards. Driving records are updated with actions ranging from Failure to Appear (in court) to Driving Under the Influence (DUI). In addition, this activity verifies the financial responsibility of drivers and ensures that drivers are legally operating vehicles by suspending and reinstating the driving privilege, through either administrative action or upon order of the court.

Account	FY 2016	FY 2017	Biennial Total
FTE			
106-1 State	122.7	127.4	125.1
001 General Fund			
001-1 State	\$0	\$1,000	\$1,000
106 Highway Safety Account			
106-1 State	\$12,625,000	\$13,760,000	\$26,385,000
14V Ignition Interlock Device Revolving Account			
14V-1 State	\$2,547,000	\$2,551,000	\$5,098,000
108 Motor Vehicle Account			
108-1 State	\$192,000	\$152,000	\$344,000

Statewide Result Area: Healthy and Safe Communities**Statewide Strategy: Enforce the law****Expected Results**

Reduction of vehicle fatalities. Annual verification and update of driver records for 875,000 citations and 274,000 suspensions, which includes 78,000 for DUI arrests and convictions and 5,800 for uninsured accidents. Track medical certificates, vision certificates, alcohol and drug treatment requirements, and information on proof or cancellation of insurance. Suspension or reinstatement of driver records based on court action, administrative hearing, or as required by law. Respond to 4,000 telephone calls and 200 e-mails weekly from citizens inquiring about their driving records.

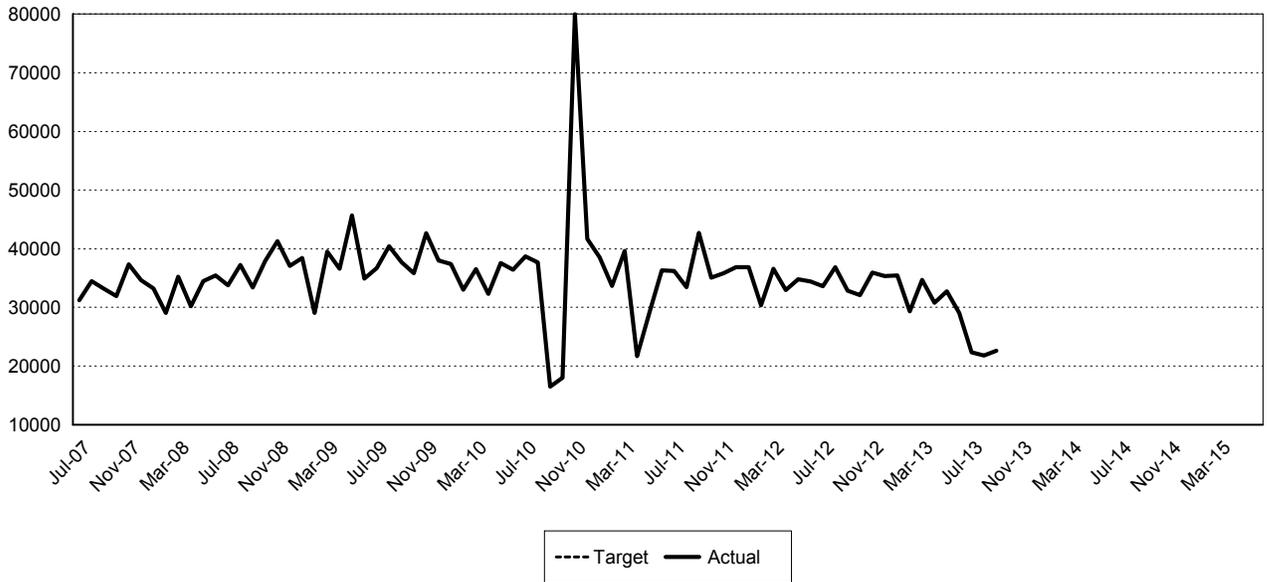
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001677 Number of Driver License Suspensions, Revocations, Cancellations, and Disqualifications by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		22,587	
M02		21,765	
M01		22,342	
2011-13	M24	29,069	
	M23	32,723	
	M22	30,796	
	M21	34,675	
	M20	29,322	
	M19	35,453	
	M18	35,317	
	M17	35,902	
	M16	32,100	
	M15	32,825	
	M14	36,863	
	M13	33,613	
	M12	34,414	
M11	34,807		
M10	32,941		
M09	36,588		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	30,341
	M07	36,860
	M06	36,844
	M05	35,804
	M04	35,063
	M03	42,714
	M02	33,458
	M01	36,180
Performance Measure Status: Approved		

Number **001677 - Number of Driver License Suspensions, Revocations, Cancellations, and Disqualifications by Month**



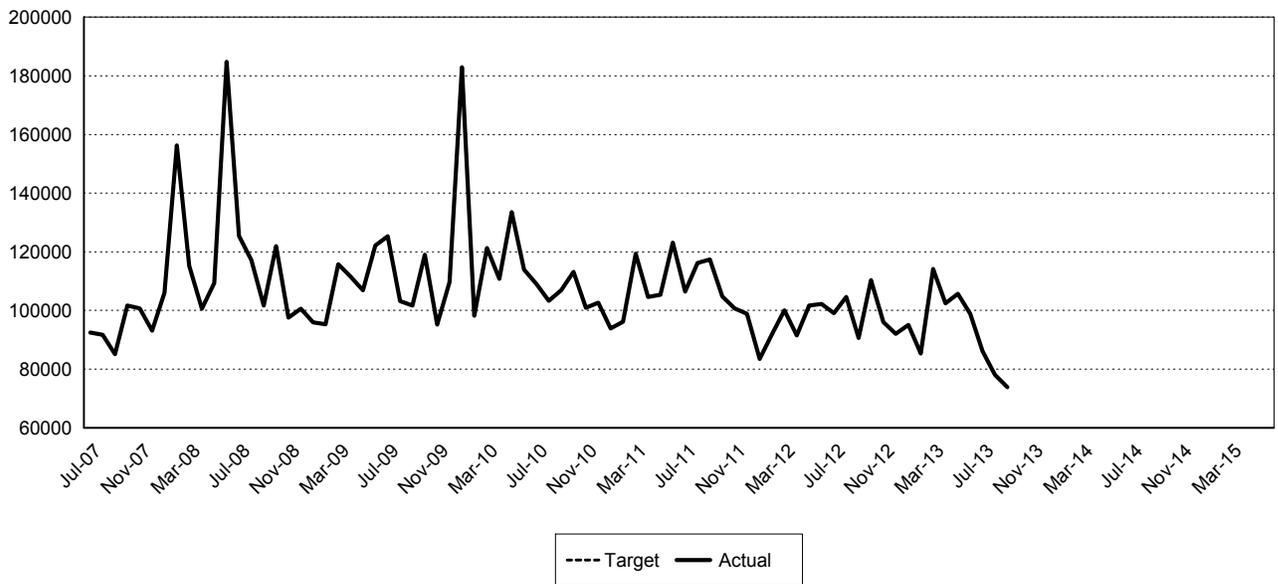
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001717 Number of Occurrences of Traffic Violations and Accidents			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		73,790	
M02		78,084	
M01		86,041	
2011-13	M24	98,825	
	M23	105,666	
	M22	102,455	
	M21	114,108	
	M20	85,359	
	M19	95,055	
	M18	92,073	
	M17	96,032	
	M16	110,349	
	M15	90,641	
	M14	104,558	
	M13	99,084	
	M12	102,206	
	M11	101,656	
	M10	91,544	
M09	100,053		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	91,907
	M07	83,508
	M06	98,871
	M05	100,709
	M04	104,801
	M03	117,338
	M02	116,155
	M01	106,437
Performance Measure Status: Approved		

Number 001717 - Number of Occurrences of Traffic Violations and Accidents



A008 Licensing Citizens to Operate Motor Vehicles

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

This activity ensures the physical capability and driving skills of millions of licensed drivers of cars, trucks, and motorcycles in Washington. The Department of Licensing (DOL) ensures that drivers have the physical capability, knowledge, and skills to operate a motor vehicle safely. Special examinations and re-examinations are conducted for persons who fail to meet requirements for full driving privileges. Complying with federal Homeland Security directives, this activity administers the licensing requirements of 192,000 commercial vehicle drivers operating trucks and trailers, tankers, commercial and school buses, and 44,000 vehicle operators who transport hazardous materials. This activity also registers citizens for the Organ Donor program, and in partnership with the Secretary of State, collects 81,000 voter registrations.

Account	FY 2016	FY 2017	Biennial Total
FTE			
106-1 State	509.6	522.2	515.9
106-2 Federal	1.0	0.0	0.5
106 Highway Safety Account			
106-1 State	\$55,155,000	\$53,288,000	\$108,443,000
106-2 Federal	\$1,791,000	\$1,782,000	\$3,573,000
106 Account Total	\$56,946,000	\$55,070,000	\$112,016,000
108 Motor Vehicle Account			
108-1 State	\$262,000	\$254,000	\$516,000

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Enforce the law

Expected Results

Reduction of traffic fatalities by partnering with state and federal agencies, such as the National Highway Traffic Safety Administration (NHTSA), which tracks the fatality rate per 100 million vehicle miles traveled; the Target Zero campaign, spearheaded by the Washington State Traffic Safety Commission to reduce traffic-related fatalities to zero by 2030; and the federal Motor Carrier Safety Improvement Act (MCSIA) of 1999, which aims to reduce the number of truck-related fatalities by 41 percent by 2008. The collection of \$55 million in revenue annually from issuance of driver licenses and identification cards. Registration of 3.4 million voters in partnership with the Secretary of State's Office. Registration of 803,000 organ donors. A wait time for citizens seeking services in licensing offices of under 20 minutes.

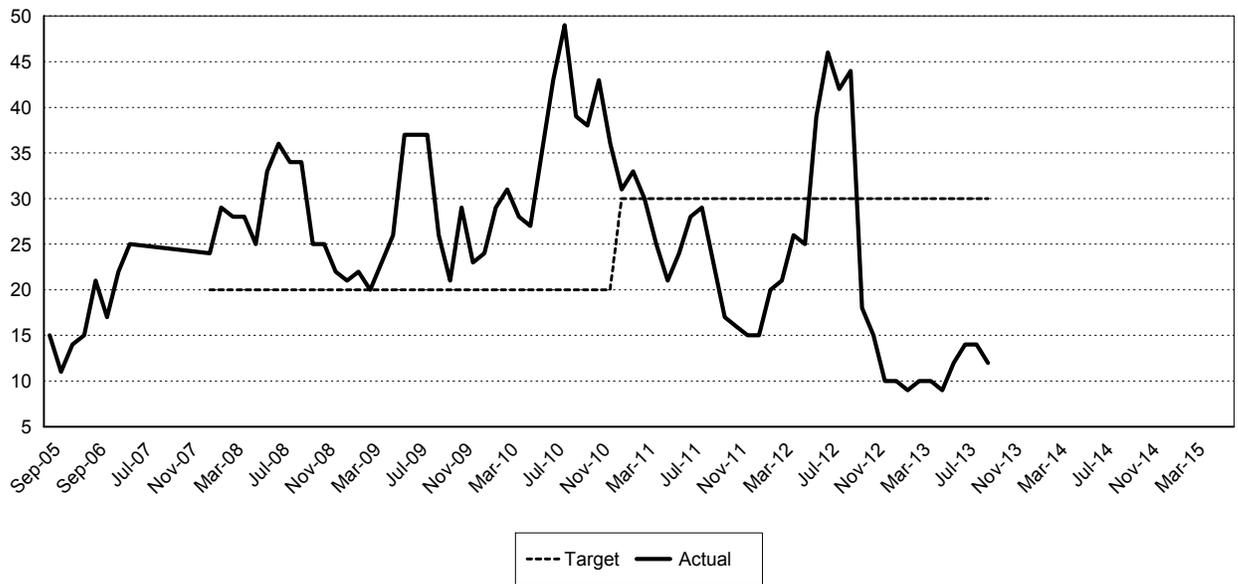
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

000775 Average number of Minutes Customers Wait in Licensing Service Office Lobbies by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		12	30
M02		14	30
M01		14	30
2011-13	M24	12	30
	M23	9	30
	M22	10	30
	M21	10	30
	M20	9	30
	M19	10	30
	M18	10	30
	M17	15	30
	M16	18	30
	M15	44	30
	M14	42	30
	M13	46	30
	M12	39	30
	M11	25	30
	M10	26	30
M09	21	30	

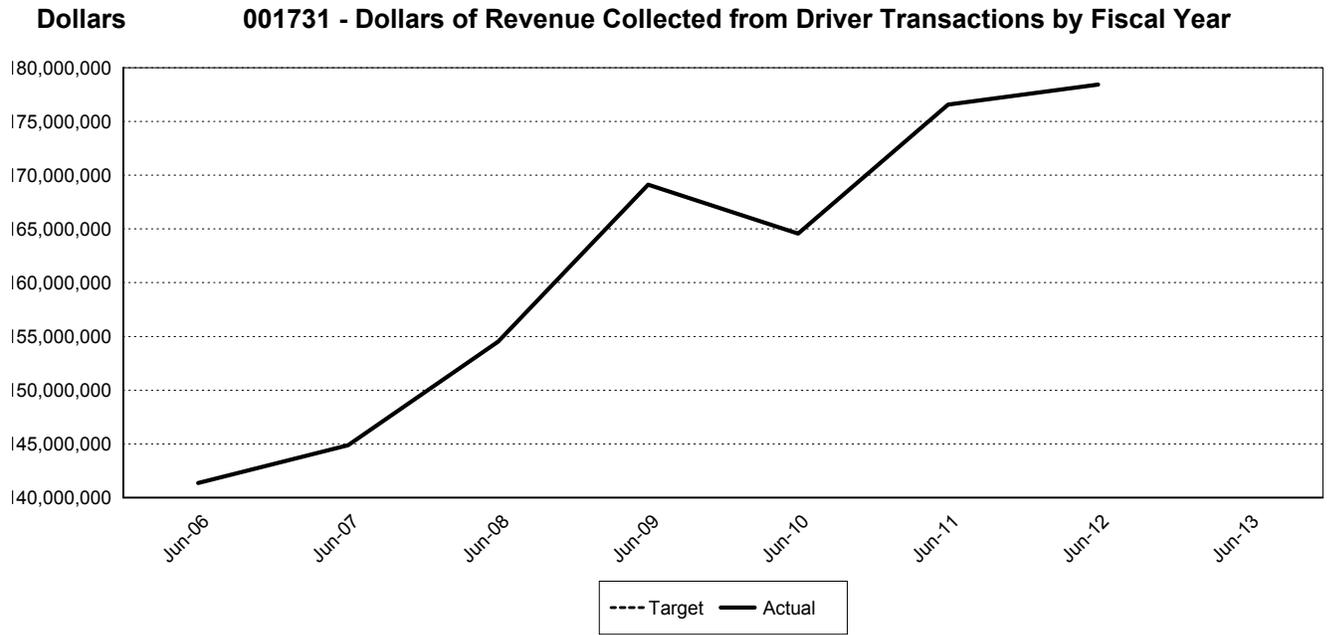
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	20	30
	M07	15	30
	M06	15	30
	M05	16	30
	M04	17	30
	M03	23	30
	M02	29	30
	M01	28	30
Performance Measure Status: Draft			

Number 000775 - Average number of Minutes Customers Wait in Licensing Service Office Lobbies by Month



001731 Dollars of Revenue Collected from Driver Transactions by Fiscal Year			
Biennium	Period	Actual	Target
2011-13	A3		
	A2	\$178,419,500	
Performance Measure Status: Draft			



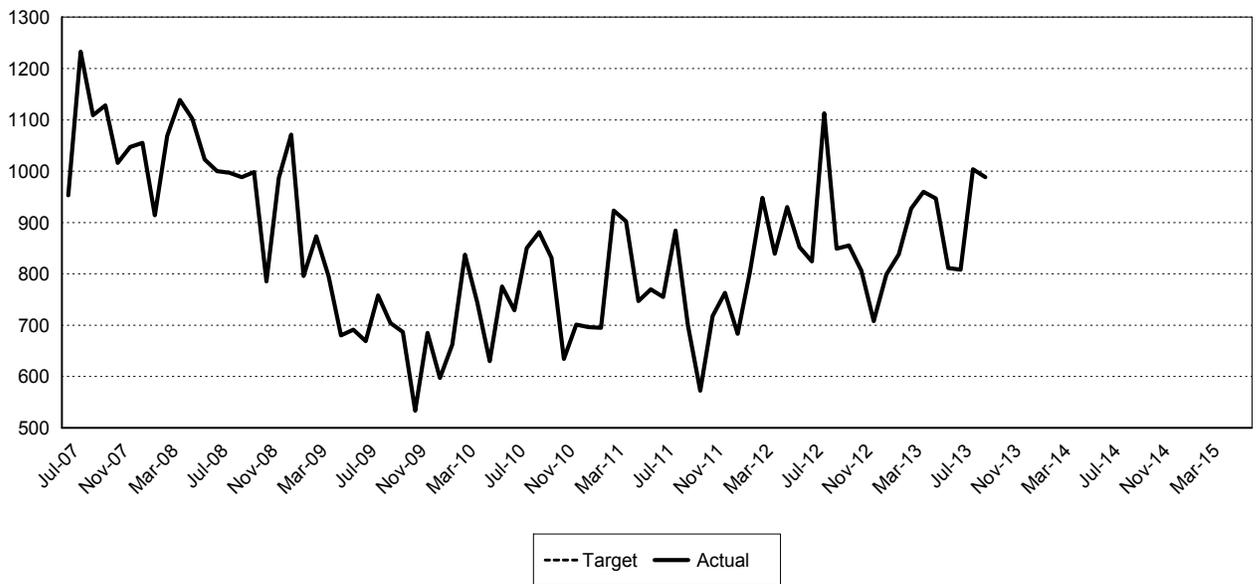
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001691 Number of Commercial Driver Licenses Issued by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		988	
M02		1,004	
M01		808	
2011-13	M24	811	
	M23	947	
	M22	960	
	M21	927	
	M20	838	
	M19	799	
	M18	708	
	M17	806	
	M16	855	
	M15	849	
	M14	1,113	
	M13	824	
	M12	852	
	M11	930	
M10	839		
M09	948		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	805
	M07	683
	M06	763
	M05	718
	M04	572
	M03	700
	M02	884
	M01	755
Performance Measure Status: Approved		

Number 001691 - Number of Commercial Driver Licenses Issued by Month



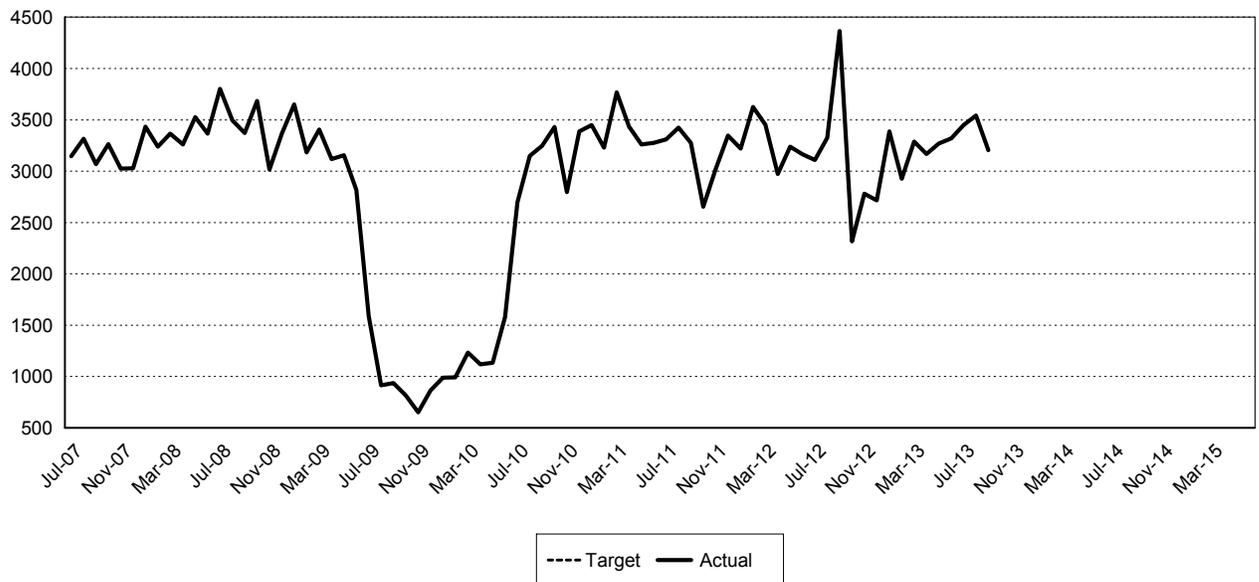
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001698 Number of Commercial Driver Licenses Renewed by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		3,204	
M02		3,543	
M01		3,449	
2011-13	M24	3,319	
	M23	3,269	
	M22	3,166	
	M21	3,288	
	M20	2,926	
	M19	3,386	
	M18	2,714	
	M17	2,780	
	M16	2,316	
	M15	4,364	
	M14	3,324	
	M13	3,109	
	M12	3,163	
	M11	3,239	
M10	2,972		
M09	3,452		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

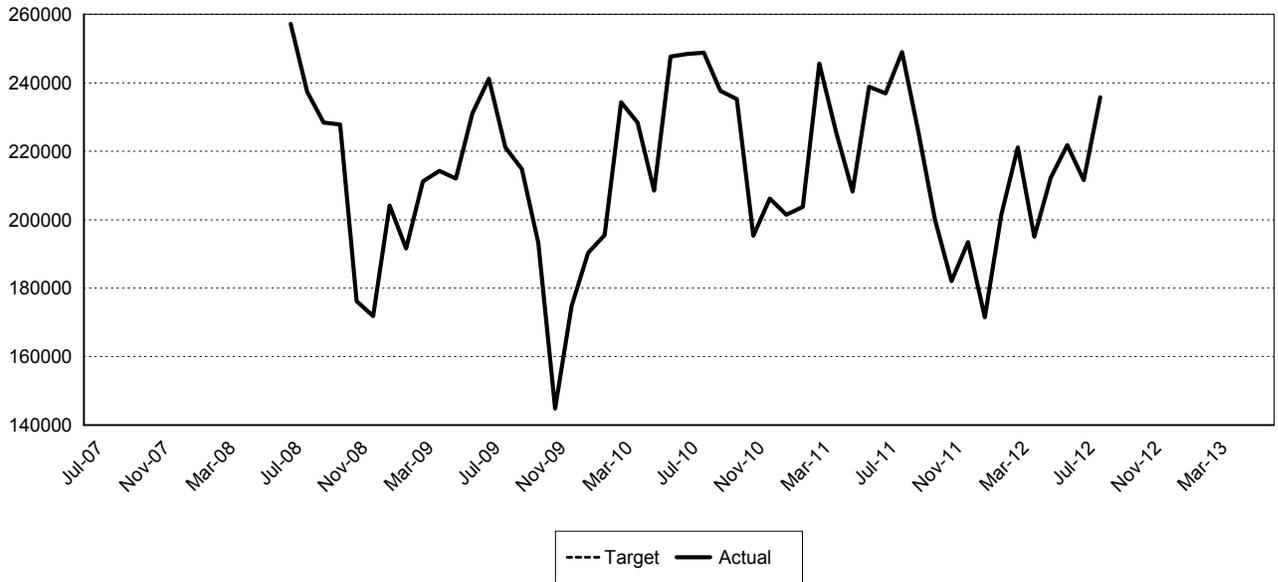
2011-13	M08	3,624
	M07	3,220
	M06	3,348
	M05	3,020
	M04	2,653
	M03	3,277
	M02	3,425
	M01	3,309
Performance Measure Status: Approved		

Number 001698 - Number of Commercial Driver Licenses Renewed by Month



001689 Number of Core Service Transactions Provided by Licensing Service Offices by Month			
Biennium	Period	Actual	Target
2011-13	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14	235,771	
	M13	211,526	
	M12	221,787	
	M11	212,320	
	M10	195,081	
	M09	221,175	
	M08	201,416	
	M07	171,480	
	M06	193,432	
	M05	182,026	
	M04	199,974	
	M03	225,371	
	M02	249,004	
	M01	236,909	
Performance Measure Status: Draft			

Number 001689 - Number of Core Service Transactions Provided by Licensing Service Offices by Month



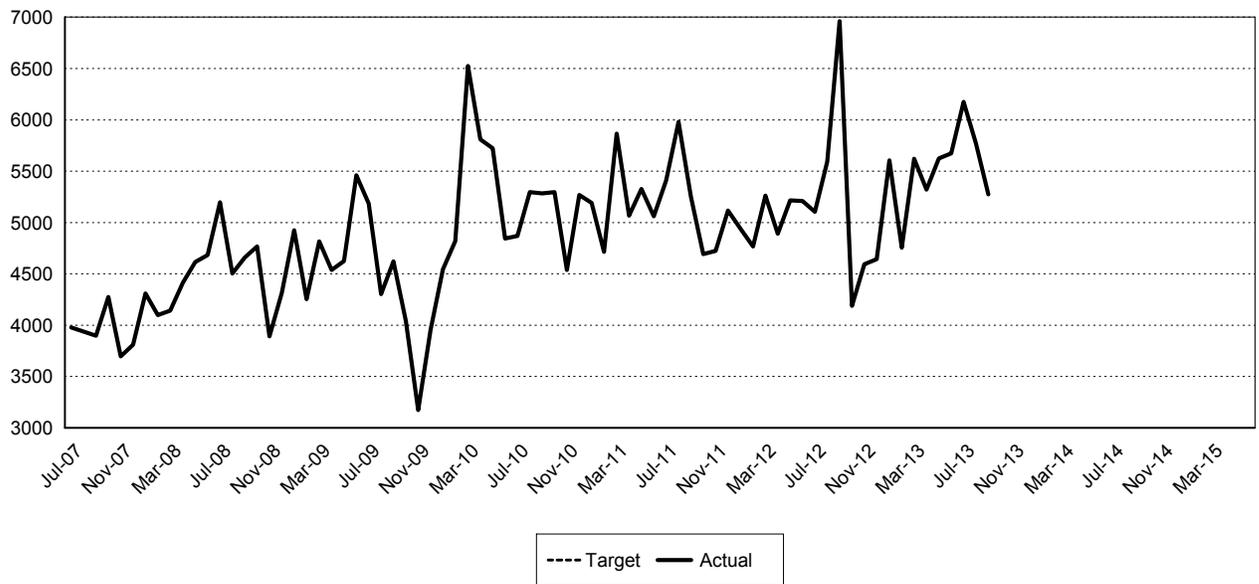
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001697 Number of Motorcycle Endorsements Renewed by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
	M04		
	M03	5,275	
	M02	5,771	
	M01	6,175	
2011-13	M24	5,674	
	M23	5,624	
	M22	5,321	
	M21	5,621	
	M20	4,754	
	M19	5,604	
	M18	4,643	
	M17	4,592	
	M16	4,187	
	M15	6,962	
	M14	5,593	
	M13	5,105	
	M12	5,209	
	M11	5,216	
	M10	4,890	
M09	5,261		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	4,768
	M07	4,938
	M06	5,117
	M05	4,723
	M04	4,691
	M03	5,251
	M02	5,980
	M01	5,409
Performance Measure Status: Approved		

Number 001697 - Number of Motorcycle Endorsements Renewed by Month



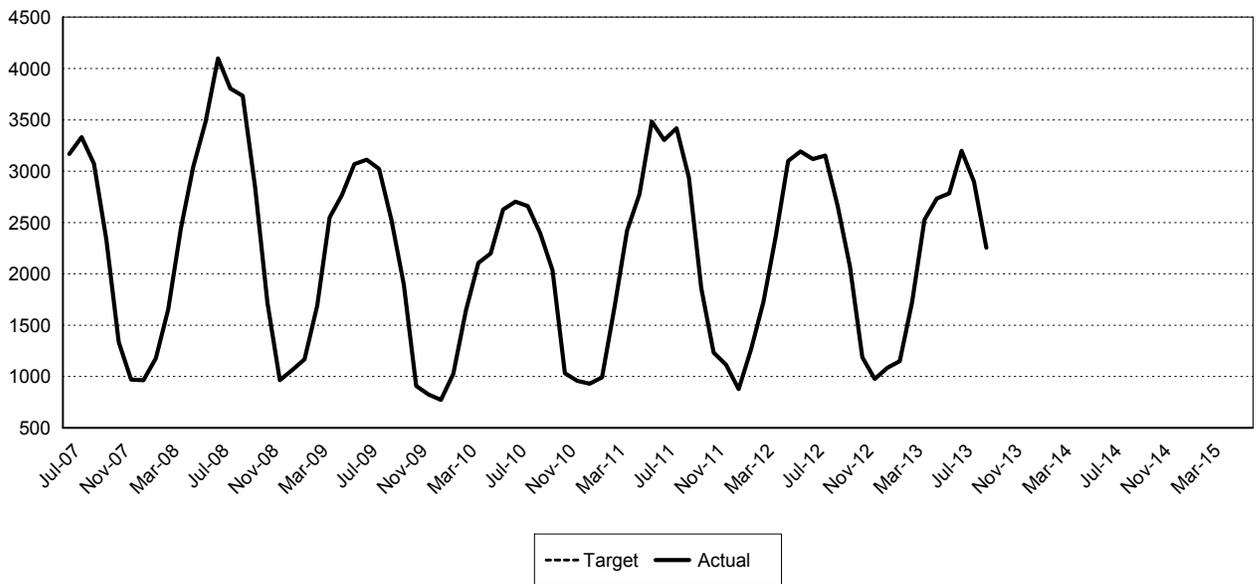
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001692 Number of New Motorcycle Endorsements Issued by Month				
Biennium	Period	Actual	Target	
2013-15	M24			
	M23			
	M22			
	M21			
	M20			
	M19			
	M18			
	M17			
	M16			
	M15			
	M14			
	M13			
	M12			
	M11			
	M10			
	M09			
	M08			
	M07			
	M06			
	M05			
	M04			
	M03		2,254	
	M02		2,899	
	M01		3,198	
2011-13	M24	2,785		
	M23	2,734		
	M22	2,526		
	M21	1,726		
	M20	1,149		
	M19	1,084		
	M18	976		
	M17	1,186		
	M16	2,068		
	M15	2,662		
	M14	3,152		
	M13	3,119		
	M12	3,192		
	M11	3,098		
	M10	2,366		
	M09	1,725		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	1,262
	M07	877
	M06	1,114
	M05	1,233
	M04	1,861
	M03	2,939
	M02	3,418
	M01	3,304
Performance Measure Status: Approved		

Number 001692 - Number of New Motorcycle Endorsements Issued by Month



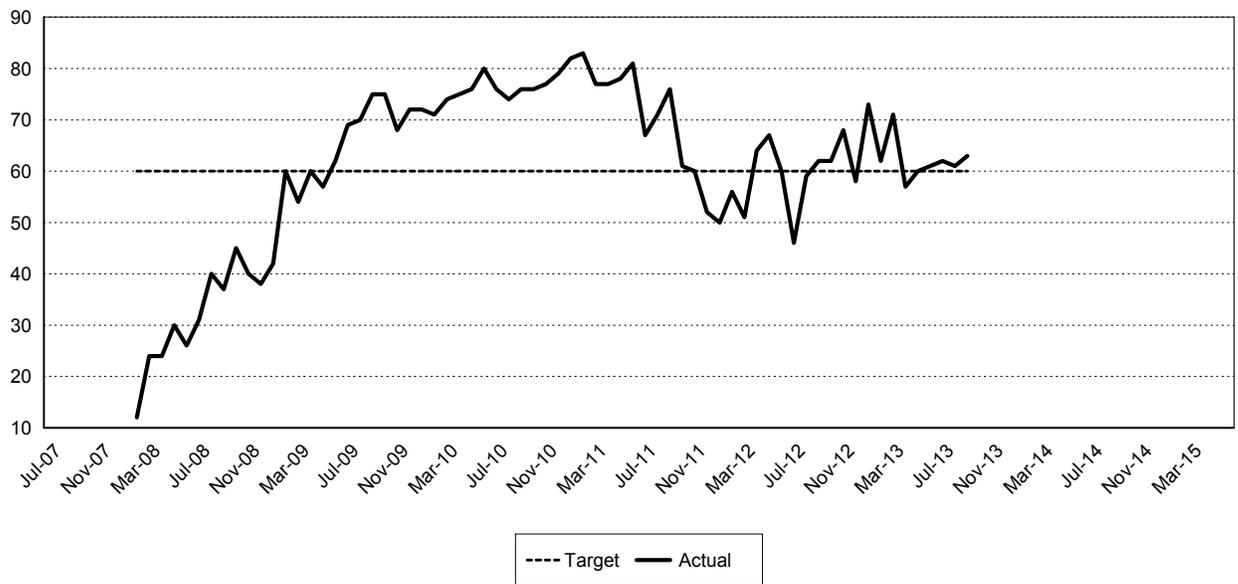
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001690 Percent of Commercial Driver License Applicants Tested by DOL by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		63%	60%
M02		61%	60%
M01		62%	60%
2011-13	M24	61%	60%
	M23	60%	60%
	M22	57%	60%
	M21	71%	60%
	M20	62%	60%
	M19	73%	60%
	M18	58%	60%
	M17	68%	60%
	M16	62%	60%
	M15	62%	60%
	M14	59%	60%
	M13	46%	60%
	M12	60%	60%
	M11	67%	60%
	M10	64%	60%
	M09	51%	60%

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	56%	60%
	M07	50%	60%
	M06	52%	60%
	M05	60%	60%
	M04	61%	60%
	M03	76%	60%
	M02	71%	60%
	M01	67%	60%
Performance Measure Status: Approved			

Percent 001690 - Percent of Commercial Driver License Applicants Tested by DOL by Month



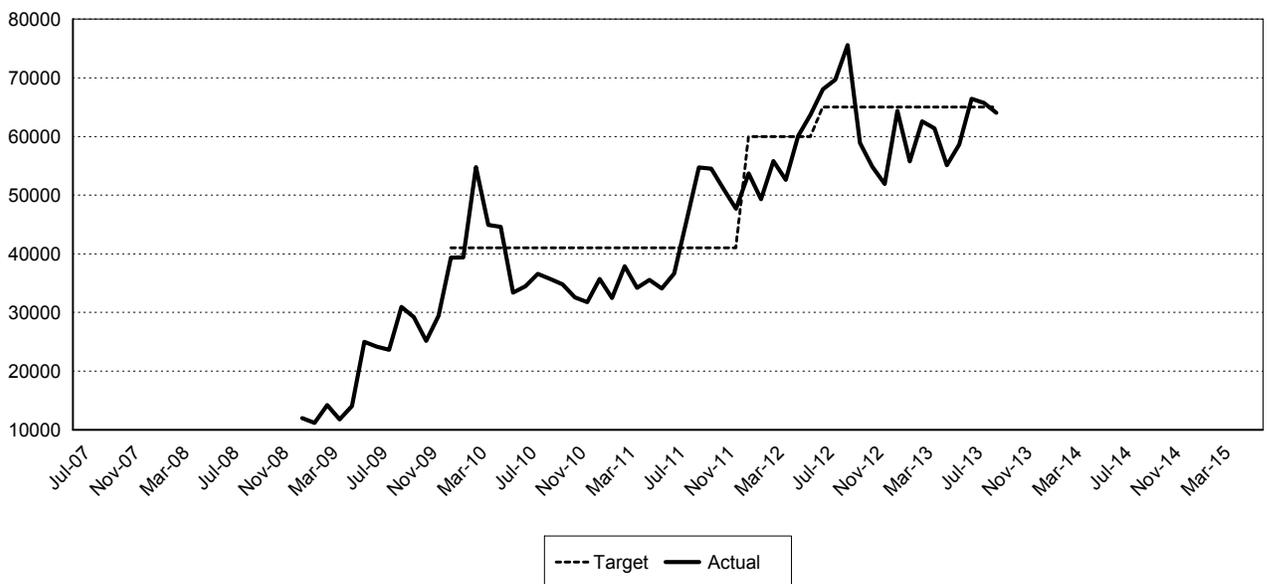
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001626 Results from New Strategies: Number of Self-Service Driver Transactions by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03	64,044	65,000	
M02	65,738	65,000	
M01	66,436	65,000	
2011-13	M24	58,610	65,000
	M23	55,134	65,000
	M22	61,365	65,000
	M21	62,607	65,000
	M20	55,741	65,000
	M19	64,345	65,000
	M18	51,938	65,000
	M17	54,834	65,000
	M16	58,903	65,000
	M15	75,590	65,000
	M14	69,691	65,000
	M13	68,043	65,000
	M12	63,738	60,000
	M11	60,067	60,000
	M10	52,640	60,000
	M09	55,827	60,000

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	49,301	60,000
	M07	53,701	60,000
	M06	47,704	41,000
	M05	51,070	41,000
	M04	54,513	41,000
	M03	54,740	41,000
	M02	45,645	41,000
	M01	36,634	41,000
Performance Measure Status: Approved			

Number 001626 - Results from New Strategies: Number of Self-Service Driver Transactions by Month



A010 Providing Due Process for Drivers

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

In an effort to reduce preventable loss of life, injury or property due to accidents, this activity provides due process prior to the suspension of a citizen's driving privilege. Twenty-five hearing officers annually conduct: 16,500 driving under the influence (DUI) hearings which must be processed within 60 days; 1,200 hearings for habitual offenders who have accumulated multiple moving violations leading to increased civil penalties; 550 financial responsibility hearings for accidents without required insurance coverage; hearings to restrict the driving privileges of 170 drivers for medical reasons that impair their ability to safely operate a motor vehicle; and 60 fraud hearings.

Account	FY 2016	FY 2017	Biennial Total
FTE			
106-1 State	85.9	78.6	82.3
106 Highway Safety Account			
106-1 State	\$6,016,000	\$6,382,000	\$12,398,000

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Administer Justice

Expected Results

Provide due process for drivers before their licenses are suspended. Protect public safety and reduce the risk of fatalities by removing potentially dangerous drivers from the roads. Conduct 18,000 hearings. Collect in excess of \$1.9 million in revenue. Conduct a DUI hearing within 60 days of the incident to more effectively remove impaired drivers from the roadways.

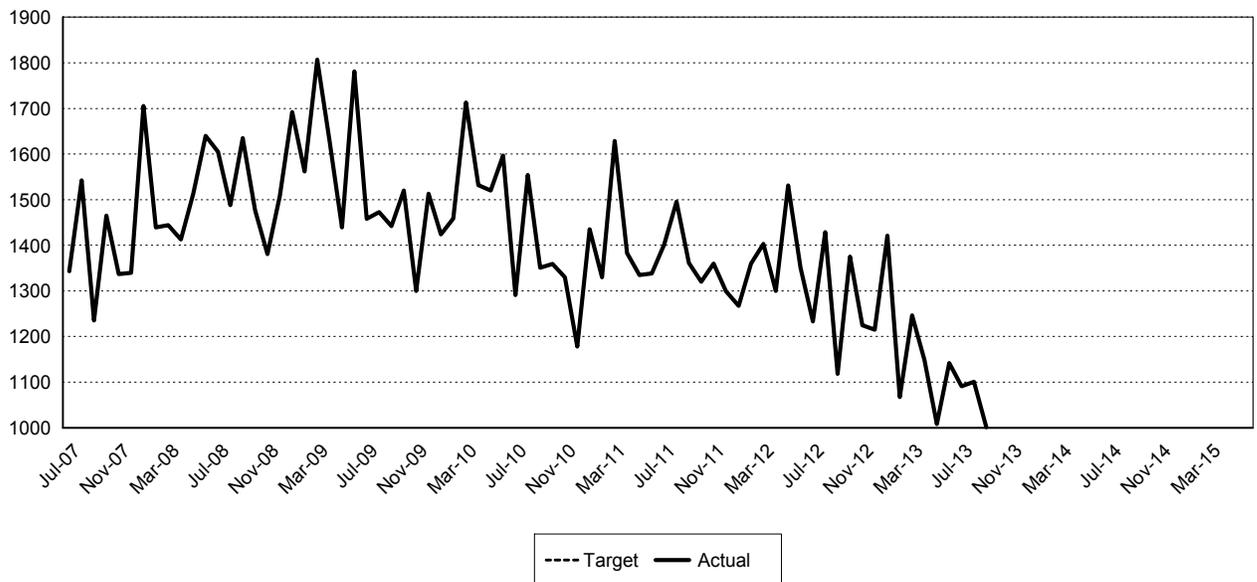
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001681 Number of Driver Hearings and Interviews Conducted by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		1,001	
M02		1,101	
M01		1,091	
2011-13	M24	1,142	
	M23	1,008	
	M22	1,148	
	M21	1,246	
	M20	1,067	
	M19	1,421	
	M18	1,215	
	M17	1,225	
	M16	1,375	
	M15	1,118	
	M14	1,429	
	M13	1,233	
	M12	1,351	
	M11	1,531	
M10	1,300		
M09	1,403		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	1,360
	M07	1,267
	M06	1,299
	M05	1,360
	M04	1,320
	M03	1,361
	M02	1,496
	M01	1,402
Performance Measure Status: Approved		

Number 001681 - Number of Driver Hearings and Interviews Conducted by Month



A011 Regulate Driver Training Schools and Motorcycle Safety Education

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

This activity certifies, licenses and monitors the performance and compliance of instructors and operators of Driving Training School (DTS) and Motorcycle Safety Education (MSE) training courses. Successful administration of these training courses ensures that curriculum requirements are met to assist new drivers and motorcyclists to safely and properly operate their vehicles. Partnerships with the Washington Traffic Safety Commission, Driver Training School Advisory Board, and Motorcycle Safety Advisory Board assist in the administration of this activity.

Account	FY 2016	FY 2017	Biennial Total
FTE			
106-1 State	11.1	7.2	9.2
106 Highway Safety Account			
106-1 State	\$1,779,000	\$1,768,000	\$3,547,000
082 Motorcycle Safety Education Account			
082-1 State	\$1,372,000	\$2,118,000	\$3,490,000

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Enforce the law

Expected Results

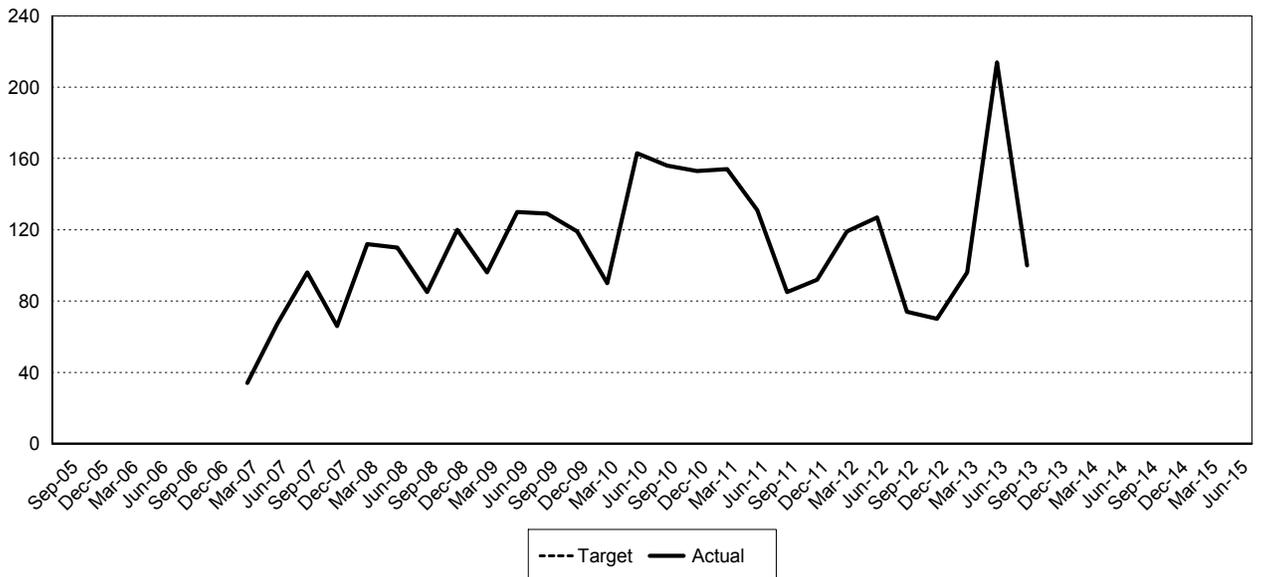
Licensing and performance monitoring of 700 driver training school instructors at 230 driving schools annually to ensure that minimum curriculum requirements are met to properly educate and develop the driving skills of 64,000 new automobile drivers.

Certification of 230 motorcycle skills instructors, contracting with 13 rider-training sponsors, and monitoring of 29 training sites facilitating the training of 12,000 students, and the completion of 33,060 motorcycle knowledge tests and 6,500 motorcycle skill tests annually.

001709 Number of Audits of Drive Training Schools by Quarter			
Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1	100	
2011-13	Q8	214	
	Q7	96	
	Q6	70	
	Q5	74	
	Q4	127	
	Q3	119	
	Q2	92	
	Q1	85	

Performance Measure Status: Approved

Number 001709 - Number of Audits of Drive Training Schools by Quarter



001693 Number of Motorcycle Riders Completing Voluntary Motorcycle Safety Training by Calendar Year			
Biennium	Period	Actual	Target
2011-13	Q8		
	Q7		
	Q6	19,633	
	Q5		
	Q4		
	Q3		
	Q2	18,918	
	Q1		
Performance Measure Status: Approved			

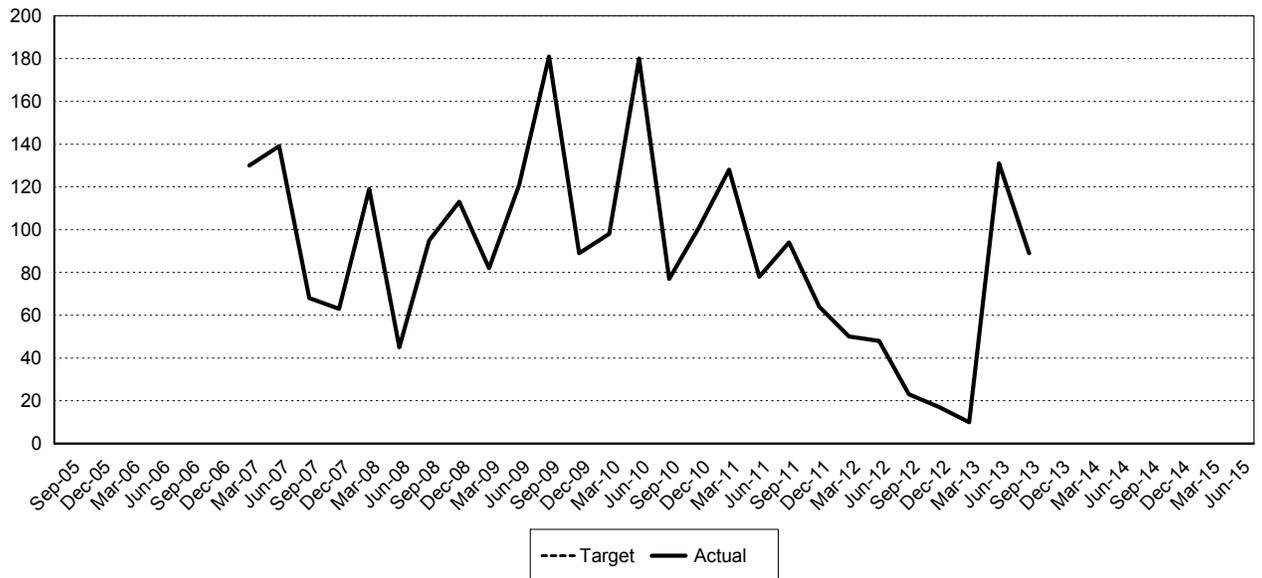
Number 001693 - Number of Motorcycle Riders Completing Voluntary Motorcycle Safety Training by Calendar Year



001708 Number of RCW and WAC Violations Addressed through Audits of Drive Training Schools by Quarter			
Biennium	Period	Actual	Target
2013-15	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1	89	
2011-13	Q8	131	
	Q7	10	
	Q6	17	
	Q5	23	
	Q4	48	
	Q3	50	
	Q2	64	
	Q1	94	

Performance Measure Status: Approved

Number 001708 - Number of RCW and WAC Violations Addressed through Audits of Drive Training Schools by Quarter



A012 Firearms Records Clearinghouse

Law enforcement agencies are required to complete background checks and either approve or deny various firearms licenses. As the clearinghouse for firearms records, the DOL Firearms program provides law enforcement with information on firearms licenses to ensure that only eligible individuals can obtain licenses and purchase handguns. The program is also used to investigate criminal activity and to arrest and prosecute individuals who violate firearm laws. Annually, DOL processes over 65,000 concealed pistol licenses, 50,000 handgun transfers, approximately 200 alien firearm licenses, and 600 firearm dealer licenses. In addition, DOL processes over 35,000 court conviction notices each year where an individual's firearm possession rights have been removed, and verifies concealed pistol license and firearm possession with law enforcement. DOL provides firearm dealers with forms and information on procedures for transferring handgun ownership. The Department also acts as a resource to law enforcement by providing direction and training on the firearm laws and proper licensing procedures.

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	19.0	13.3	16.2
001 General Fund			
001-1 State	\$883,000	\$559,000	\$1,442,000

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Enforce the law

Expected Results

The Firearms Program measures its success by processing all concealed pistol, alien firearm and firearm dealer licenses within three business days after receipt of the document; processing court conviction notices within three to five business days after the receipt of a document; completing all certifications (verification of the accuracy of the information contained in the firearms database) within one business day; citizens receive their license or handgun within the time frame required, supporting their constitutional right to bear arms. Law enforcement is able to ensure that only those individuals who can lawfully possess a firearm receive licenses, contributing to public and officer safety. The Department trains over 300 law enforcement record specialists and law enforcement officers statewide each year on how to conduct criminal history background checks on license applicants and procedures to properly complete license documents. Over \$900,000 is collected each fiscal year that is deposited into the General Fund-State.

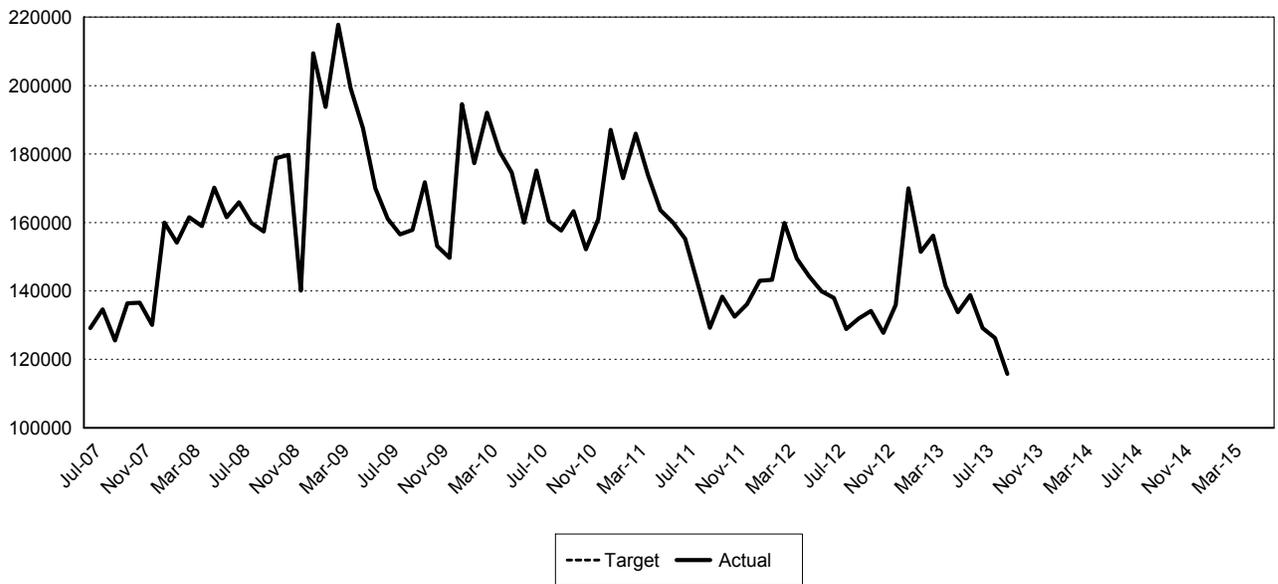
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001714 Number of Law Enforcement Inquiries to Firearms Database by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		115,708	
M02		126,227	
M01		129,126	
2011-13	M24	138,784	
	M23	133,781	
	M22	141,512	
	M21	156,164	
	M20	151,432	
	M19	170,003	
	M18	135,901	
	M17	127,781	
	M16	134,117	
	M15	131,904	
	M14	128,859	
	M13	137,997	
	M12	139,903	
	M11	144,261	
	M10	149,510	
M09	159,910		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	143,274
	M07	142,970
	M06	136,104
	M05	132,461
	M04	138,319
	M03	129,223
	M02	142,322
	M01	155,234
Performance Measure Status: Approved		

Number 001714 - Number of Law Enforcement Inquiries to Firearms Database by Month



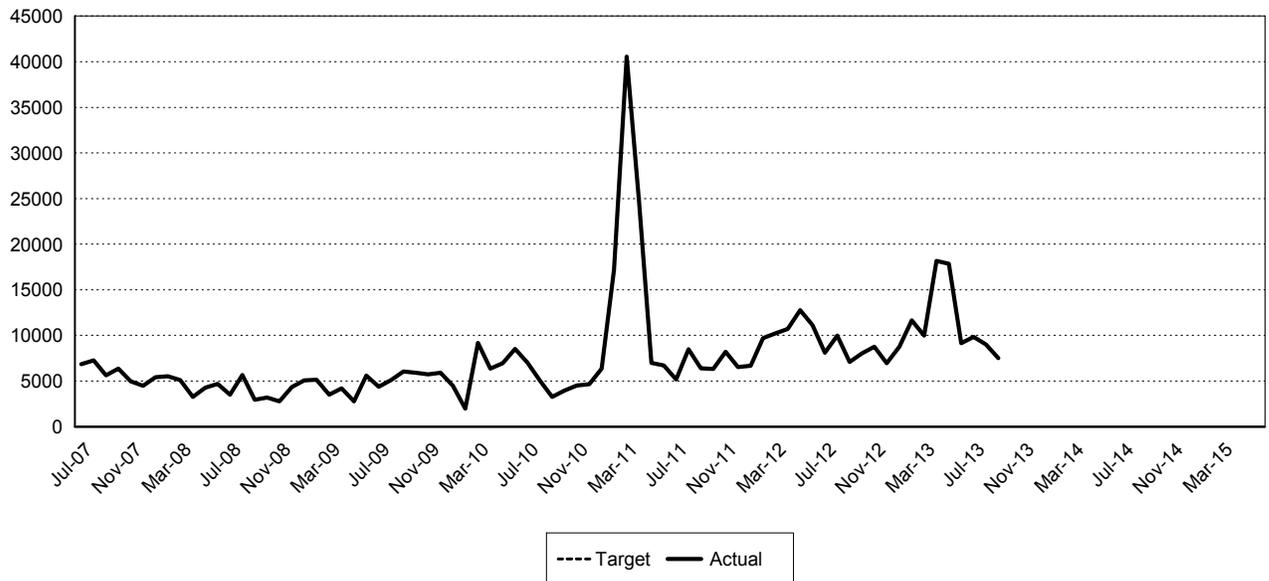
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001712 Number of Records Entered of Concealed Pistol Licenses Issued and Denied by Law Enforcement by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		7,512	
M02		8,994	
M01		9,836	
2011-13	M24	9,140	
	M23	17,838	
	M22	18,176	
	M21	9,997	
	M20	11,655	
	M19	8,746	
	M18	6,968	
	M17	8,760	
	M16	8,022	
	M15	7,094	
	M14	9,975	
	M13	8,102	
	M12	11,149	
	M11	12,778	
M10	10,726		
M09	10,233		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	9,711
	M07	6,690
	M06	6,542
	M05	8,221
	M04	6,310
	M03	6,387
	M02	8,474
	M01	5,185
Performance Measure Status: Approved		

Number 001712 - Number of Records Entered of Concealed Pistol Licenses Issued and Denied by Law Enforcement by Month



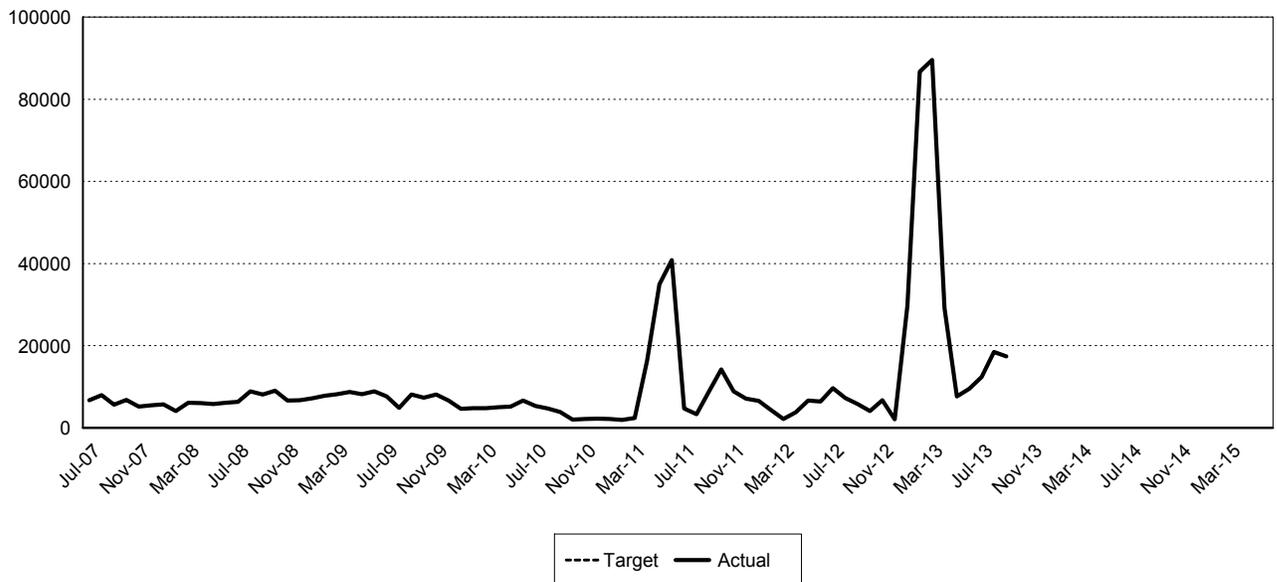
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001713 Number of Records Entered of Pistol Sales by Firearms Dealers by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		17,376	
M02		18,450	
M01		12,377	
2011-13	M24	9,512	
	M23	7,626	
	M22	29,160	
	M21	89,560	
	M20	86,724	
	M19	29,663	
	M18	2,045	
	M17	6,740	
	M16	4,048	
	M15	5,796	
	M14	7,254	
	M13	9,660	
	M12	6,428	
	M11	6,625	
M10	3,739		
M09	2,128		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	4,274
	M07	6,569
	M06	7,068
	M05	8,893
	M04	14,225
	M03	8,774
	M02	3,333
	M01	4,667
Performance Measure Status: Approved		

Number 001713 - Number of Records Entered of Pistol Sales by Firearms Dealers by Month



A016 Administration of Fuel Tax Collection and Motor Carrier Services

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

This activity administers state motor vehicle fuel, special fuel, and aircraft fuel tax collection programs for the licensing fuel suppliers, exporters, importers, blenders, and distributors. This activity processes efficient fuel tax returns and associated payments; provides taxpayer education and training; and conducts audit and compliance investigations that reduce fuel tax evasion. It collects motor vehicle and special fuel taxes at the terminal rack and administers a dyed special fuel program for fuel used off-highway that is not subject to the state tax. DOL partners with tribal governments, providing revenue to the tribes through fuel tax refunds. The activity receives federal funds to implement cost-saving programs, including the Commercial Vehicle Information System and Network (CVISN) program (which enables trucks to electronically transmit information without stopping at ports of entry and weigh stations) and the Performance Registration Information Systems Management (PRISM) program (which ensures that interstate trucks meet current safety standards). This activity also enables Washington-based interstate carriers to apply for and receive their international registration plan (IRP) operating credentials and file their international fuel tax agreement (IFTA) fuel tax returns via the Internet.

Account	FY 2016	FY 2017	Biennial Total
FTE			
106-1 State	102.2	106.0	104.1
108-1 State	1.2	2.0	1.6
FTE Total	103.4	108.0	105.7
201 DOL Services Account			
201-1 State	\$7,000	\$1,000	\$8,000
108 Motor Vehicle Account			
108-1 State	\$14,525,000	\$9,746,000	\$24,271,000
108-2 Federal	\$202,000	\$160,000	\$362,000
108 Account Total	\$14,727,000	\$9,906,000	\$24,633,000
082 Motorcycle Safety Education Account			
082-1 State	\$654,000	\$266,000	\$920,000

Statewide Result Area: Efficient, Effective and Accountable Government

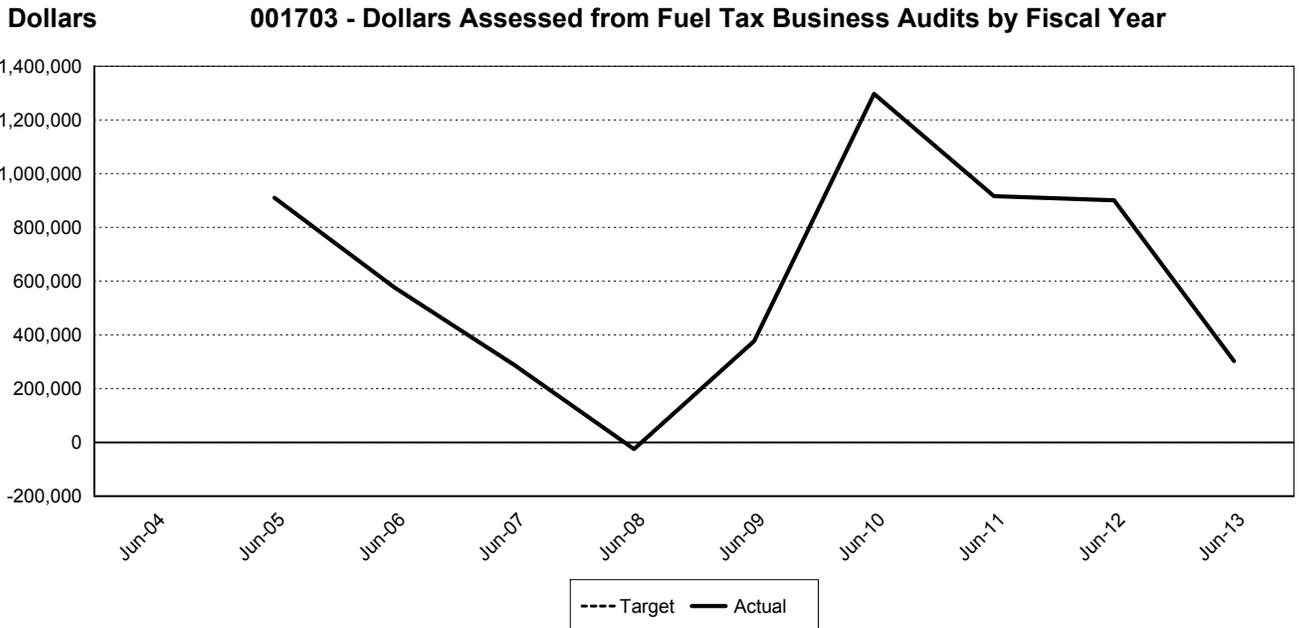
Statewide Strategy: Safeguard and manage public funds

Expected Results

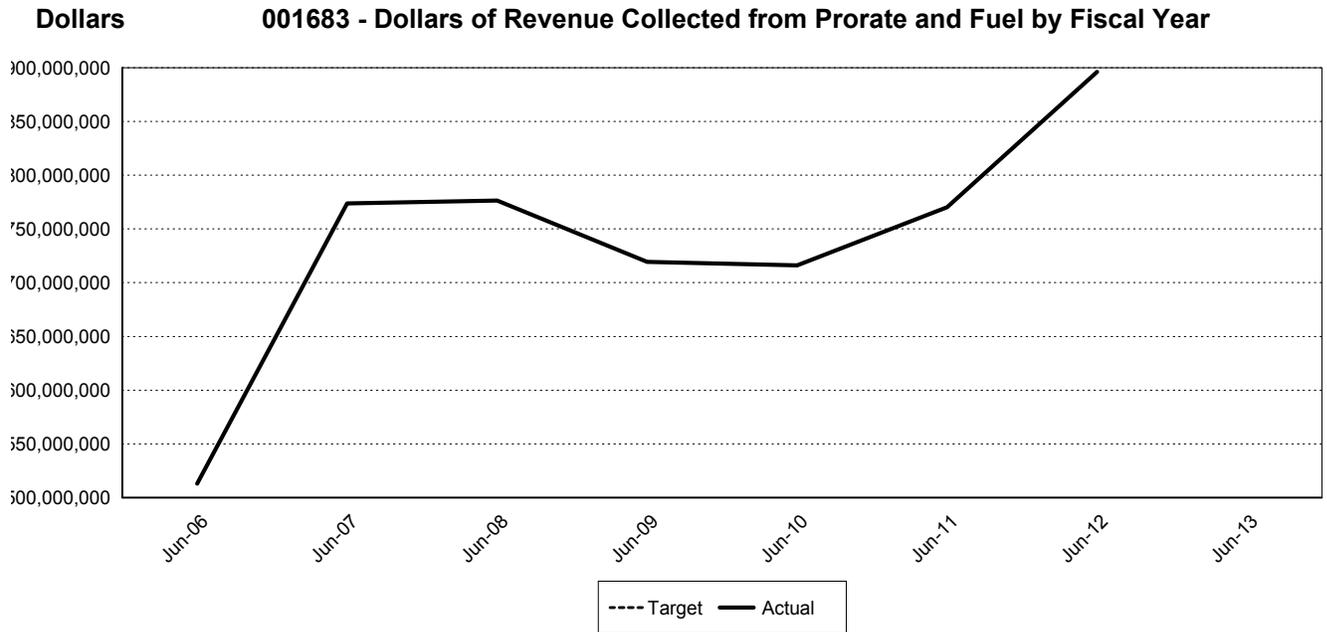
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

Provide one-stop vehicle licensing and fuel tax filing services for Washington-based interstate motor carriers. Significantly reduce paperwork and compliance burdens for fuel tax licensing, reporting, and payment of fuel taxes for interstate motor carriers by consolidating fuel tax license and vehicle registration issued by the base state into one process to operate in all states and Canadian provinces. Administration of the IRP and IFTA in Washington. Collect \$2.01.9 billion in fuel taxes per biennium. Issue 16 different types of fuel licenses that impact about 7,000 businesses. Annually process 20,000 business tax returns, and 52,000 licensing transactions. Collect \$43.8 million in Washington commercial vehicle registration fees. Collect and transmit \$12 million to other IRP jurisdictions. License 3,600 IFTA accounts. Annually conduct 400 field audits to ensure compliance and uniformity with prorate and fuel tax statutes. Conduct investigations of suspected fraudulent fuel transactions to ensure fuel taxes are paid to the state. Recover over \$4 million each biennium in unpaid taxes. Process and issue 20,000 prorate and fuel tax refunds annually (\$30 million each biennium). Provide assistance to tribal governments through the pursuit and procurement of 13 state/tribal fuel tax agreements for reimbursement of state fuel taxes. With the Washington State Patrol, Department of Transportation, and state trucking associations, administer the PRISM program (to determine the safety fitness of motor carriers prior to vehicle registration) and the CVISN program.

001703 Dollars Assessed from Fuel Tax Business Audits by Fiscal Year			
Biennium	Period	Actual	Target
2011-13	A3	\$302,110	
	A2	\$901,227	
Performance Measure Status: Approved			

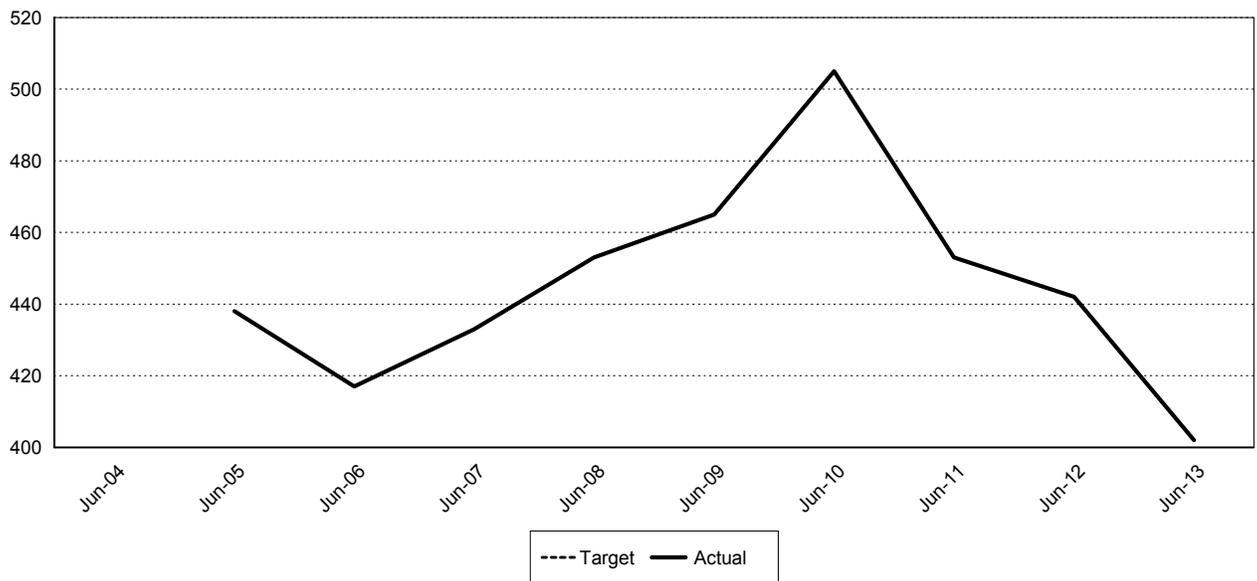


001683 Dollars of Revenue Collected from Prorate and Fuel by Fiscal Year			
Biennium	Period	Actual	Target
2011-13	A3		
	A2	\$1,896,187,795	
Performance Measure Status: Draft			



001702 Number of Audits of Fuel Tax Businesses by Fiscal Year			
Biennium	Period	Actual	Target
2011-13	A3	402	
	A2	442	
Performance Measure Status: Approved			

Number **001702 - Number of Audits of Fuel Tax Businesses by Fiscal Year**



A017 Professional Licensing and Regulation

There are approximately 225,000 individuals and businesses licensed to practice in 27 professions regulated by the Business and Professions Division. (RCW 18.118.010 (1)) DOL evaluates license applications, develops and administers valid professional licensing exams, and administers programs of continuing education, licensing renewals, and technical assistance. Through its regulatory, audit, investigation, and enforcement activities, DOL protects consumers from fraud, malpractice, negligence, deceptive advertising, and other potential violations associated with the delivery of services. Enforcement includes revoking or suspending a license, restricting or monitoring the licensee's practice, imposing monetary fines, or requiring completion of a remedial education program. DOL conducts approximately 6,150 audits or inspections each year to ensure compliance with regulations. Its online registry of licensed professionals alerts consumers to licensees who have been subject to disciplinary actions for unprofessional conduct. The 27 regulated professions include: appraisers, architects, auctioneers, bail bond agents, on-site wastewater inspectors and designers, cemeteries, collection agencies, commercial telephone solicitors, cosmetology, court reporters, employment agencies, engineers, funeral homes, geologists, land surveyors, landscape architects, limousine carriers, notaries, camping resorts, private investigators, professional athletics, real estate, security guards, sellers of travel, timeshare companies, vehicles for hire (taxi), and whitewater river outfitters.

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
FTE			
06L-1 State	203.3	202.3	202.8
996-Z Other	3.0	3.0	3.0
FTE Total	206.3	205.3	205.8
16M Appraisal Management Company Account			
16M-1 State	\$2,000	\$2,000	\$4,000
16M-6 Non-Appropriated	\$84,000	\$85,000	\$169,000
16M Account Total	\$86,000	\$87,000	\$173,000
003 Architects' License Account			
003-1 State	\$421,000	\$517,000	\$938,000
06L Business and Professions Account			
06L-1 State	\$8,103,000	\$8,361,000	\$16,464,000
15V Funeral and Cemetery Account			
15V-1 State	\$3,000	\$3,000	\$6,000
15V-6 Non-Appropriated	\$722,000	\$722,000	\$1,444,000
15V Account Total	\$725,000	\$725,000	\$1,450,000
001 General Fund			
001-1 State	\$0	\$74,000	\$74,000
298 Geologists' Account			
298-1 State	\$19,000	\$28,000	\$47,000
298-6 Non-Appropriated	\$220,000	\$205,000	\$425,000
298 Account Total	\$239,000	\$233,000	\$472,000
106 Highway Safety Account			
106-1 State	\$588,000	\$485,000	\$1,073,000
16B Landscape Architects' License Account			
16B-1 State	\$2,000	\$2,000	\$4,000
16B-6 Non-Appropriated	\$266,000	\$112,000	\$378,000
16B Account Total	\$268,000	\$114,000	\$382,000
024 Professional Engineers' Account			
024-1 State	\$1,993,000	\$1,906,000	\$3,899,000
06G Real Estate Appraiser Commission Account			
06G-1 State	\$863,000	\$854,000	\$1,717,000
026 Real Estate Commission Account			
026-1 State	\$5,280,000	\$5,444,000	\$10,724,000
04F Real Estate Education Program Account			
04F-1 State	\$150,000	\$126,000	\$276,000
06R Real Estate Research Account			

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

Account	FY 2016	FY 2017	Biennial Total
06R-1 State	\$362,000	\$53,000	\$415,000

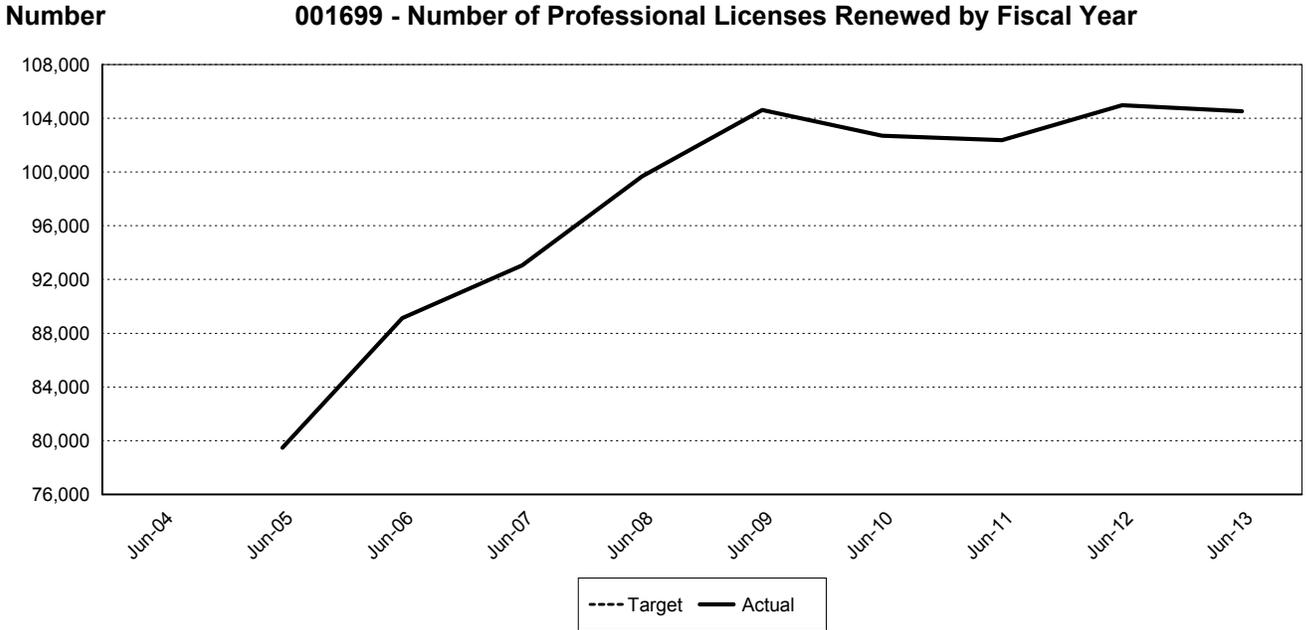
Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide consumer protection

Expected Results

This activity measures its success by ensuring that only applicants who meet minimum qualifications are licensed to practice; providing information on the Internet on licensed professionals and their standing to help consumers make informed choices; taking appropriate corrective action against any person or firm that violates the standards of practice and endangered public health, safety, welfare, or property; removing a license for failure to pay child support or repay student loans; and providing due process and consistent regulation and processes for professions. One hundred percent of real estate brokers, cosmetology salons, cosmetology schools, funeral homes, and cemeteries are audited or inspected over established one, two, or three-year cycles to ensure compliance with regulations. One hundred percent of all licensees required to have background checks are completed. Boxing, martial arts, and other professional athletic events are monitored to ensure the safety of participants and the viewing public. Individuals responsible for apprehending fugitive criminal defendants are screened to ensure that a minimum of training and testing in defensive tools and tactics has been achieved before issuing the license as a bail bond recovery agent.

001699 Number of Professional Licenses Renewed by Fiscal Year			
Biennium	Period	Actual	Target
2011-13	A3	104,530	
	A2	104,965	
Performance Measure Status: Approved			



A018 Uniform Commercial Code Program

In accordance with RCW 62A.9A, the Uniform Commercial Code (UCC) program maintains the central repository of liens on personal property of residents and businesses in Washington and conducts certified searches of its records for the public. The UCC program's central repository is a key part of the larger Uniform Commercial Code system and laws. By filing a financing statement with the UCC program, the secured party (creditor) establishes its priority against the collateral, in case of default by the debtor.

Account	FY 2016	FY 2017	Biennial Total
FTE			
04E-1 State	12.0	12.0	12.0
04E Uniform Commercial Code Account			
04E-1 State	\$1,635,000	\$1,469,000	\$3,104,000

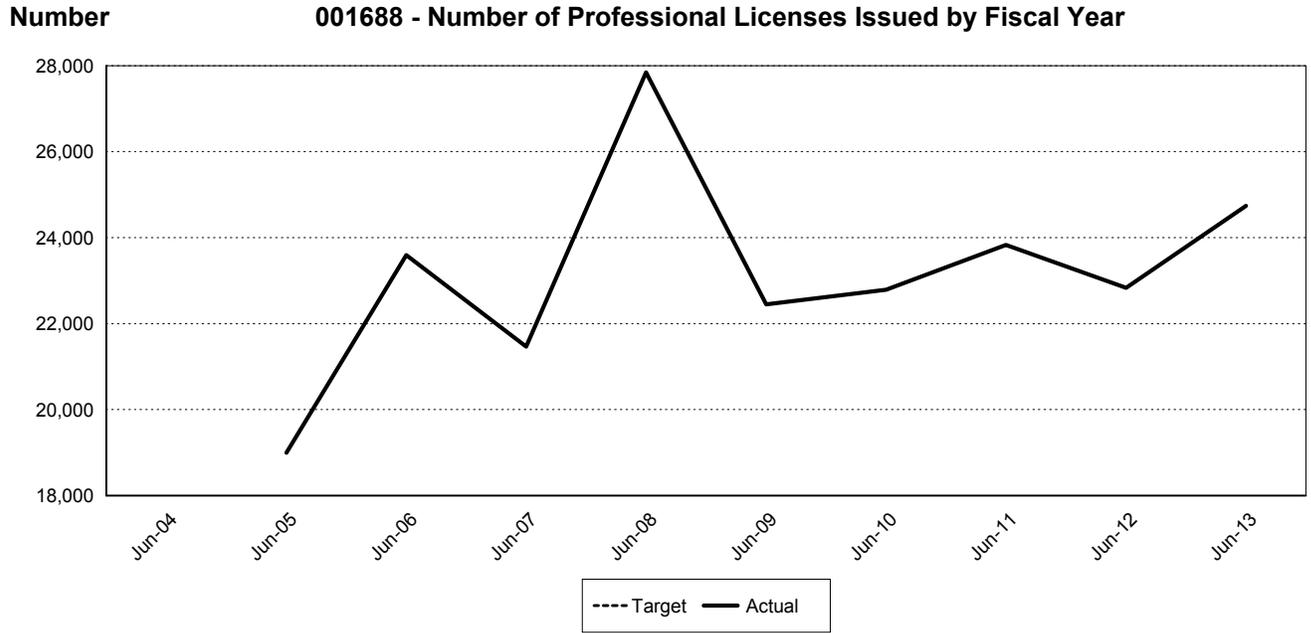
Statewide Result Area: Prosperous Economy

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

The UCC program measured its success in Fiscal Year 2003 by processing approximately 92,172 new filings, conducting 16,146 searches, and collecting approximately \$1.5 million in revenue; providing immediate, online access for the public to file and search at reduced fees; completing all filings and searches within two business days in compliance with federal and state requirements. Quick turnaround is vital to helping banks issue loans and helping businesses to obtain loans in a timely manner.

001688 Number of Professional Licenses Issued by Fiscal Year			
Biennium	Period	Actual	Target
2011-13	A3	24,739	
	A2	22,833	
Performance Measure Status: Approved			



Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

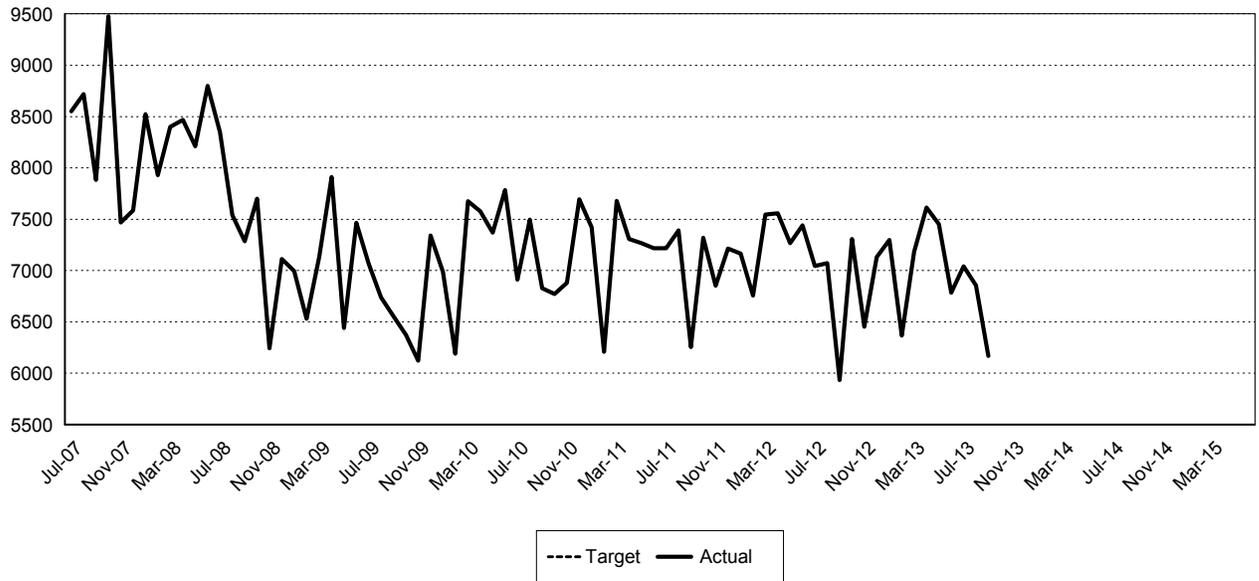
001687 Number of UCC Filings Processed by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		6,166	
M02		6,854	
M01		7,040	
2011-13	M24	6,783	
	M23	7,452	
	M22	7,613	
	M21	7,182	
	M20	6,366	
	M19	7,296	
	M18	7,131	
	M17	6,451	
	M16	7,307	
	M15	5,933	
	M14	7,072	
	M13	7,044	
	M12	7,441	
	M11	7,265	
	M10	7,558	
	M09	7,545	
M08	6,757		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M07	7,165
	M06	7,213
	M05	6,853
	M04	7,318
	M03	6,255
	M02	7,391
	M01	7,218
Performance Measure Status: Approved		

Number

001687 - Number of UCC Filings Processed by Month

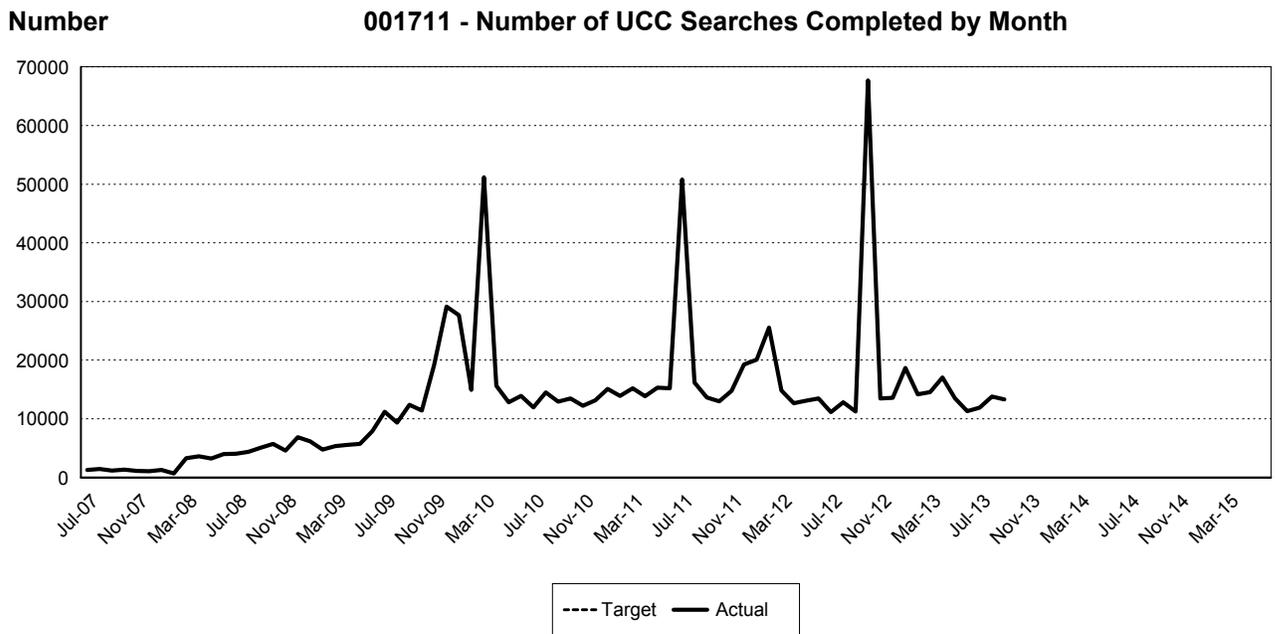


Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001711 Number of UCC Searches Completed by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
	M04		
	M03	13,288	
	M02	13,790	
	M01	11,921	
2011-13	M24	11,327	
	M23	13,544	
	M22	17,044	
	M21	14,543	
	M20	14,175	
	M19	18,696	
	M18	13,603	
	M17	13,483	
	M16	67,699	
	M15	11,237	
	M14	12,841	
	M13	11,118	
	M12	13,482	
	M11	13,080	
	M10	12,635	
	M09	14,829	
M08	25,553		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M07	20,064
	M06	19,281
	M05	14,787
	M04	12,971
	M03	13,644
	M02	16,181
	M01	50,771
Performance Measure Status: Approved		



A020 Administration of Regulatory Functions Involving Vehicle and Vessel Dealers and Manufacturers

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

This activity ensures protection for vehicle and vessel dealers, manufacturers, and individuals through the administration and enforcement of laws that license and regulate approximately 6,900 vehicle manufacturers and dealers of motor vehicles, motorcycles, snowmobiles, off-road vehicles, motor homes, travel trailers, manufactured homes, and vessels. This activity also includes the administration of the licensing of wreckers, tow truck operators, hulk haulers, scrap processors, and motor vehicle transporters operating or doing business in Washington State.

Account	FY 2016	FY 2017	Biennial Total
FTE			
06L-1 State	9.5	9.4	9.5
106-1 State	34.1	35.4	34.8
FTE Total	43.6	44.8	44.2
003 Architects' License Account			
003-1 State	\$10,000	\$8,000	\$18,000
06L Business and Professions Account			
06L-1 State	\$669,000	\$157,000	\$826,000
001 General Fund			
001-1 State	\$1,000	\$54,000	\$55,000
298 Geologists' Account			
298-6 Non-Appropriated	\$7,000	\$159,000	\$166,000
048 Marine Fuel Tax Refund Account			
048-1 State	\$2,000	\$2,000	\$4,000
108 Motor Vehicle Account			
108-1 State	\$4,493,000	\$4,430,000	\$8,923,000
024 Professional Engineers' Account			
024-1 State	\$42,000	\$32,000	\$74,000
06G Real Estate Appraiser Commission Account			
06G-1 State	\$20,000	\$15,000	\$35,000
026 Real Estate Commission Account			
026-1 State	\$343,000	\$0	\$343,000

Statewide Result Area: Prosperous Economy

Statewide Strategy: Provide consumer protection

Expected Results

Collect \$4.4 million in revenue from dealer license fees per biennium. Investigate over 2,000 consumer and business complaints annually. Conduct 1,300 investigations and over 2,300 inspections, certifications, and technical assistance visits to ensure compliance with the law. Conduct 359 audits of vehicle and vessel dealerships. Fraud and Complaint Investigations ensures that fair and reasonable transactions are available to consumers through the detection and correction of violations of advertising, sales, and services laws and rules. Provide online access and customer services 24 hours a day, offering 41 forms online. Generate \$9.2 million in a combination of revenue for the state and recovered/returned money to consumers. Collect statewide data regarding the value of goods and money recovered and returned to the consumer. Collect fines in excess of \$600,000 for violations. Administer and enforce laws relating to odometer tampering, auto theft deterrents, dealer advertising violations, manufactured/mobile housing regulations, unlicensed vehicle dealer activities, and motor vehicle dealer/manufacturer franchise disputes. Examine vehicle and vessel title documents submitted through county auditor offices and subagents for evidence of fraud, and provide evidence to field offices for investigation and agency administrative action or prosecution through cooperation with law enforcement. Examine all applications for financial integrity.

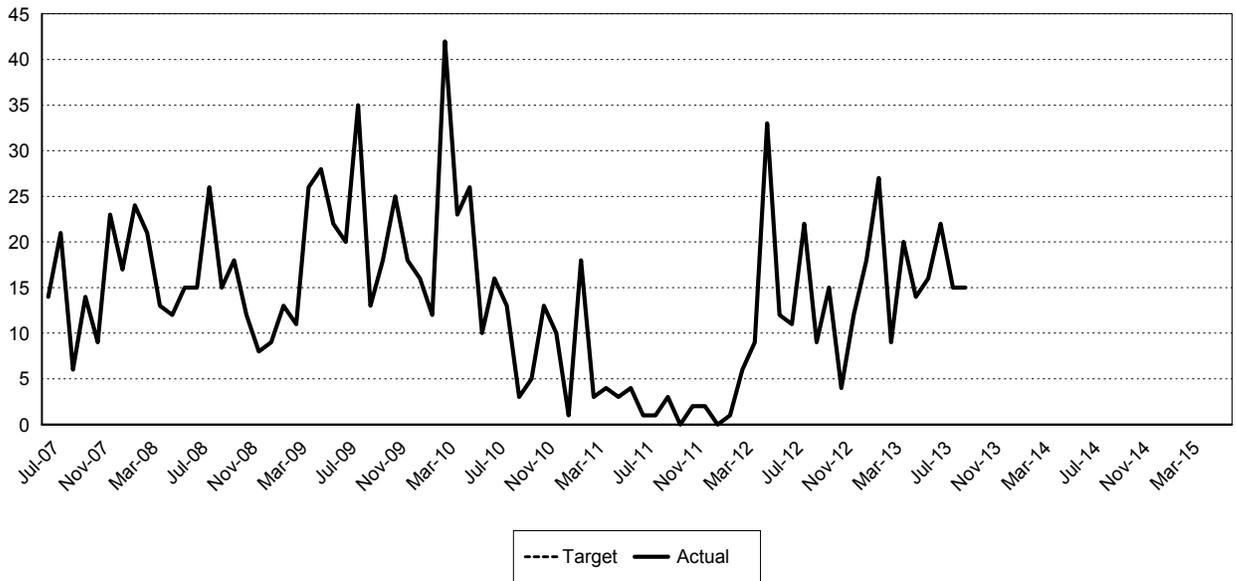
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001722 Number of Audits of Vehicle Dealers by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		15	
M02		15	
M01		22	
2011-13	M24	16	
	M23	14	
	M22	20	
	M21	9	
	M20	27	
	M19	18	
	M18	12	
	M17	4	
	M16	15	
	M15	9	
	M14	22	
	M13	11	
	M12	12	
	M11	33	
M10	9		
M09	6		
M08	1		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M07	0
	M06	2
	M05	2
	M04	0
	M03	3
	M02	1
	M01	1
	Performance Measure Status: Approved	

Number 001722 - Number of Audits of Vehicle Dealers Completed by Month



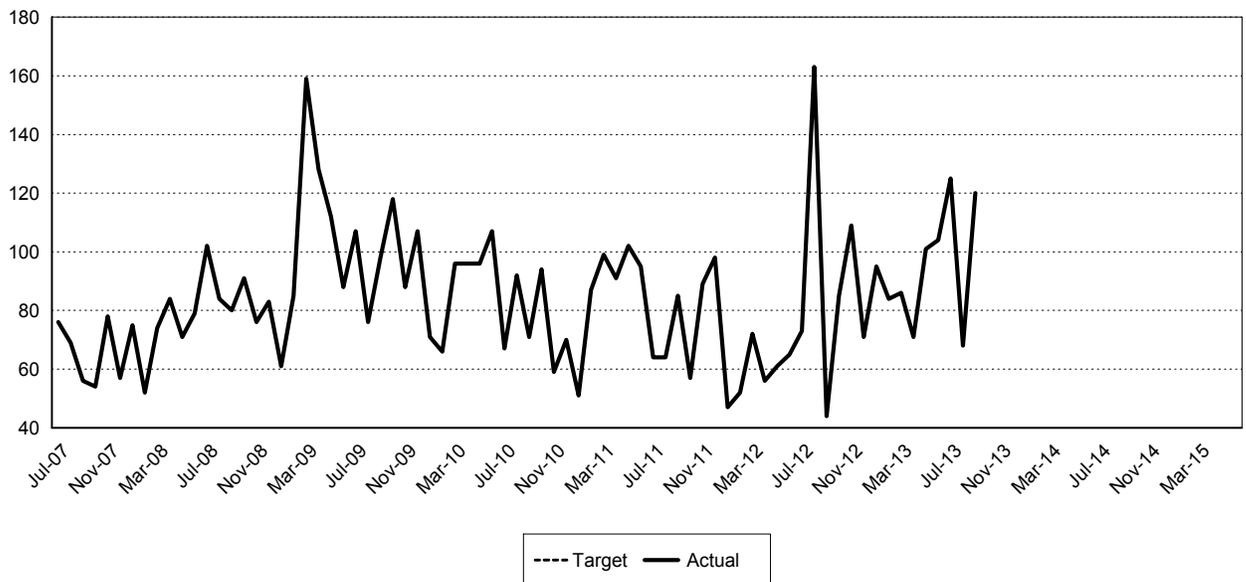
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001707 Number of Investigations of Vehicle Dealers Completed by Month				
Biennium	Period	Actual	Target	
2013-15	M24			
	M23			
	M22			
	M21			
	M20			
	M19			
	M18			
	M17			
	M16			
	M15			
	M14			
	M13			
	M12			
	M11			
	M10			
	M09			
	M08			
	M07			
	M06			
	M05			
	M04			
	M03		120	
	M02		68	
	M01		125	
2011-13	M24	104		
	M23	101		
	M22	71		
	M21	86		
	M20	84		
	M19	95		
	M18	71		
	M17	109		
	M16	85		
	M15	44		
	M14	163		
	M13	73		
	M12	65		
	M11	61		
	M10	56		
M09	72			

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	52
	M07	47
	M06	98
	M05	89
	M04	57
	M03	85
	M02	64
	M01	64
Performance Measure Status: Approved		

Number 001707 - Number of Investigations of Vehicle Dealers Completed by Month



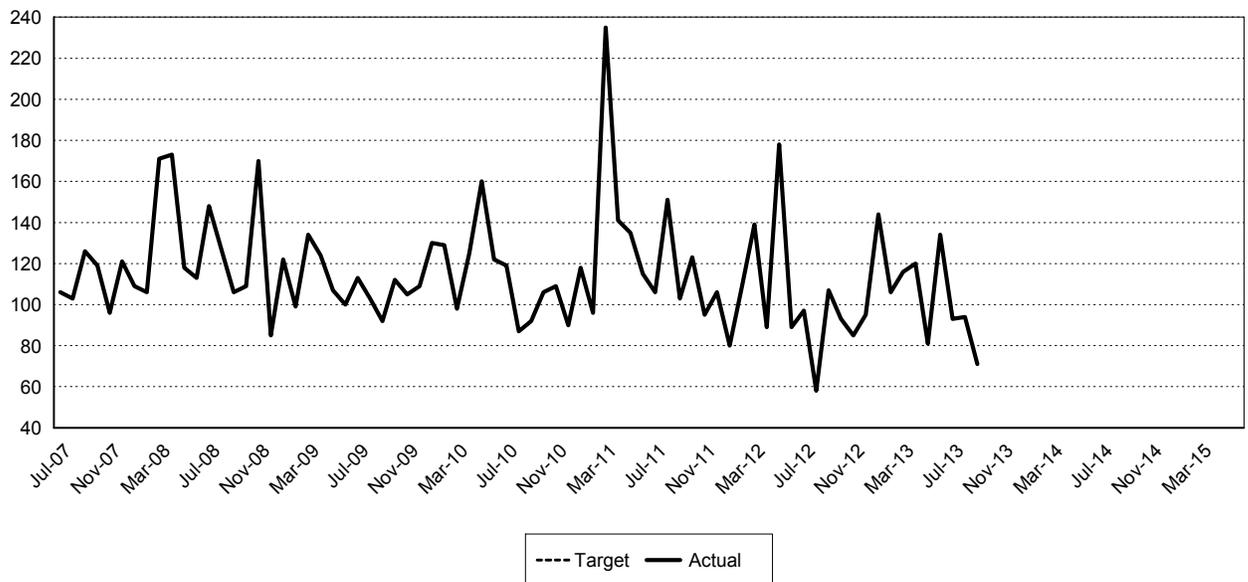
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001684 Number of Vehicle Dealer Licenses Issued by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		71	
M02		94	
M01		93	
2011-13	M24	134	
	M23	81	
	M22	120	
	M21	116	
	M20	106	
	M19	144	
	M18	95	
	M17	85	
	M16	93	
	M15	107	
	M14	58	
	M13	97	
	M12	89	
	M11	178	
	M10	89	
M09	139		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	109
	M07	80
	M06	106
	M05	95
	M04	123
	M03	103
	M02	151
	M01	106
Performance Measure Status: Approved		

Number 001684 - Number of Vehicle Dealer Licenses Issued by Month



A021 Administration of Vehicle and Vessel Title and Registration Services

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

This activity collects and administers vehicle and vessel fees and taxes to support state and local transportation projects, law enforcement, and the Washington State Patrol. It records ownership interest and issues a secure, negotiable title for some of our citizens' and businesses' most valuable assets, and indicates legal ownership of the vehicle or vessel to prospective buyers and lending institutions. This activity partners with community groups, state and local agencies, counties, and cities to efficiently collect vehicle and vessel-based fees.

Account	FY 2016	FY 2017	Biennial Total
FTE			
106-1 State	200.7	224.9	212.8
108-1 State	1.0	0.0	0.5
FTE Total	201.7	224.9	213.3
513 Derelict Vessel Removal Account			
513-1 State	\$15,000	\$16,000	\$31,000
201 DOL Services Account			
201-1 State	\$3,739,000	\$2,986,000	\$6,725,000
001 General Fund			
001-1 State	\$550,000	\$682,000	\$1,232,000
298 Geologists' Account			
298-6 Non-Appropriated	\$1,000	\$11,000	\$12,000
106 Highway Safety Account			
106-1 State	\$25,823,000	\$2,746,000	\$28,569,000
048 Marine Fuel Tax Refund Account			
048-1 State	\$26,000	\$0	\$26,000
108 Motor Vehicle Account			
108-1 State	\$25,448,000	\$23,129,000	\$48,577,000
108-7 Private/Local	\$172,000	\$1,372,000	\$1,544,000
108 Account Total	\$25,620,000	\$24,501,000	\$50,121,000
104 State Wildlife Account			
104-1 State	\$432,000	\$463,000	\$895,000

Statewide Result Area: Efficient, Effective and Accountable Government

Statewide Strategy: Safeguard and manage public funds

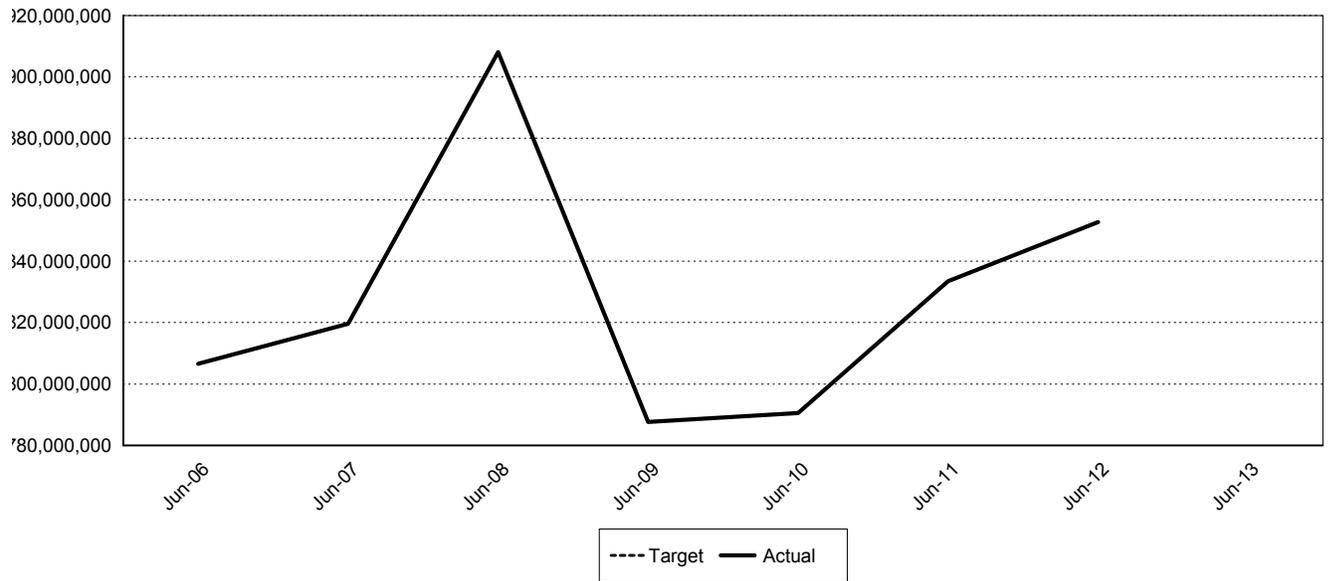
Expected Results

Collect \$708 million for the Motor Vehicle Fund, \$33.4 million for the General Fund-State from vessel registration, which supports boating safety education and marine law enforcement programs, \$125.3 million in vehicle excise taxes for the Regional Transit Authority, and \$328 million for the Department of Revenue in use tax for the General Fund-State.

Sell personalized and special designation plates to raise funds for specified accounts and purposes. Document and record approximately 6 million registrations, including 600,000 mandatory license plate replacements, two million certificates of ownership (titles) for motor vehicles, and title and register over 2860,000 vessels annually. Provide the infrastructure, database, and processing system that calculates fees and reports revenue, inventory, and training and technical assistance functions so that these businesses and organizations can provide services. Collect a \$15 fee for the National Crime Information Center stolen vehicle check or and a \$50 Washington State Patrol (WSP) inspection fee. Sell 82,000 (original and renewal) personalized plates annually. Issue 108,000 license plates with special designations for universities, the Mariners, and others, collecting and depositing the funds for the identified organizations. Provide a wide variety of online services through Internet Payment Option services, enabling 24/7 customer convenience. Streamline the reporting process for insurance companies and tow truck operators by providing an online option to meet mandated reporting requirements. Enable 7,700 Internet users per month to access forms online. Notify vehicle owners when license plate replacement is required to ensure plate readability. Partner with the WSP to ensure that VIN (Vehicle Identification Number) inspection requirements are met when titling a vehicle that has been reported as a total loss or destroyed.

001723 Dollars of Revenue Collected from Vehicle and Vessel Transactions by Fiscal Year			
Biennium	Period	Actual	Target
2011-13	A3		
	A2	\$852,726,862	
Performance Measure Status: Draft			

Dollars 001723 - Dollars of Revenue Collected from Vehicle and Vessel Transactions by Fiscal Year



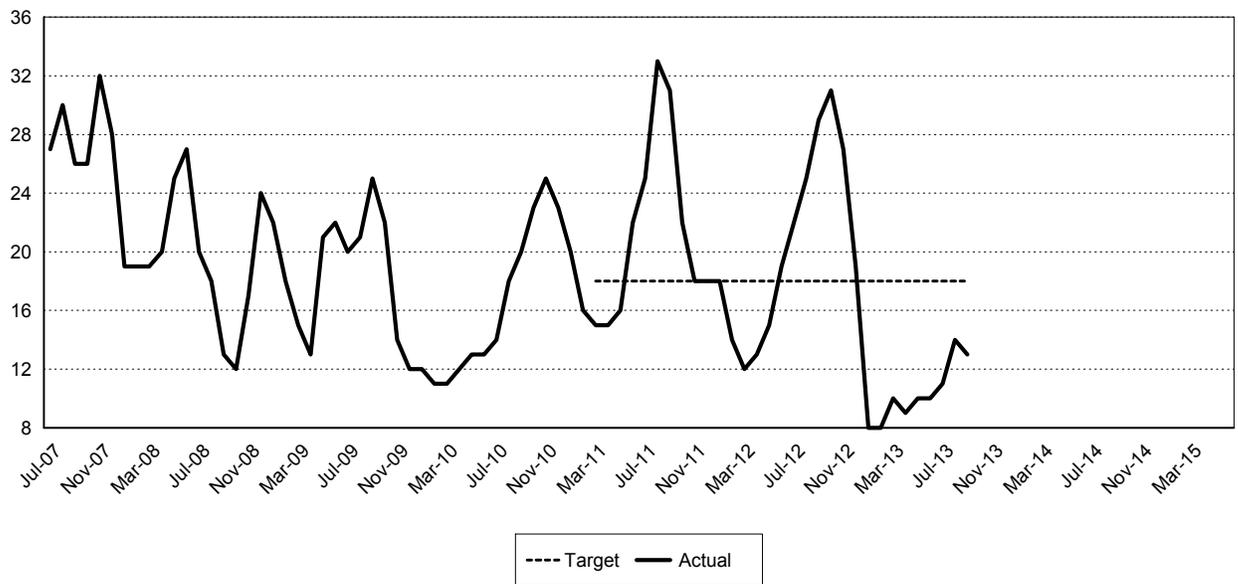
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001676 Number of Days to Process Vehicle Title Imaging by Month			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
	M04		
	M03	13	18
	M02	14	18
	M01	11	18
2011-13	M24	10	18
	M23	10	18
	M22	9	18
	M21	10	18
	M20	8	18
	M19	8	18
	M18	19	18
	M17	27	18
	M16	31	18
	M15	29	18
	M14	25	18
	M13	22	18
M12	19	18	
M11	15	18	
M10	13	18	
M09	12	18	

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	14	18
	M07	18	18
	M06	18	18
	M05	18	18
	M04	22	18
	M03	31	18
	M02	33	18
	M01	25	18
Performance Measure Status: Approved			

Number 001676 - Number of Days to Process Vehicle Title Imaging by Month



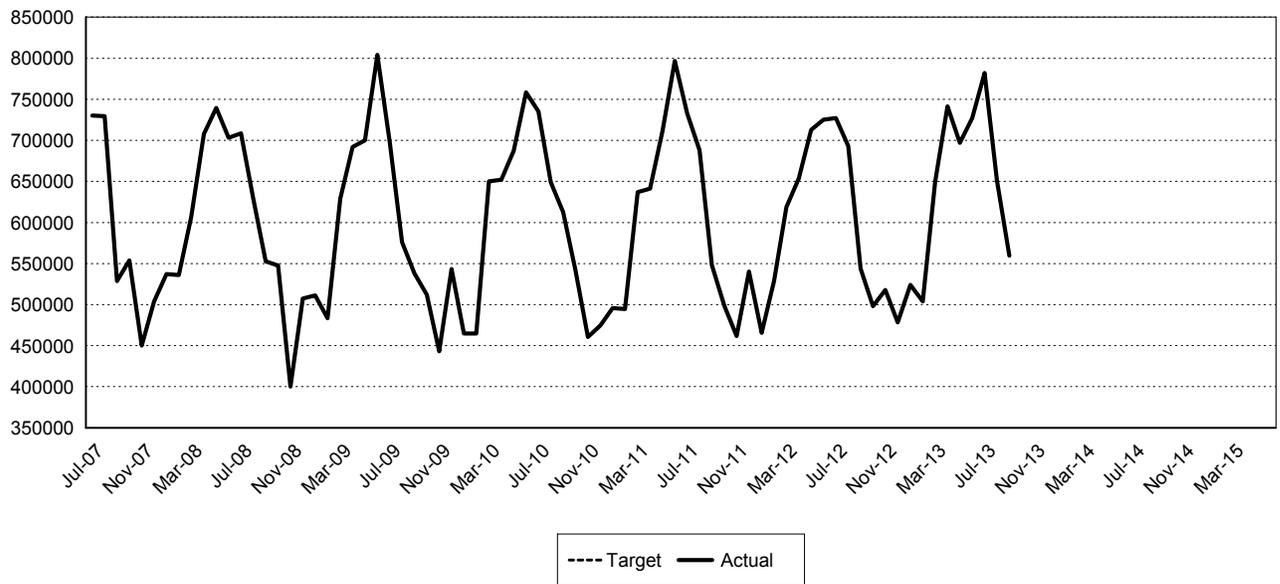
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001715 Number of Vehicle and Vessel Registration Transactions by Month (new, renewal tabs, and other)			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
M04			
M03		559,609	
M02		650,906	
M01		782,217	
2011-13	M24	727,151	
	M23	696,871	
	M22	741,326	
	M21	649,376	
	M20	503,819	
	M19	524,041	
	M18	478,225	
	M17	517,856	
	M16	497,900	
	M15	543,585	
	M14	693,160	
	M13	726,999	
	M12	725,023	
	M11	713,024	
M10	653,459		
M09	618,858		

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	528,774
	M07	465,669
	M06	540,067
	M05	461,696
	M04	498,880
	M03	548,171
	M02	688,241
	M01	732,925
Performance Measure Status: Approved		

Number 001715 - Number of Vehicle and Vessel Registration Transactions by Month



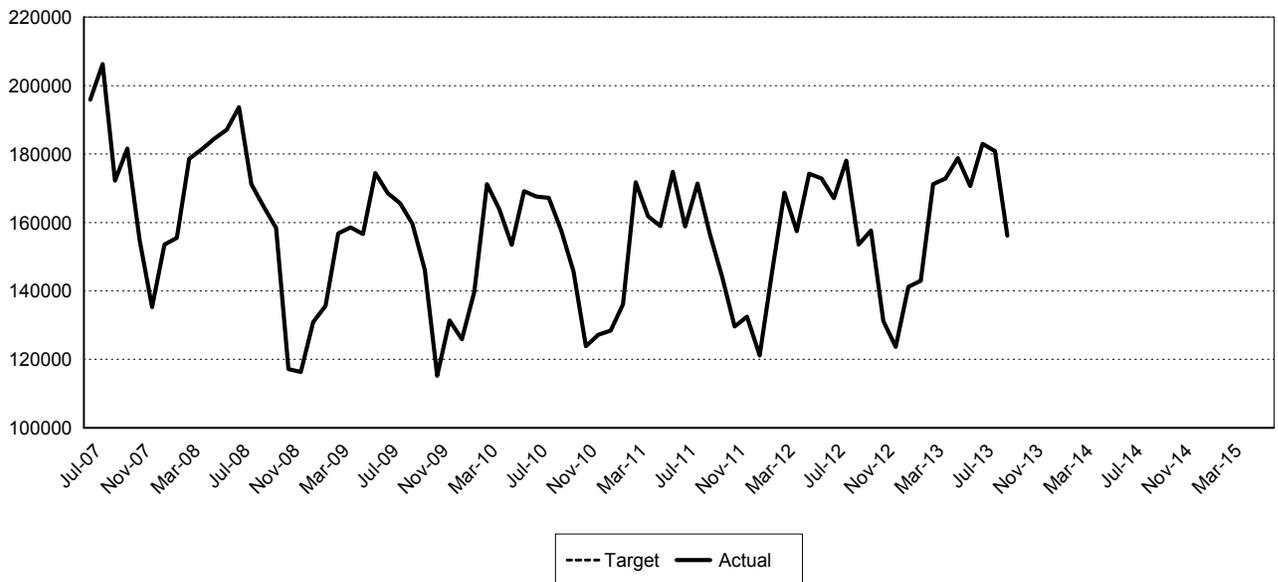
Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

001716 Number of Vehicle and Vessel Title Transactions by Month (new, transfers, and other)			
Biennium	Period	Actual	Target
2013-15	M24		
	M23		
	M22		
	M21		
	M20		
	M19		
	M18		
	M17		
	M16		
	M15		
	M14		
	M13		
	M12		
	M11		
	M10		
	M09		
	M08		
	M07		
	M06		
	M05		
	M04		
	M03	156,154	
	M02	180,819	
	M01	182,945	
2011-13	M24	170,675	
	M23	178,806	
	M22	172,828	
	M21	171,211	
	M20	142,921	
	M19	141,207	
	M18	123,664	
	M17	131,152	
	M16	157,614	
	M15	153,541	
	M14	178,053	
	M13	167,125	
	M12	172,857	
	M11	174,305	
	M10	157,463	
	M09	168,645	

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

2011-13	M08	145,480
	M07	121,183
	M06	132,441
	M05	129,592
	M04	143,946
	M03	156,608
	M02	171,367
	M01	158,861
Performance Measure Status: Approved		

Number 001716 - Number of Vehicle and Vessel Title Transactions by Month



Grand Total

	FY 2016	FY 2017	Biennial Total
FTE's	1,316.9	1,363.6	1,340.3
GFS	\$1,455,000	\$1,405,000	\$2,860,000
Other	\$182,249,000	\$151,729,000	\$333,978,000
Total	\$183,704,000	\$153,134,000	\$336,838,000

Appropriation Period: 2015-17 Activity Version: 00 - Agency Budget Submittal 15-17 Sort By: Activity

<u>Parameter</u>	<u>Entered As</u>
Budget Period	2015-17
Agency	240
Version	00 - Agency Budget Submittal 15-17
Result Area	All Result Areas
Activity	All Activities
Program	All Programs
Sub Program	All Sub Programs
Account	All Accounts
Expenditure Authority Type	All Expenditure Authority Types
Theme	All
Sort By	Activity
Display All Account Types	Yes
Include Policy Level	Yes
Include Activity Description	Yes
Include Statewide Result Area	Yes
Include Statewide Strategy	Yes
Include Expected Results Text	Yes
Include Charts	Yes
Chart Type	Line
Include Parameter Selections	Yes
Version Source	Agency

Washington Department of Licensing 2015 - 2017 Biennium

Allocation Method Description: Indirect costs are estimated at 12% (7% Management Support Services, 5% Information Services) for all Activities except A001. A001 is the "core administrative function" - costs that are relatively fixed and not affected by fluctuations in activity levels. Indirect costs are assigned at DOL based primarily on a cost allocation model that includes FTEs, levels of activity relative to direct program operations, and other specific cost allocation bases that reflect levels of support for specific direct program operating functions.

Activity Code / Activity	% Allocation Received	Total Activity Allocation FY1	Total Activity Allocation FY2	Total Activity Biennium	Indirect Allocated FY1	Indirect Allocated FY2	Total Indirect Allocated
A001 / Providing Strategic Direction through Executive and Technology Administration	N/A	1,735,000	1,915,000	3,650,000	N/A	N/A	N/A
A004 / Driver License Suspension and Reinstatements, and Maintenance of Driver Records	12%	14,149,000	15,248,000	29,397,000	1,697,880	1,829,760	3,527,640
A008 / Examining and Licensing Citizens to Operate Motor Vehicles	12%	55,187,000	53,310,000	108,497,000	6,622,440	6,397,200	13,019,640
A009 / Providing Customer Education and Protection from Identity Theft	12%	1,453,000	1,721,000	3,174,000	174,360	206,520	380,880
A010 / Providing Due Process for Drivers	12%	6,016,000	6,382,000	12,398,000	721,920	765,840	1,487,760
A011 / Preparing Citizens to Operate Motor Vehicles Safely	12%	3,403,000	4,113,000	7,516,000	408,360	493,560	901,920
A012 / Firearms Registration and Licensing	12%	883,000	559,000	1,442,000	105,960	67,080	173,040
A016 / Administration of Fuel Tax Collection and Motor Carrier Service	12%	10,329,000	10,173,000	20,502,000	1,239,480	1,220,760	2,460,240
A017 / Professional Licensing and Regulation	12%	19,078,000	18,979,000	38,057,000	2,289,360	2,277,480	4,566,840
A018 / Uniform Commercial Code Program	12%	1,635,000	1,469,000	3,104,000	196,200	176,280	372,480
A020 / Administration of Regulatory Functions Involving Vehicle & Vessel Dealers and Manufacturers	12%	5,587,000	4,857,000	10,444,000	670,440	582,840	1,253,280
A021 / Administration of Vehicle and Vessel Title and Registration Services	12%	30,998,000	28,819,000	59,817,000	3,719,760	3,458,280	7,178,040
Total	12%	150,453,000	147,545,000	297,998,000	17,846,160	17,475,600	35,321,760

Activity Code / Activity	% Allocation Received	MSS (7%) Allocated FY1	MSS (7%) Allocated FY2	Total MSS Indirect Allocated	ISD (5%) Allocated FY1	ISD (5%) Allocated FY2	Total ISD Indirect Allocated
A001 / Providing Strategic Direction through Executive and Technology Administration	N/A	N/A	N/A	N/A	N/A	N/A	N/A
A004 / Driver License Suspension and Reinstatements, and Maintenance of Driver Records	12%	990,430	1,067,360	2,057,790	707,450	762,400	1,469,850
A008 / Examining and Licensing Citizens to Operate Motor Vehicles	12%	3,863,090	3,731,700	7,594,790	2,759,350	2,665,500	5,424,850
A009 / Providing Customer Education and Protection from Identity Theft	12%	101,710	120,470	222,180	72,650	86,050	158,700
A010 / Providing Due Process for Drivers	12%	421,120	446,740	867,860	300,800	319,100	619,900
A011 / Preparing Citizens to Operate Motor Vehicles Safely	12%	238,210	287,910	526,120	170,150	205,650	375,800
A012 / Firearms Registration and Licensing	12%	61,810	39,130	100,940	44,150	27,950	72,100
A016 / Administration of Fuel Tax Collection and Motor Carrier Service	12%	723,030	712,110	1,435,140	516,450	508,650	1,025,100
A017 / Professional Licensing and Regulation	12%	1,335,460	1,328,530	2,663,990	953,900	948,950	1,902,850
A018 / Uniform Commercial Code Program	12%	114,450	102,830	217,280	81,750	73,450	155,200
A020 / Administration of Regulatory Functions Involving Vehicle & Vessel Dealers and Manufacturers	12%	391,090	339,990	731,080	279,350	242,850	522,200
A021 / Administration of Vehicle and Vessel Title and Registration Services	12%	2,169,860	2,017,330	4,187,190	1,549,900	1,440,950	2,990,850
Total	12%	10,410,260	10,194,100	20,604,360	7,435,900	7,281,500	14,717,400

MISSION

With a strong commitment to great service, we advance public safety and consumer protection through licensing, regulation and education, and we collect revenue that supports our state's transportation system.

VISION

Proudly earning Washington's confidence every day through the highest level of service and commitment to public safety.

VALUES

Integrity
Inclusion
Respect
Results
Service Excellence

Goals High level long term results we must achieve	Strategic Initiatives What we will do to cause measurable progress toward the goal	Strategic Outcome Measures What we will measure to quantify results and communicate progress
<i>When engaged employees...</i>		
Engaged Employees	1. Help every employee connect to DOL's Mission, Fundamentals Map, measures and results. 2. Train and sustain 10% of employees as Lean Green Belts for process improvement. 3. Include every employee in using Lean tools for continuous process improvement. 4. Act on employee input from forums and surveys to improve employee engagement and DOL as an employer of choice.	a. % of employees who understand their connection to the mission, map and measures b. % of employees using Lean tools for continuous process improvement c. % of teams participating in recurring Lean management practices d. % of positive responses to employee engagement polls e. % of increase in rating as an employer of choice
<i>... create a customer focused organization...</i>		
A Customer Focused Organization	5. Coach all employees on delivering the customer service promise , helping each to understand how the promise fits with their position, and include this in annual employee plans and evaluations. 6. Establish core process targets that reflect the customers' needs based on regularly refreshed customer feedback and process data. 7. Increase the percent of Customer Service Center calls answered within 4 minutes. 8. Improve the quality of IT releases , supporting stakeholders while working toward Business and Technology Modernization.	f. % of customers stating we were friendly and helpful (in-person, by phone), by line of business (drivers, vehicles, professions) g. % of customers reporting DOL service met or exceeded their ideal standards (in-person, by phone, online transactions, website information) h. % of driver license office customers with lobby wait times within 30 minutes i. % of Customer Service Center calls answered within 4 minutes j. % of IT releases without rework
<i>... providing the most efficient and effective services...</i>		
Efficient, Effective Services	9. Continue to implement Results DOL to manage, measure and improve agency performance and results. Increase employee participation in monthly analysis and quarterly reviews. 10. Continue Lean Projects with Green Belt Facilitators from all divisions to improve core processes throughout the agency. 11. Continue Business and Technology Modernization , successfully implementing systems by June 2017 for: vehicles, revenue, central license issuance, and prorate and fuel tax. 12. Increase online services for businesses and professions. 13. Develop and implement agency governance as part of our culture.	k. % of agency-level performance measures on target l. % of core processes that were completed within target turnaround time m. # of process hours and steps saved after Lean Projects for reinvestment to higher value-added work n. % on time and on budget implementing Business and Technology Modernization milestones o. % of transactions completed online, by type p. % on schedule implementing governance process
<i>... we become the trusted and credible partner of all Washingtonians...</i>		
A Trusted, Credible Partner	14. Conduct regulatory reform through review and revision of statutes, rules and policies to eliminate unnecessary regulatory barriers. 15. Increase participation in partnerships that impact public policy , to better inform policy decisions and improve outcomes.	q. # of statutes, rules and policies reviewed for unnecessary regulatory barriers r. # of statutes, rules and policies revised to eliminate unnecessary regulatory barriers
<i>... so together we can measurably improve public safety.</i>		
Improved Public Safety	16. Improve the driver training program : update the driver training curriculum, guides and tests to reflect updated national standards and "Target Zero", Washington's plan for reducing traffic fatalities and serious injuries; conduct timely driver training school audits ; certify examiners ; and review drive test routes. 17. Develop and implement our Target Zero Action Plan , focused on reducing traffic fatalities and serious injuries involving 16 to 25 year old drivers.	s. % reduction in traffic violations for recipients of early warning letters t. # of traffic fatalities and serious injuries involving 16 to 25 year old drivers

Recommendation Summary

Budget Period: 2015-17 Agency: Department of Licensing Version: 00 Budget Level: All Sorted by: Agency Priority Show Locked Only: No Include RecSum Text: Yes	<table border="1"> <tr> <th><u>Element</u></th> <th><u>Selection</u></th> <th><u>Grp</u></th> </tr> <tr> <td>Agy-Activity:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Program:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Sub-Program:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Activity:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Sub-Activity:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Task:</td> <td>(None)</td> <td></td> </tr> </table>	<u>Element</u>	<u>Selection</u>	<u>Grp</u>	Agy-Activity:	(None)		Program:	(None)		Sub-Program:	(None)		Activity:	(None)		Sub-Activity:	(None)		Task:	(None)		<table border="1"> <tr> <th><u>Element</u></th> <th><u>Selection</u></th> <th><u>Grp</u></th> </tr> <tr> <td>Division:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Branch:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Section:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Unit:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Cost Center:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Project:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Sub-Project:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Phase:</td> <td>(None)</td> <td></td> </tr> <tr> <td>Budget Unit:</td> <td>(None)</td> <td></td> </tr> </table>	<u>Element</u>	<u>Selection</u>	<u>Grp</u>	Division:	(None)		Branch:	(None)		Section:	(None)		Unit:	(None)		Cost Center:	(None)		Project:	(None)		Sub-Project:	(None)		Phase:	(None)		Budget Unit:	(None)	
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Budget Unit:	(None)																																																				

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2013-15 Current Biennium	1,332.8	2,451	299,994	302,445
CL CF Agency Carry Forward	(19.0)	(27)	(12,195)	(12,222)
Total Carry Forward Level	1,313.8	2,424	287,799	290,223
% Change from Current Biennium	(1.4)%	(1.1)%	(4.1)%	(4.0)%
M1 1B License Plate Demand			366	366
M1 3B Increased Reimbursable Costs			474	474
M1 6A Commercial Driver License Workload	3.0		492	492
M1 6K Increased Drivers Licenses			431	431
Carry Forward Plus Workload Changes	1,316.7	2,424	289,562	291,986
% Change from Current Biennium	(1.2)%	(1.1)%	(3.5)%	(3.5)%
M2 8L Lease Rate Adjustments			75	75
M2 8P Postage Rate Adjustments			626	626
Total Maintenance Level	1,316.7	2,424	290,263	292,687
% Change from Current Biennium	(1.2)%	(1.1)%	(3.2)%	(3.2)%
PL N0 Business and Tech Modernization	11.9		27,412	27,412
PL N2 Central Issuance System	4.0		4,035	4,035
PL N3 Ignition Interlock Assistance			2,431	2,431
PL Q0 Federal Grant Authority			2,642	2,642
PL T4 Reinstatement of GF-S 15% Reduction	3.7	364		364
PL T5 GF-S 15% Reduction	(3.7)	(364)		(364)
PL U5 Firearms Workload Staffing	3.5	436		436
PL Z9 BPD Licensing System Improvements	3.0		1,754	1,754
PL N1 PRFT System continuation	0.6		5,059	5,059
2015-17 Total Proposed Budget	1,339.7	2,860	333,596	336,456
% Change from Current Biennium	0.5%	16.7%	11.2%	11.2%

* Totals on this report may slightly differ from actual totals due to rounding.

Recommendation Summary

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
------------------------	-----------------------	-------------	-------------

Recommendation Summary Text

Pkg Pgm: Agency Level Program: Decision Package: M1-1B

Funding is requested for the purchase of additional license plates supplied to county auditors and vehicle licensing subagents, the entities that perform vehicle licensing. As the state's vehicle population grows and economy improves, additional license plates are needed. (Motor Vehicle Account-State)

Pkg Pgm: Agency Level Program: Decision Package: M1-3B

The Department of Licensing (DOL) contracts with county auditors to provide vehicle and vessel licensing services. The agency reimburses county auditors for allowable expenditures that exceed the total revenue retained by the county auditor for providing those services. These reimbursable costs have increased and DOL is requesting additional funding to cover this increase. (DOL Services Account-State)

Pkg Pgm: Agency Level Program: Decision Package: M1-6A

The Department of Licensing (DOL) requests funding to support provisions of final rules issued by the Federal Motor Carrier Safety Administration (FMCSA). The rules, which are to be implemented by July 2015, require DOL to conduct refresher training for Commercial Driver's License (CDL) knowledge and skills test examiners, and to conduct audits of CDL testers to ensure that CDL tests are performed in accordance with federal standards. These rules require additional resources for successful implementation and operation. (Highway Safety Account - State)

Pkg Pgm: Agency Level Program: Decision Package: M1-6K

The Department of Licensing (DOL) requests funding to support increased driver's license production. (Highway Safety Account - State)

Pkg Pgm: Agency Level Program: Decision Package: M2-8L

Funding is requested to cover changes in lease costs for Licensing Service Offices (LSO) and for Commercial Driver License (CDL) testing sites. (Highway Safety Account-State).

Pkg Pgm: Agency Level Program: Decision Package: M2-8P

Funding is requested to cover postage rate increases adopted by the United States Postal Service, effective January 2014. First class letter rates were increased 6.5 percent and postage for mailing replacement license plates was increased 1.6 percent. (Business & Professions Account-State, Highway Safety Fund-State, Motor Vehicle Fund-State, DOL Services Account-State).

Pkg Pgm: Agency Level Program: Decision Package: PL-N0

Department of Licensing (DOL) requests funding to continue its legacy systems replacement project, Business and Technology Modernization (BTM). The next phase of the project includes configuring and implementing the Vehicles software support module. The funding will be applied to procuring an integrated motor vehicles administration commercial off-the shelf (COTS) solution – supporting vehicle title and registration functions, vendor provided professional services, internal staffing to support implementation and necessary hardware. (Highway Safety Fund-State)

Pkg Pgm: Agency Level Program: Decision Package: PL-N1

* Totals on this report may slightly differ from actual totals due to rounding.

Recommendation Summary

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
--------------------------------	-------------------------------	--------------------	--------------------

The Department of Licensing (DOL) requests funding to complete installation of its Prorate and Fuel Tax (PRFT) computer system. During the 2014 legislative session \$2,355,000 was provided as the first installment to replace this system. As outlined in the Fiscal Year 2015 funding request, DOL is requesting an additional \$5,059,000 for Fiscal Year 2016 to complete the contracted work. (Motor Vehicle - State).

Pkg Pgm: Agency Level Program: Decision Package: PL-N2

The Department of Licensing requests \$4,035,000 for the 2015-17 Biennium to continue implementation of an updated Central Issuance System (CIS) for the production and distribution of driver's licenses and identification cards. (Highway Safety Account - State).

Pkg Pgm: Agency Level Program: Decision Package: PL-N3

The Department of Licensing (DOL) requests expenditure authority from the Ignition Interlock Device Revolving Account (14V) to provide financial assistance to low-income drivers who qualify for assistance under state law. (Ignition Interlock Device Revolving Account - State).

Pkg Pgm: Agency Level Program: Decision Package: PL-Q0

The Department of Licensing is requesting federal expenditure authority to support federal grants that have either been received or have been applied for. The grants will be used to implement new federal commercial driver licensing (CDL) requirements. Federal expenditure authority is also requested for grants that support fuel tax evasion investigations and compliance efforts. (Highway Safety Account-Federal, Motor Vehicle Fund - Federal).

Pkg Pgm: Agency Level Program: Decision Package: PL-T4

This package requests reinstatement to the Department of Licensing's (DOL) Firearms program of 3.3 FTEs in Fiscal Year 2016, 4.0 FTEs in Fiscal Year 2017 and \$364,000 in General Fund-State. This reduction was in response to the published 2015-17 Operating Budget Instructions distributed by the Office of Financial Management (OFM). (General Fund-State)

Pkg Pgm: Agency Level Program: Decision Package: PL-T5

This package reduces the Department of Licensing's (DOL) Firearms program by 3.3 FTEs in Fiscal Year 2016 and 4.0 FTEs in Fiscal Year 2017 to achieve a (\$364,000) reduction in General Fund-State. This reduction is in response to the published 2015-17 Operating Budget Instructions distributed by the Office of Financial Management (OFM). (General Fund-State)

Pkg Pgm: Agency Level Program: Decision Package: PL-U5

Funding is requested to hire temporary staff to eliminate the Department of Licensing's (DOL) backlog of recording handgun transfer applications. The ongoing backlog and workload increases expected in the 2015-17 biennium will result in a projected backlog of approximately 253,000 records. (General Fund-State)

Pkg Pgm: Agency Level Program: Decision Package: PL-Z9

The Department of Licensing (DOL) seeks to increase its spending authority by \$1,754,000 during the 2015-2017 Biennium to maintain and improve existing online services within its Business and Professions Division (BPD). Existing revenue from fees would be utilized to implement system changes that will enhance licensees' online experience as well as create operational efficiencies. Expenditures will be from existing balances in BPD appropriated and non-appropriated fund accounts. (Architects Licensing-State, Landscape Architects-Non-appropriated, Professional Engineers-State, Real Estate Commission-State, Real Estate Appraisers-State, Funeral/Cemetery-Non-appropriated, Geologists-Non-appropriated).

* Totals on this report may slightly differ from actual totals due to rounding.

Decision Package Summary

Department of Licensing

Annual Average FTE	Decision Package Total	General Fund State 001-1	Architects Licensing 003-1	Professional Engineers 024-1	Real Estate Commission 026-1	Business & Professions 06L-1	Real Estate Appraisers 06G-1	Highway Safety 106-1
	366,000							
	474,000							
3.0	492,000							492,000
	431,000							431,000
	75,000							75,000
	626,000				40,000			160,000
11.9	27,412,000							27,412,000
0.6	5,059,000							
4.0	4,035,000							4,035,000
	2,431,000							
	2,642,000							
3.7	364,000	364,000						
(3.7)	(364,000)	(364,000)						
3.5	436,000	436,000						
3.0	1,754,000		53,000	438,000	1,051,000		53,000	
26.0	46,233,000	436,000	53,000	438,000	1,051,000	40,000	53,000	32,605,000

Decision Package Title

License Plate Demand
 Increased Reimbursable Costs - DOL Agents
 CDL Workload
 Increased Drivers License Production
 Lease Rate Increase
 Postage Rate Increase
 Business/Tech Modernization
 PRFT System - Continuation
 Central Issuance System - Continuation
 Ignition Interlock Funding
 Federal Grant Authority
 General Fund-State Reinstatement
 General Fund-State Reduction
 Firearms Workload Staffing
 BPD Licensing System Improvements

Highway Safety 106-2	Motor Vehicle 108-1	Motor Vehicle 108-2	Ignition Interlock 14V-1	Funeral & Cemetery 15V-6	Landscape Architects 16B-6	DOL Services 201-1	Geologists 298-6
	366,000						
						474,000	
	390,000					36,000	
	5,059,000						
			2,431,000				
2,280,000		362,000					
				53,000	53,000		53,000
2,280,000	5,815,000	362,000	2,431,000	53,000	53,000	510,000	53,000

Decision Package Title

License Plate Demand
 Increased Reimbursable Costs - DOL Agents
 CDL Workload
 Increased Drivers License Production
 Lease Rate Increase
 Postage Rate Increase
 Business/Tech Modernization
 PRFT System - Continuation
 Central Issuance System - Continuation
 Ignition Interlock Funding
 Federal Grant Authority
 General Fund-State Reinstatement
 General Fund-State Reduction
 Firearms Workload Staffing
 BPD Licensing System Improvements

240 Department of Licensing
PL-Z9 BPD Licensing System Improvements
2015-17

Agency Recommendation Summary Text:

The Department of Licensing (DOL) seeks to increase its spending authority by \$1,754,000 during the 2015-2017 Biennium to improve online services for Business and Professions Division (BPD) licensees. Expenditures would be from existing balances in BPD appropriated and non-appropriated fund accounts. (Architects Licensing-State, Landscape Architects-Non-appropriated, Professional Engineers-State, Real Estate Commission-State, Real Estate Appraisers-State, Funeral/Cemetery-Non-appropriated, Geologists-Non-appropriated)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
003 Architects License Acct.	\$31,000	\$22,000	\$53,000
024 Profess. Engineers Acct.	\$255,000	\$183,000	\$438,000
026 Real Estate Commission	\$613,000	\$438,000	\$1,051,000
06G RE Appraiser Comm	\$31,000	\$22,000	\$53,000
15V Funeral/Cemetery	\$31,000	\$22,000	\$53,000
16B Landscape Architect	\$31,000	\$22,000	\$53,000
298 Geologists' Account	\$31,000	\$22,000	\$53,000
Total Cost	\$1,023,000	\$731,000	\$1,754,000

Staffing

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
FTEs	3.0	3.0	3.0

Package Description:

Background

DOL licenses 268,000 individuals and businesses in 44 different professions. The agency's existing business and professional licensing system is primarily a manual paper process that is inefficient and time consuming for licensees and the agency. The only online services DOL offers is renewals for about half of its business and professional licensees which involves mailing customers a new password each renewal cycle.

Licensees and professional boards and commissions are conveying that the agency's current licensing technology does not meet their expectations and that the fees they pay to support the program should be used to increase online services. Investing in improvements to the business and professions online interface will increase the number of licensees that can interact with DOL online, broaden available online tools, and decrease risk associated with paper processing.

State of Washington
Decision Package

Solution

For the 2015-17 biennium, BPD is requesting \$1.754 million in additional spending authority from dedicated accounts to improve online services:

1. \$1,434,000 for temporary staff and contractor time to improve online interfaces.
2. \$320,000 for imaging system upgrades so documents can be stored and accessed electronically from a person's or businesses online file.

The funds requested in this package will contribute to the expansion and improvement of online services for 57 percent of the business and professional applicants and licensees. The programs that will benefit most directly from this project phase include: Architects, Geologists, Landscape Architects, Professional Engineers, Land Surveyors, Real Estate sales professionals, Real Estate Appraisers, and Funeral/Cemetery professionals.

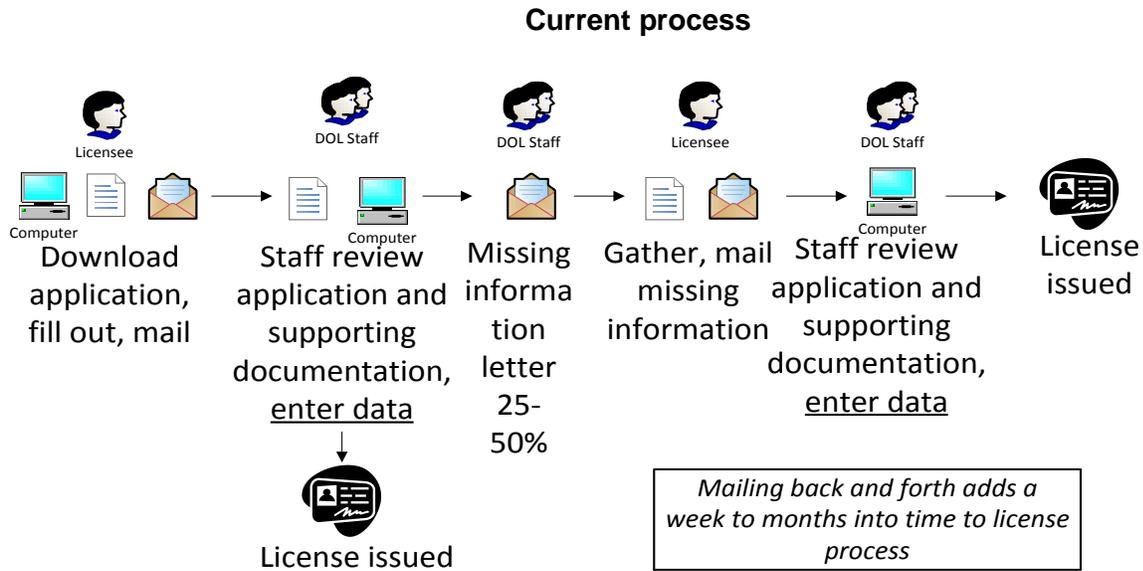
This request also includes increased spending authority to improve DOL's business and professional licensing imaging system. Additional imaging system functionality will allow licensee's documents to be more efficiently managed. DOL will be able to link documents to a licensee's account that can be centrally accessed by staff to more efficiently manage workflow during the application process.

The requested funds will build on work completed in the prior fiscal year. DOL used \$140,000 from its existing appropriation to procure a contract to improve online services for notary licensing, which has the largest volume of licensees. This work included preliminary architectural improvements to the interface to lay the groundwork for expanded online services.

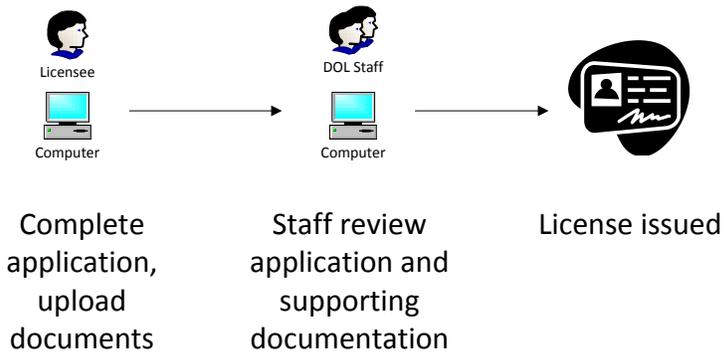
DOL is in the initial stages of a multi-year Business and Technology Modernization effort. The first two phases of the project will modernize the agency's driver and vehicle licensing functions. If approved in the future, DOL plans to add its business licensing functions into the overall project in 2022. The proposed licensing interface improvements will compliment and simplify the alignment of the Business and Professions licensing processes into DOL's overarching Business and Technology Modernization project.

Benefits of project

Enhanced online services will simplify the licensing process as illustrated below:



Process after project completed



Efficiencies and benefits include:

- **Faster and simpler licensing** – Currently, an average professional or business license application takes 10 to 28 days to process if all documents are accurate and complete at initial application. Applications that arrive with missing information or fees can take several weeks or months to complete. An automated system will provide real-time prompts as applicants and licensees complete the online form, describe what supporting documents need to be uploaded, and verify the proper fee is paid. This process will alleviate most back and forth mailed communications, and reduce the processing time to an estimated 1 to 5 days.

State of Washington
Decision Package

- Cost savings – DOL anticipates that, by the end of the 2019-21 biennium, the participating programs will have a 40 percent reduction in staff assigned to process applications. Direct costs associated with printing and mailing licensing materials will also be realized.
- Easier access – Licensees will be able to access the licensing interface during non-business hours including via mobile devices. Replacing the mailed password process will significantly reduce the number of licensees that cannot renew online due to lost or expired passwords. Licensees will be able to update physical and email addresses, phone numbers and other information at any time, making DOL account information more current and accurate.
- Electronic documents – Licensees will be able to provide licensing documents electronically. DOL will be able to link documents to a licensee’s account that can be centrally accessed by staff to more efficiently manage workflow during the application approval process.
- Expanded payment options – Online payment options will expand to include ACH/e-check in addition to the existing credit and debit card options. This will benefit individual applicants and employers that renew their employees’ professional licenses. Adding the multi-renewal functionality, referred to as a “shopping cart,” will enable employers to bundle multiple employee renewal transactions and issue a single payment to DOL.
- Moving towards a paperless office environment - An online license application process will greatly reduce the use of paper, including applications, supporting documents, and hard-copy renewal notices.
- Managing employers and employees licensing relationships - Professions where the license is tied to an employer’s license, such as Real Estate Brokers, require a manual process to transfer employees between firms. The Real Estate licensing program processes several thousand manual employee transfers each month. The new functionality will enable online employee transfers, which makes the process more transparent to the sending and receiving employers, improves communications and saves time.
- Allowing online access to professional licensing exam scores, continuing education credits and license status information – This functionality will allow employers to assist their employees with keeping their license current by reminding employees that continuing education credits are needed and whether it is nearly time to renew their license. Education and course providers will be able to upload continuing education and exam data.

Agency subject matter expert:

Julie Japhet, Business and Technology Advisor, 360-664-1442
Business and Professions Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization
- Efficient, Effective Services

Is this decision package essential to implement a strategy identified in the agency’s strategic plan? (if so, please describe)

Yes, this request ties directly to the following agency goals:

State of Washington
Decision Package

- Goal: Customer Focused Organization. Initiative: Establish targets that reflect customers' needs and feedback (which tells us customer want expanded online services and payment options).
- Goal: Efficient, Effective Services. Initiative: Increase online services for business and professions. Measure: Percent of transactions completed online by type. This will also reduce paper applications, allow us to validate user input prior to submission and redirect staff to other critical functions
- Goal: Efficient, Effective Services. Initiative: Continue to implement Results DOL to improve performance and results. The following measures are monitored through Results DOL:
 - Percent of applications received with all information and fee requirements met
 - Percent of licenses issued timely
 - Number of applications received and processed per FTE
 - Percent of applicants notified of approval or denial within target time

Performance Measure Detail

Activity: Professional Licensing and Regulation (A017)
Agency Output and Strategic Direction (A001)

Number	Title	Unit	Incremental Change FY16	Incremental Change FY17
001626	Self-Service Transactions	#	14,000	21,000

DOL's two activity measures for A017 (number of licenses issued and renewed) will not be directly impacted by online services. However, DOL will expand the A001 measure of online driver transactions to include professional licenses. DOL estimates online transactions will increase by 14,000 in Fiscal Year 2016 and 21,000 in Fiscal Year 2017 (based on larger professions, when online transactions will become available, profession-specific cycles, and applying 36% online use rate demonstrated by similar customers).

Reason for change:

DOL business and professional licensees have an expectation that their licensing fees will be used to provide efficient and effective licensing and regulation. Increasingly, licensees and their associated boards and commissions are raising concerns regarding how far Washington's licensing technology has fallen behind other states and national partners.

As DOL moves more transactions online and handles less paper, the application process will be faster and easier for the applicant, more efficient and cost-effective for the state, and employers will have easier access to their employees' licensing information. Delays in licensing often translate into delays to begin work, which creates adverse impacts for DOL's customers.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

Goal 2- A Prosperous Economy: One of the four supporting pillars of Prosperous Economy is deploying a Sustainable, Efficient Infrastructure. These public licensing online enhancements will help more efficiently collect licensing fees that contribute to state revenue.

State of Washington
Decision Package

Goal 5- Effective, Efficient and Accountable Government: This decision package provides essential support to the Governor’s Results Washington goal of Efficient, Effective and Accountable Government through streamlining and automating licensing processes and information tools. These enhancements will improve customer satisfaction by meeting DOL’s customer’s expectation of “...investing in state services that are the most important to them, providing those services with excellence and then making results easily available to the public”

It also contributes to the Governor’s priority to empower state employees to find efficiencies through greater use of Lean Management.

Impact on clients and services:

License processing time will decrease and improve access to our systems. The tools available on those systems will improve significantly. A new system will meet the expectation of business and professional licensees who pay fees to license and regulate their industries.

Impact on other state programs:

Other state agencies that need licensing information, such as the Department of Enterprise Services, will benefit from more timely and current data.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

External stakeholders, including program governing boards and licensees, are very enthusiastic about this opportunity to improve their interaction with DOL and will be supportive. Licensees without computer access or who may not elect to use an online option will be offered alternatives.

Alternatives explored by agency:

The agency considered different approaches for online licensing improvements, and ultimately found that modernizing the existing licensing system was the most cost effective option. The agency could not identify an available Software as a Service (SaaS) alternative and Commercial off the Shelf (COTS) systems were cost prohibitive.

DOL considered not pursuing these improvements and waiting until professional and business licensing becomes part of the agency’s overall Business Technology Modernization in 2022, if approved. DOL is requesting funding at this time because: existing fund balances are sufficient to cover the improvements; the requested improvements will extend the life of existing operating systems; overall risk will be reduced; and the project will result in expediting and simplifying the addition of business and professional licensing to the agency’s modernization efforts in the future.

State of Washington
Decision Package

Budget impacts in future biennia:

Efficiencies gained from the existing contract combined with anticipated efficiencies through approved funding for future contract work, will result in savings associated with three licensing FTEs at the beginning of the 2015-17 biennium. DOL anticipates that the efficiencies created through this automation will eliminate the need for four additional licensing FTEs at the beginning of the 2019-21 biennium. Staff savings will be redirected to more valuable functions including enhanced communications as well as compliance, inspection and audit functions.

	2015-17	2017-19	2019-21	Total
Salaries/Benefits	\$480,000	\$480,000	**\$1,120,000	\$2,080,000
Printing/Mailing	\$55,000	\$110,000	\$110,000	\$275,000
Total	\$535,000	\$535,000	\$1,230,000	\$2,355,000

**Four FTE savings at the beginning of the 2019-21 Biennium.

Distinction between one-time and ongoing costs:

The costs of updating the business and professional licensing interface are one-time costs associated with contracting for design and programming support, purchasing imaging enhancements and hiring temporary staff to implement the improved systems. The only ongoing costs associated with this proposal are license fees for an imaging vendor, which are currently estimated at \$15,000 per year.

Effects of non-funding:

Not granting the increased spending authority will result in licensees having to continue with the existing manual licensing process. Efficiencies will not be realized such as automated processing, easier online access, more transparent data, improved time to license, online payment options and staff, printing and postage savings.

Revenue Calculations and Assumptions:

None.

Expenditure Calculations and Assumptions:

- \$800,000 for contracted computer development and programming.
- \$612,000 for three temporary FTEs and related costs for the period of the project:
 - One full time tester
 - One internal solutions architect/developer to help with interfaces between business and professional licensing interface and the primary operating system
 - One business analyst to do requirements gathering, process analysis, workflow design and communications
- \$22,000 for equipment.
- Estimated \$320,000 to purchase improved imaging functionality and first year licenses.

State of Washington
Decision Package

Expenditures will be from existing balances in BPD appropriated and non-appropriated accounts:

Fund Title	Share
Real Estate Commission	60%
Professional Engineers	25%
Architects	3%
Real Estate Appraisers	3%
Geologists	3%
Landscape Architects	3%
Funeral/Cemetery	3%

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	\$215,000	\$215,000	\$430,000
B Employee Benefits	\$57,000	\$57,000	\$114,000
E Goods and Services	\$729,000	\$459,000	\$1,188,000
J Capitalized Equipment	\$22,000		\$22,000
Total	\$1,023,000	\$731,000	\$1,754,000

<u>Object E Breakdown:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
EA Office Supplies	\$2,000	\$2,000	\$4,000	\$0	\$0
EB Phone/Install/Usage	\$1,000	\$0	\$1,000	\$0	\$0
ED Facility/Lease Costs	\$18,000	\$18,000	\$36,000	\$0	\$0
EG Staff Training	\$2,000	\$2,000	\$4,000	\$0	\$0
EL DIS Shared Svcs	\$1,000	\$1,000	\$2,000	\$0	\$0
EN Personnel Services	\$2,000	\$2,000	\$4,000	\$0	\$0
ER Other Purchased Service	\$700,000	\$420,000	\$1,120,000	\$0	\$0
EY Software Maintenance	\$3,000	\$15,000	\$18,000	\$30,000	\$30,000
Total Goods & Svcs	\$729,000	\$460,000	\$1,189,000	\$30,000	\$30,000

	<u>Staffing</u>			<u>Operating Expenditures</u>		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
200 - Information Services	0.0	0.0	0.0	\$3,000	\$0	\$3,000
700 - Business & Professions	3.0	3.0	3.0	\$1,020,000	\$731,000	\$1,751,000
Agency Total	3.0	3.0	3.0	\$1,023,000	\$731,000	\$1,754,000

<u>Job Classification</u>	<u>Salary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
IT Systems Application Specic	87,096	1.0	1.0	1.0		
IT 4 Business Analyst	63,192	1.0	1.0	1.0		
IT Specialist 3	64,740	1.0	1.0	1.0		
Total FTEs		3.0	3.0	3.0	0.0	0.0

State of Washington
Decision Package

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Omnibus Funds</u>						
Program 200:						
All Other Omnibus FTEs:	0.0	0.0	0.0			
Profess. Engineers Acct.				\$1,000	\$0	\$0
Real Estate Commission				\$2,000	\$0	\$0
Program 700:						
All Other Omnibus FTEs:	3.0	0.0	0.0			
Architects License Acct.				\$53,000	\$0	\$0
Profess. Engineers Acct.				\$437,000	\$10,000	\$10,000
Real Estate Commission				\$1,049,000	\$20,000	\$20,000
RE Appraiser Comm				\$53,000	\$0	\$0
Funeral/Cemetery				\$53,000	\$0	\$0
Landscape Architect				\$53,000	\$0	\$0
Geologists' Account				\$53,000	\$0	\$0
Total Omnibus Funds	3.0	0.0	0.0	\$1,754,000	\$30,000	\$30,000
<u>Total of All Funds</u>	3.0	0.0	0.0	\$1,754,000	\$30,000	\$30,000

Information Technology Addendum

Recsum Code and Title PL-Z9
Brief Description: BPD On-line Licensing Improvements

If this investment includes the use of servers, do you plan to use the state data center?
 Yes No, waiver received No, waiver not received Does not apply

Security

Security: How does this investment affect the state's security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

How does this investment affect the state's security posture?

Authorizing the investment of existing professional licensing funds into enhancing the Solar professional licensing interface increases the state's security posture by moving a paper process into an electronic workflow.

Security of licensing documents increases with automation due to a paperless processing environment. Applications and supporting material will no longer be at risk of being lost or misplaced. Fraud risk lowers because of security questions associated with licensees' accounts. Improvements in process efficiency, quality, controls, consistency and visibility, help control risk for the agency.

Automation and reduced paper usage establishes the following benefits:

- 1) Creates automated workflows for documents
- 2) Controls and records document review
- 3) Tracks document distribution
- 4) Secures record keeping
- 5) Controls timely information dissemination
- 6) Reduces administration costs of process steps and touches for review
- 7) Reduces storage space and associated security processes with storing paper
- 8) Reduces risk associated with access by unauthorized personnel

Have the proper security considerations been made?

Yes. Department of Licensing (DOL) has completed the security review with Consolidated Technical Services (CTS) and no security concerns were identified. Fortress Anonymous is used for look up in DOL's Active Directory.

DOL has prepared detailed requirements that will help mitigate any unforeseen challenges arising during the deliverable-based project.

Does the investment itself actually improve infrastructure security?

No, this project takes advantage of existing security architecture and security methods.

This project utilizes the current infrastructure security model. The DOL Virtual Hosted WEB Server is located in the State Data Center and physically secured within the locked racks of the Data Center facility.

What, if any, security concerns are there?

No security concerns were raised regarding use of Fortress Anonymous to look up in DOL Active Directory. DOL provides security checks on web servers through network and application scanning using Qualys and WebInspect vulnerability tools.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

Does this investment require significant institutional change within the agency, and is the agency prepared for that change?

No, very little institutional change is required for this investment and yes, the agency is prepared for the change. Solar improvements will minimally

impact Business and Professional Division staff as well as IS Division staff. The improvements resulting from the project will result in improved processes for both impacted divisions.

The licensee experience will improve significantly through mobile options, shorter time to license, and availability of data that was not available on line before as well as new functionality. Training and assistance will be provided to licensees by customer service staff on new online functionality.

Department of Licensing is highly committed to moving towards a more modernized state government. This Solar interface improvement project will streamline processes internally and externally and modernize our delivery system to professional and business licensees for a relatively small amount of dollars. It will enable greater mobile access to DOL's licensing systems' external stakeholders through a wide range of electronic devices.

Temporary staff to assist with IS impact are part of the Decision Package proposal and are incorporated into the projected cost. The proposed positions include a system architect, business analyst and tester.

More business and professional licensees will participate online and there will be fewer steps involved in processing licenses.

Is there committed and proven leadership?

Yes, both the IS Assistant Director and Business and Professions Assistant Director have lead successful projects, as have the IS Technical Service Manager other managers involved in this project. Project staff will also have access to the knowledge and skills that exist with the Business Technology Modernization project staff.

Is there a record of successful projects?

Yes, the Solar public interface is already live. System enhancements applied during the 2014-15 fiscal year will augment the existing system, making it easier to transition programs in this project request.

The most recent IS project implemented by the Business and Professions Division is the Driver Training School Project, which created an online interface for the schools to report student information, including final test scores. We are also currently negotiating the final contract for the Prorate and Fuel Tax system modernization at the conclusion of a successful RFP selection process.

Does the agency foster a culture of creative problem solving?

Yes, the improved functionality of Solar will provide a much broader spectrum of opportunities to improve processes both internally and externally. Under Pat Kohler's leadership, Department of Licensing is fully embracing movement towards a Lean culture. All staff are exposed to process improvement concepts to varying degrees. This project is fully supported as a means to improve processes, simplify work and improve system access for internal and external stakeholders.

DOL's Lean initiative impacts the IT division through deployment of Lean tools, agile methodology and scrum team product development. Operating divisions are represented by product owners who work with assigned IS scrum teams to prioritize work and monitor sprint deliverables. Team problem solving has become part of the culture of IS with ongoing collaboration with the business divisions, creating more efficiencies.

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

Can the investment realistically be completed within the proposed framework of time, budget and resources?

Yes, this project is an enhancement to an existing application; therefore, the changes are not introducing technical complexity into the existing environment. The proposed work is a continuation of automation efforts previously installed. This project will expand existing capabilities to new user groups, using the same or similar methods used to create the existing programs, which reduces risk.

Based on the expertise of DOL Staff, the selected vendor and their familiarity with the systems due to previous contract work, the risk level of not meeting the deadline is low. Based on experience with the previous project, confidence with the estimation of time, budget and resource needs is high. The developers that support the current system calculated the effort required.

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

Is the investment urgent or can it wait until a future funding cycle?

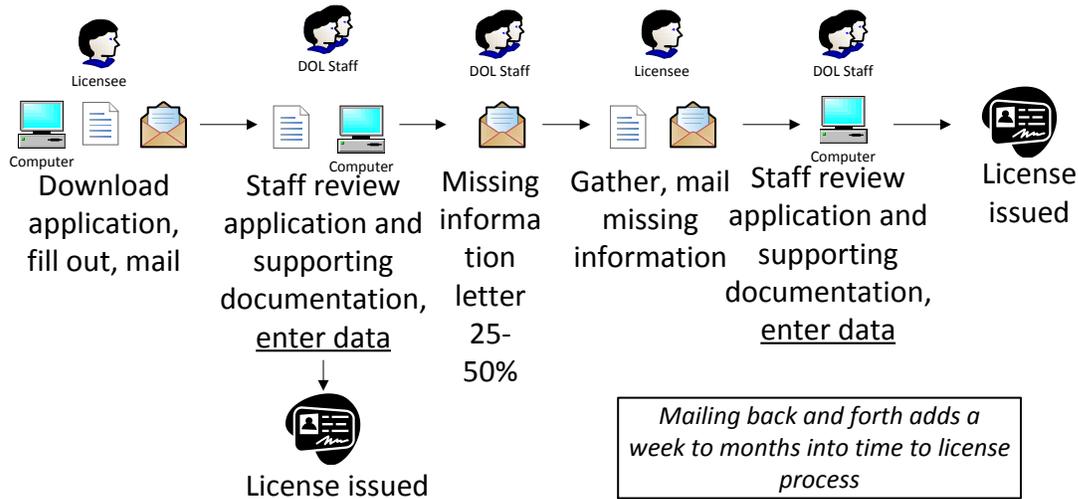
It would not be in the best interest of our stakeholders or internal operations to wait to make this investment. Every year that passes without improving the Solar interface for business and professional licensees puts these stakeholders further behind on benefitting from automated access and functionality with Department of Licensing. Our stakeholders expect a certain level of automation that is not currently being provided through Business and Profession's online services.

The trend in professional licensee online use has shown dramatic increases over the last several years. Since 2006, the professional licensing base for the programs affected by this project has more than doubled in online renewals.

Governing boards and commissions for the professional licensing programs expect more online services to become available during the 2015-17 biennium and have approved use of program license funds to fund this project.

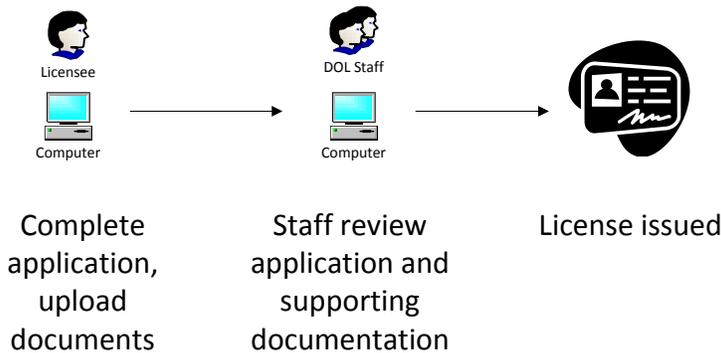
The diagram below evidences how the existing paper/mail process can be improved by cutting time to license, data entry, touch time and application rework.

Current licensing process flow



Post Solar Phase 2

The missing information/incomplete application process will nearly cease to exist from the license processing workflow for online users. Existing paper licensing processes are experiencing 25–50% rework associated with missing and incomplete application material. All programs will experience improved “time to license” by alleviating missing information delays and cutting out the mailing process.



Licensing program business partners and national organizations often are more advanced than State of Washington DOL’s professional licensing

process. The inconsistency between online access between DOL and partner organizations creates issues for licensees and prevents improved interactive automation between entities from occurring. Paper processing also makes it difficult for DOL administration to be in a position of inter-coordinated process oversight when we are still issuing license by paper and the partners are online.

The more young licensees that enter the professional licensing arena, the greater the expectation that fully automated online services should be available.

Funding for this project is already set aside in the impacted professional license accounts. This request is to increase spending authority to allow us to access these funds.

Must the investment be completed all at once, or can we break it into incremental pieces?

The project can be broken down into incremental pieces. As features are developed and moved to production, programs migrate into the new functionality. Feature prioritization will focus on delivering the most valuable functionality to the broadest base of users first. Programs with the largest impact will migrate first on down to the smallest impact programs. Deliverables will be made within six month time frames, the highest impact increments delivered first.

With over a quarter million professional and business licensees in the Business and Professions Division, most of which plan to be migrated to automated processing by the end of the 2015-17 project, it makes little sense to extend the project into a later biennium. The program funds are currently available.

The project will adopt agile methodologies and be delivered in increments. The deliverables will be broken down by various features and professional license types. Because the nature of the project is not complex, it is of little value to extend the proposed project completion time beyond the 2015-17

biennium. The funds are currently available and the project can be completed within the biennial timeframe.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

If the spending authority to access existing fund balances is not granted, the efficiencies created by streamlined processing for internal and external purposes will not be realized. The cost savings associated with mailings involved in license renewals and missing information correspondence will not be saved. The reduction in FTEs needed for customer service and the associated cost savings will not be realized. The goodwill created for licensees and the associated businesses by enhancing the licensing process will not be realized.

This project significantly enhances the licensee's interaction with DOL. All initial licenses will be able to be initiated online. Real estate firms will be able to track transferring agents between firms which involves approximately 3,000 transfers per month. Licensees who are required to acquire continuing education will be able to track their CE credits on-line. Licensing education entities will be able to feed pass/fail data directly into our Schools Portal. None of these public services are currently available. Additionally these services will be available 24/7 to our licensee base.

DOL is in the initial stages of a multi-year Business and Technology Modernization effort. The proposed licensing interface improvements will compliment and simplify the alignment of the Business and Professions licensing processes into DOL's overarching Business and Technology Modernization project.

External stakeholders will have to continue to use the slower and less efficient paper and mailing systems to process initial licenses and renewal processes. Existing 25-50% submission error rates will continue. Time to license will remain at several days, to weeks, if not months, because of mailing requests

and providing documentation back and forth through mail. The automation enhancements would provide immediate licensing in some cases.

In addition to initial licensing and broader access to license renewals, other functionality linked to the Phase 2 of Solar such as tracking transfers of licensees between firms, making continuing education credits available online and expanding the use of the Schools Portal will not be realized. Automated Real Estate transfer tracking will save significant operational costs and vastly improve communications for sending and receiving Real Estate firms as well as the transferring broker. Reflecting/tracking continued education credits has a large benefit to professional licensees and will create significant goodwill.

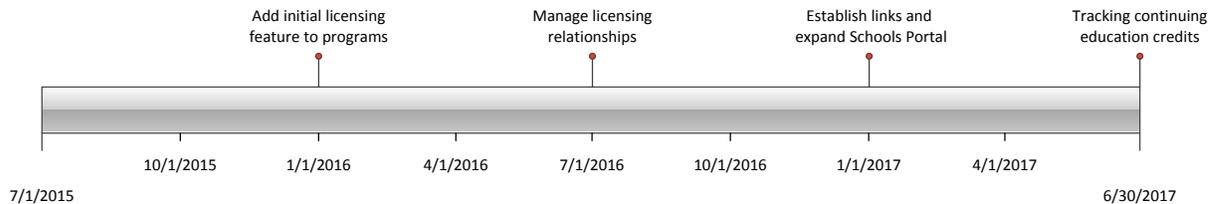
Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

Yes, Department of Licensing has employed Agile scrum methodologies for its IS projects which also incorporate deliverables from contractors. The project work is broken down by feature and will focus on delivering the most valuable functionality to the broadest base of users first – leaving the harder to develop and less used features until the end. The project will lend itself well to incremental releases of deliverables to licensees and continual assessment of progress. Deliverables are anticipated within six-month increments, if not sooner.

Demonstrations will be made periodically to the boards and commissions overseeing the governance of the affected programs including the Real Estate Commission, as well as Engineer and Design program Boards. The feedback from the users will help guide the prioritization of the feature release plan, including the possibility of refactoring already delivered features to increase their overall value. The entities will help publicize the available functionality and promote the changes in operational processes.

Internal and external stakeholders will be directly involved in input on the new processes as they are rolled out and be solicited to provide input. Releases will be tightly coupled with stakeholders' adaptations and remain flexible to alter deliverables expected by stakeholders as necessary. An approximate delivery plan is laid out in the time line below.



Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

The investment will be replacing a paper legacy system with an automated system. Cloud storage is not relevant for the type of process being addressed specifically with the system however the overall project encompasses incorporation of cloud storage for licensing education course materials which will save both the agency and education entities significantly in paper handling, postage and storage.

Software as a Service (SaaS) alternatives were evaluated. Gartner Consulting was not aware of any SaaS solution for professional licensing purposes. Contact with other states within the nation did not reflect that SaaS licensing services were utilized in other states. There are Saas address validation services that will be employed where possible in this project.

This investment will result in replacing paper processing that currently exists in the license processing. Several manual steps will be removed from the licensing process by automating the process steps (see before and after process flows in chart above). Licensing staff will be able to focus attention on the uploaded supporting documentation instead of managing the paper. The need to mail in applications and supporting documentation will be

alleviated which will save on paper mailings and postage, manual processing. The investment will decrease “time to license” for licensees and reduce the amount of rework involved with missing or incorrect information or fees being provided with the existing manual process. More data and information will be accessible to stakeholders.

SOLAR interface is a subcomponent of the Business and Professions Divisions (BPD) licensing system called Venture. It is the external User Interface (UI) used by citizens to interface with Venture Licensing System. The major factor behind the design is related to one location (Venture) where rule changes and validation are made. By keeping the control of the data displayed on the SOLAR screens in the host system (Venture) there is only one application (Venture) where the changes are needed.

This makes Software as a Service (SaaS) less of an option for this project. We will be looking to use SaaS whenever possible; such as in our address verification lookup and other possible SaaS that could help reduce our need to produce code.

Mobility: Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?

Does the investment help state employees conduct business “anytime, anywhere”? Does it improve mobile access to services for customers?

Yes, the primary objective of this project is to improve the licensee’s experience by creating anytime, anywhere mobile access to the professional licensing system at DOL. These improvements will ultimately impact over a quarter million professional and business licensees.

Multiple types of technical/mobile devices will be able to access this licensing system to conduct licensing transactions. The system will be available 24/7 and multiple payment options will be available for full system access. New types of data will be made available on line.

Internal mobility will improve by providing more flex place options for staff. Working from alternative locations will be more realistic when they are processing work from an online system instead of working with paper applications and supporting materials.

Licensees will have convenient access through their electronic online devices to take care of almost all of their business and professional licensing needs. Licensees will be able to access the system at any time of the day on any day of the week on their mobile device to access Business and Professions through DOL.WA.GOV.

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

Yes. Online processing will mean that public stakeholders will be able to access and process information that will become more readily available and more accurate. The License Query System which is currently available to the public will have more current and timely licensing information available to review. Designated Real Estate Brokers will be able to see if their employees have current licenses or if their transfer notice has been processed. Licensees will be able to ensure that their demographic information is current and accurate. Licensees and Managing Firms will be able to evaluate the status of a licensee's continuing education credits for the first time.

Internal staff will have improved access to data. Due to automated edits and checks prior to allowing submission, the data will be stored very accurately and almost immediately when complete. Licensee test scores and other information will be easily accessible.

Does this investment increase public access to searchable public data and information?

Online processing will mean that the License Query System available to the public will have more current and timely licensing information available to review. Information will become easily accessible.

Accountability: Are the investment's goals well articulated? How will "success" be determined or measured?

Are the investment's goals well articulated?

Yes, the goals of the project are well articulated as to the different deliverables that are anticipated, the details of which will be determined within the contract if this project is approved.

How will "success" be determined or measured?

Success will be determined by the number of licensees that begin to use online licensing as well as the anticipated shortened "time to license." Satisfaction of the licensees who use the system will be measured. Other deliverables such as transfer functionality for real estate brokers will be measured in reduced workload for staff as well as improved communications to the sending and receiving real estate firm and the transferring brokers. Licensee satisfaction with having access to continued education credits will also be evaluated.

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

The lost opportunity to reduce operational costs is a financial risk of not doing this project. An automated system will greatly improve the economies of scale associated with the number of licensees initiating and renewing licenses with DOL. Cost reductions may ultimately be able to be passed on to licensees as anticipated efficiencies are gained from a fully implemented and stabilized automated system.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

The cost savings associated with this project will not double the investment by the end of 17–19 however it will have recovered the investment within the end of the 2019–21 biennium and the goodwill impact on licensees and stakeholders to improve their interactions with the state is significant.

The costs associated with printing and mailing correspondence associated with the licensing process (not printing of licenses) for the programs directly affected by this phase of Solar enhancements is \$55,000 per year. In addition, process efficiencies and storage costs will also start to be saved when the course materials can move to cloud data storage.

Three Customer Service positions will remain vacant if this project is funded for the 2015–17 biennium. Four additional customer service FTEs are anticipated to be saved after the system enhancements are completed and stabilized. By the beginning of the 2019–21 biennium (post stabilization), the agency will begin experiencing a minimum of \$560,000 in annual salaries/benefits in customer service FTE savings alone.

	2015–17	2017–19	2019–21	Total
Salaries/Benefits	\$480,000	\$480,000	\$1,120,000*	\$2,080,000
Print/ mailing	\$55,000*	\$110,000	\$110,000	\$275,000
Total	\$535,000	\$590,000	\$1,230,000	\$2,355,000

*Savings realized after programs have been moved into new functionality in FY 2016.

**Four new FTE savings begin at the beginning of 2019–21.

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?

Not applicable

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

Yes, the proposed investment is specifically identified in the agency strategic plan, as well as the division's action plan. A broader automated professional and business licensing portal will simplify the licensing process and improve "time to license" which is an agency level performance measure.

This improved time to license will impact the related public safety and consumer protection processes for these programs by providing more complete and timely information. It fully supports the agency's mission and commitment to great service by providing an easier and timelier route to licensure.

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

Yes, the status quo involves an inefficient paper licensing process that does not meet the public's expectations for state service. Moving programs into an enhanced licensing online system will clearly solve this business problem. Additionally, it means the Governor's goal of efficient, effective and accountable government.

240 Department of Licensing
PL-N0 Business & Technology Modernization - Continuation
2015-17

Agency Recommendation Summary Text:

The Department of Licensing (DOL) requests funding to continue the replacement and consolidation of the state's legacy vehicles and drivers systems, referred to as Business and Technology Modernization (BTM). The next phase of the project includes procuring, configuring and implementing an integrated commercial off the shelf (COTS) solution for vehicle and driver administration. This phase focuses on implementing the vehicles software support module. (Highway Safety Fund-State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
106 Highway Safety Fund	\$25,017,000	\$2,395,000	\$27,412,000
Total Cost	\$25,017,000	\$2,395,000	\$27,412,000

Package Description:

The Department of Licensing (DOL) has outdated information technology systems supporting vehicle, drivers, professional licensing, and revenue management functions. These systems are difficult to adapt to the changing needs of Washington's citizens and to emerging policies and fiscal needs. Agency applications and databases that support these systems are obsolete and can no longer be effectively maintained.

This request is to fund the next phase of the Business and Technology Modernization (BTM) project. Funding supports the purchase of a COTS solution; contracted professional services; and 11.9 FTEs for internal staffing to support project implementation. This phase includes procuring an integrated vehicle and driver administration COTS solution, and configuring and implementing the vehicles software support module. The COTS solution allows the department to integrate vehicle and driver administration. Requested resources will be used to configure initial system integration between the modules for vehicle and driver administration. Please see the implementation timeline for more details.

The Legislature has committed approximately \$7.8 million during the last two biennia (2011-13 and 2013-15) for DOL modernization planning and preparation work. If driver and vehicle system implementation is not funded, the state's return on the prior investments will not be realized.

Background

The motor vehicles administration system marketplace has evolved to the point where reliable, highly configurable COTS solutions are available. The solutions can be implemented by module. A COTS solution is a licensed application maintained by a company that updates the software regularly to maintain a modern, up-to-date system. The vehicle and driver COTS solution will be a software package that can be effectively applied to meet customer needs

State of Washington
Decision Package

without significant changes to the system's source code. Customer needs are met primarily through software configuration, not hard-coding. Five other states have successfully implemented a COTS solution for vehicle and driver administration.

DOL operations, including registration and titling for 7 million vehicles, are currently supported by computer systems and databases that are obsolete and difficult to modify. Department vehicle operations provide a large portion of our state's transportation revenue and support mission critical public safety functions, including law enforcement access to vehicle and driver identification data.

According to the 2012 Gartner Total Cost of Ownership statewide assessment, DOL ranked lowest of all 33 state agencies in application development spending relative to peer organizations. The study also found DOL application support costs to be less than peer organizations. This has created a situation where DOL carries substantial "technological debt"--the gap between current agency technological infrastructure and industry standards for organizations with similar functions.

The agency's information systems consist of over 11 million lines of antiquated programming language, including COBOL which dates back to the early 1960s, NetCOBOL and VB6. These programming languages can no longer be effectively supported and modified. This legacy technology base supports decades-old business processes that must be constantly re-engineered by updating multiple, overlapping applications.

Reliance on information systems that are programmed and extensively modified in monolithic code (i.e. single-tiered, non-modularized) creates multiple significant challenges and risks:

- Complex information systems with business rules (such as vehicle registration fees) that are hard coded into the programs and often poorly documented. This makes it difficult, time consuming and costly to maintain or change systems. DOL's application developers spend nearly 70 percent of their time maintaining outdated legacy code, leaving little capacity to improve or change systems.
- Lack of responsiveness to state and federal law changes. For example, EHB 2660 (Addressing Transportation Revenue) passed in 2012 required modifications to more than 7 internal applications and required more than 1,500 hours to implement.
- Inability to make timely updates to applications that exchange data with local, state and federal agencies including public safety organizations. This limitation also results in time consuming manual work-arounds that create backlogs and customer service delays.
- Difficulty hiring and retaining staff with technical expertise in legacy programming languages. DOL staff with these skills are expected to retire in the next two to three years. Most colleges no longer offer legacy language programming classes¹. Large IT firms offer more lucrative compensation packages to hire the available talent in order to offer outsourcing plans to the many entities that can no longer support their legacy systems.
- DOL's ability to test new changes is hampered by poor documentation, lack of a complete set of test cases, and lack of automated test tools. This increases the risk of undiscovered "bugs" interfering with day-to-day operations and impacting customer service.

DOL received funding in Fiscal Years 2013 and 2014 for the initial stages of Business and Technology Modernization. Following is a chronology of the agency's activities to date.

¹ 73% of universities with information system/computer science programs no longer have COBOL programming as part of their curriculum (Micro Focus survey of 119 universities' application programming curriculum, 2012)

Modernization Planning Activities: Blueprinting & Roadmapping
July 2012 – September 2013

- Completed the project Feasibility Study and identified potential modernization strategies rated by cost, risk and relative success in other state's vehicle and driver licensing modernization efforts.
- Identified risks and alternative modernization approaches for each business line and groups of applications.
- Reviewed overall project risks, alternatives and approaches with Gartner Inc., a leading technology research and advisory firm.
- Hired a nationally recognized DMV systems consulting firm – MathTech, Inc. - to help develop a modernization roadmap and architectural blueprint. The following deliverables were produced under this contract:
 - Defined high-level business requirements to create visioning statements describing the needs and characteristics of the future system, including:
 - Goals and objectives
 - Strengths, weakness and opportunities analysis
 - Stakeholder identification/needs assessment
 - Problems and solution statements
 - Created a roadmap that defines the modernization strategy
 - Created an architectural blueprint that includes detailed system and technical solution requirements. The blueprint identifies foundation systems, base systems and business solutions.
 - Identified common needs of the business such as customer management, document management and workflow.
 - Reviewed the agency's application landscape, governance processes, data management practices and infrastructure.
 - Created business area charters and project statements.
 - Prepared estimates for FTEs, contractors, software, hardware and maintenance.
- Consulted with peer agencies to review and incorporate modernization lessons learned.
- Hired a respected technical contractor to provide critical information about the complexity of the programming code and software used in DOL systems.

Vehicle Fee Improvements (proof of concept)
September 2012 – December 2013

- Developed, tested and implemented the proof of concept for new fee software architecture that will reduce the time required to change fees and be less costly to maintain.
- Updated the future application architecture and design based on what was learned during the project.
- Deliverable 1: Developed, tested and implemented additional new vehicle fee applications using proven architecture and design. This effort will reduce the time to implement certain fee changes by approximately 30 percent.
- Validated proof of concept approach to begin vehicles modernization.

Project Initiation

January 2014 – June 2015

The following actions were funded with the \$5.286 million appropriation DOL received in the 2014 supplemental transportation budget:

- Initiated data cleanup project. Prioritized data sets and fields for normalization and acquired transformation tools to identify data disconnects between principal agency databases.
- Designed a refreshed data model to support legacy applications until their replacement.
- Developed enterprise level requirements to inform the RFP. Developed more detailed requirements and processes for the vendor demonstration process (RFP evaluation phase) and system implementation. Collected and catalogued business rules and system/functional requirements including interface specifications aided by stakeholder focus groups.
- Developed Investment Plan, which was approved by the OCIO.
- Developed draft RFP that represents a streamlined procurement process (projected for release in January 2015).
- Complete the RFP process and award the contract for a COTS solution by spring 2015, with the contractor starting between spring and summer 2015 subject to funding availability.
- Implemented a Project Governance structure.

Solution

DOL is proposing procurement and implementation of a proven Commercial-off-the-Shelf (COTS) software solution. COTS is the agency's preferred alternative based on an assessment of risks and costs, including research that showed COTS has been successful with other states' vehicle and driver modernization projects. A proven COTS solution will provide a reliable, commercially supported and maintained enterprise software base that meets a majority of requirements. The remaining requirements specific to Washington can then be configured with a minimum of custom build.

DOL is modernizing its vehicle systems first because they are the most antiquated and have the most single points of failure. DOL's vehicle systems collect \$1.85 billion in transportation revenue a year, including \$480 million a year in vehicle fees collected by county auditors and subagents. Modernizing vehicles first also allows the agency to leverage lessons learned from the vehicle fee improvement proof of concept, such as reliance on configuration based modifications (e.g. table entry/value changes) versus hardcoding.

Modernization efforts for all business lines in DOL can leverage common components:

- Customer Relationship Management
- Revenue Management
- Workflow and Document Management
- Case Management
- Business Rules Management
- Reporting and Analysis

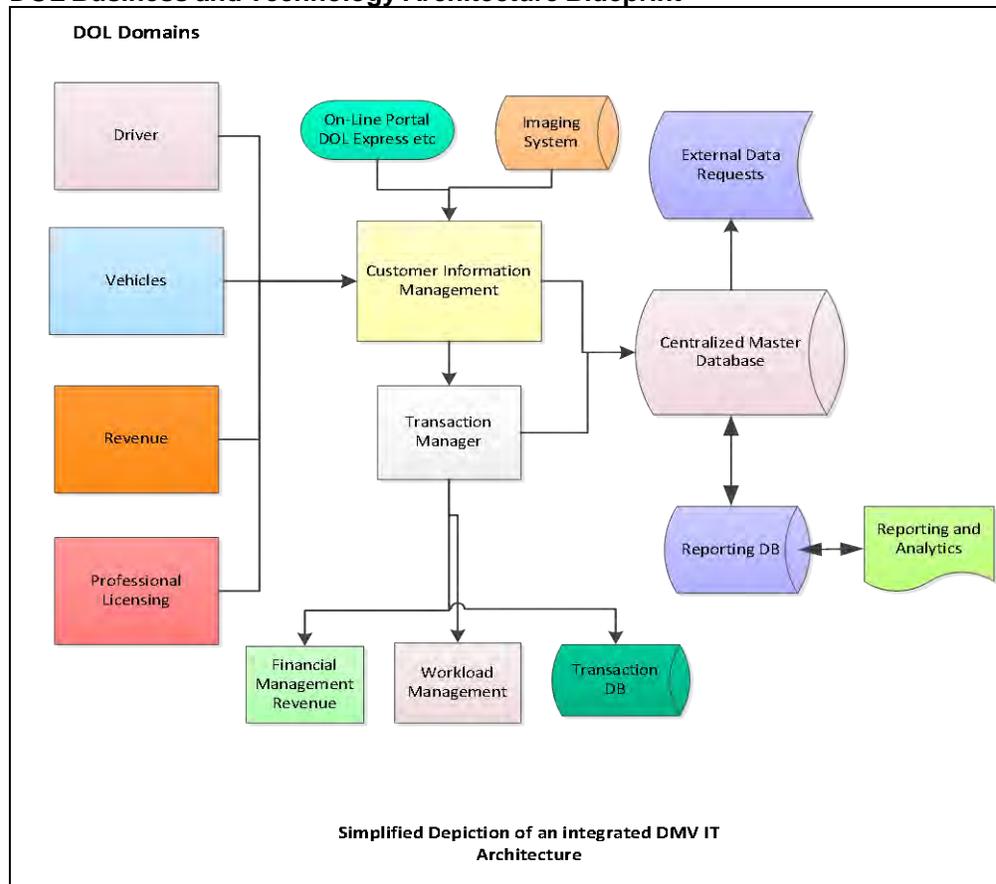
A COTS approach to Business and Technology Modernization offers the following advantages:

- Provides for agile and flexible configuration of the new enterprise system, through table and/or value level changes. Configuration is preferable to hard-coding changes, which would lead to increased maintenance support and technological debt.

State of Washington
Decision Package

- Leverages industry knowledge and best practices.
- Takes advantage of extensive development and customization work already performed in other states, such as business rule management, common interface engine support, data conversion and transformation protocols.
- Reduces resources required for development, testing and maintenance.
- Allows more rapid changes to information systems driven by legislation and other changing business needs.
- Provides a more agile and flexible platform for future enhancements, including interfaces with other agencies such as the State Patrol and the Departments of Transportation and Revenue, and improved online services.
- Software will be maintained and supported by the prime contractor.
- Gives DOL the flexibility to convert specific domains or applications incrementally. This approach will help realize business value incrementally rather than through a “big bang” or “grand design” approach.
- Provides the fastest, lowest risk way to reduce DOL’s dependency on COBOL and other legacy languages.
- Allows the department to work in a true partnership with the vendor. This arrangement is preferable to a rigid fixed price contract where all requirements are stipulated up front, which can result in numerous, expensive change orders.

DOL Business and Technology Architecture Blueprint



State of Washington
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Expected Results

Success of the Business and Technology Modernization project will be determined by tracking compliance with the following performance measures:

- Reduce annual programmer/analyst hours dedicated to making Legislative changes by 50 percent (current average is 12,000 hours; will target a reduction to 6,000, adjusted for number/impact of relevant bills in the respective legislative session).
- Reduce vehicle transaction times. Currently it takes an average of 6.6 minutes to process a simple title transaction. Goal is to reduce the time required to less than five (5) minutes per transaction. This will result in a total potential cumulative staff time savings of over 30,000 hours/year, based on 1.8 million title transactions annually [Re: Transaction timing study conducted in 2006].
- Improve title document process time from 17 days to less than 7 business days. Provide vehicle licensing offices with the ability to image documents in the field and produce titles on demand.
- Reduce the number of citation/infraction records in the out of state (drivers) database by 50 percent - from 1.9 million to 950,000.
- Improve document processing time, from a maximum of 45 days to add citation information to the driver's record, to less than ten (10) business days to accomplish this function
- Improve system availability, targeting 99 percent uptime.

Proposed Project Schedule

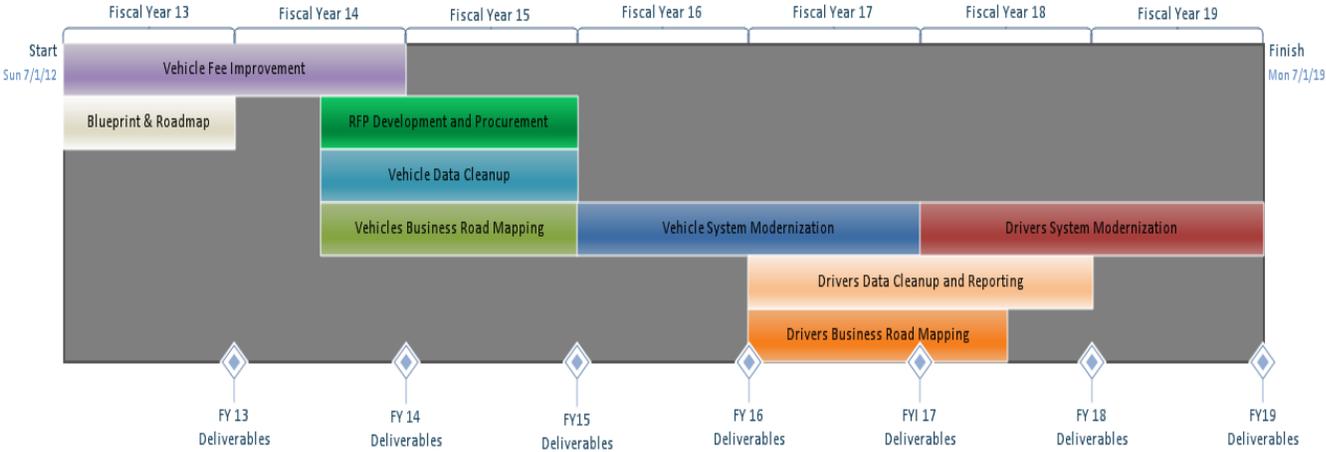
The project's implementation schedule is based on modular releases, delivering incremental benefits.

Schedule summary

Activity	Start Date	Completion Date
Project start date	1/1/14	
Data quality project	2/1/14	6/30/17
Hire staff according to staffing plan	4/1/14	6/30/15
Define Requirements	4/1/14	8/30/14
Draft and coordinate RFP	6/1/14	12/15/14
Release RFP	1/12/15	1/12/15
Evaluation Period: Vendor Orals/Demonstrations	3/16/15	4/30/15
Announce ASV	5/6/15	5/6/15
Vehicles implementation	7/1/15	6/30/17
Drivers implementation	7/1/17	6/30/19
Professional Licensing	7/1/19	6/30/20
Project End Date		6/30/2020

State of Washington
Decision Package

BTM Project Schedule



Schedule Deliverables Detail

Status/Due Date	Deliverable (product/service)	Components/Comments
FY 16	COTS Software	<ul style="list-style-type: none"> • Core COTS solution (base software configuration, vehicles module) • Software use and rights license • Installation and Implementation • Manuals and user guides
FY16 - 17	Project Management	<ul style="list-style-type: none"> • Integrated DOL/Vendor Project Management Plan <ul style="list-style-type: none"> ○ Project schedule ○ Resource allocation model ○ RACI Matrix ○ Configuration control plan ○ Deployment plan ○ Risk management plan ○ Failover/contingency plan ○ Knowledge transfer plan ○ Project status reports • Risk mitigation /Quality Assurance • Vendor management
FY16 –17	Organizational Change Managment	<ul style="list-style-type: none"> • Oversee the integrated business process improvement activity. Organizational change will involve the following strategies: <ul style="list-style-type: none"> ○ Negotiating a common vision for change ○ Support strong executive leadership/project sponsorship to communicate the vision and sell the business case for change to staff and stakeholders ○ Develop a strategy for educating employees about how their day-to-day work will change <ul style="list-style-type: none"> – providing new training or re-training where new job requirements are created
FY16	Vehicles Data Conversion	<ul style="list-style-type: none"> • Vendor facilitation of workgroup sessions with DOL data managers • Development of standard data definitions • Application of data conversion programs • Creation of intermediate data repository • Population of intermediate data repository • Data dictionary • Master data repository populated with cleaned vehicles data

Status/Due Date	Deliverable (product/service)	Components/Comments
FY 16	Vehicles Requirements and Specifications	<ul style="list-style-type: none"> • Vendor facilitation of DOL subject matter expert workgroups to define requirements and specifications • Documentation of requirements and specifications: <ul style="list-style-type: none"> ○ Business process maps and workflows ○ Business rules (developed/imported from DOL repository) ○ Special requirements ○ Data fields and values ○ Application configuration
FY16 – 17	Development and Unit Test (2/3 vehicles <i>functionality build-out</i>)	<ul style="list-style-type: none"> • Configuration/development plan • Sprints: Develop work process and configuration components • Application component demonstrations and sign-off • System Configuration adapted for DOL • Test plan, scripts and results • Software quality assurance
FY17	Testing Rollout	<ul style="list-style-type: none"> • Test Plan <ul style="list-style-type: none"> ○ Unit and integrity testing check-off ○ Vehicles history record integrity check-off ○ Vehicle transaction integrity check-off ○ User and business partner check-off ○ Fleet management performance check-off ○ Inventory Management check-off ○ Interface performance check-off ○ Law enforcement check-off • Report performance check-off
FY17	Training	<ul style="list-style-type: none"> • Training plan • Staff training – preliminary training plan and curricula <ul style="list-style-type: none"> ○ Individual and “Train the Trainer” ○ Supervisor and management training ○ System administrator training
6/30/17	Vehicles Rollout	<ul style="list-style-type: none"> • Software placed in production and being used by all DOL business units and third parties

Alignment with State and Agency Goals

Alignment with Governor's Performance Management System: Results Washington

Goal 2 - A Prosperous Economy: One of the four supporting pillars of Prosperous Economy is deploying a Sustainable, Efficient Infrastructure. Business and Technology Modernization will continue to help DOL efficiently collect vehicle fees which fund the state's transportation infrastructure.

Goal 3 - Sustainable Energy and a Clean Environment: This project will allow DOL to provide better vehicle data to help administer and measure the results of clean energy initiatives. Examples include data related to electric vehicles and a potential road user charge.

Goal 4 - Healthy and Safe Communities: This project directly supports this goal by:

- Providing greater reliability and faster access to vehicle owner information used by law enforcement agencies
- Increasing software security to protect citizen information from unauthorized access

Goal 5 - Effective, Efficient and Accountable Government: Business and Technology Modernization will help DOL provide:

- Better self-service access to state data and performance measures
- Support of statewide initiatives such as Washington Business One-Stop, the one-stop portal for licensed businesses to interact with Washington state agencies

Alignment with Agency Strategic Plan

Accomplishment of the agency's strategic plan depends upon the viability, reliability and flexibility of its information systems. This project directly supports all five of the agency's strategic goals:

- *Engaged Employees:* Provides employees with the tools, equipment and information systems required to provide outstanding customer service, support continuous process improvement and measure work output.
- *A Customer Focused Organization:* Provides reliable and timely customer service performance metrics, including wait times and customer satisfaction trends.
- *Efficient, Effective Services:* Supports efficient and effective services, which are dependent on the usability, reliability and performance of the supporting information technology infrastructure.
- *Trusted, Credible Partner:* – Helps maintain the accuracy, reliability and speed of information provided for public safety, law enforcement and revenue collection functions.
- *Improved Public Safety:* Enhances the accuracy, reliability and speed of agency data accessed by the Washington State Patrol, local law enforcement, and some Department of Transportation and Department of Corrections safety activities.

Performance Measure Detail

Activity: Administration of Vehicle and Vessel Titles and Registration (A021)

This proposal does not have a direct impact on revenues. It is anticipated that the project will improve the speed of implementing fee and tax proposals so that DOL can achieve faster collection of revenues that are anticipated through legislative action and projected in the forecast.

Required changes to existing RCW, WAC, contract, or plan:

None at this time. Changes may be needed in the future of the project.

Alternatives explored by agency:

DOL researched other jurisdictions and worked with Gartner, MathTech and other experts to inform our understanding of vendor and technology capabilities.

DOL considered implementing a modernization plan centered on automated code conversion. This plan involved using a third party vendor to convert the old COBOL code base to more modern and readily supported languages such as .NET or C+. Results of the 2012 RFI and additional discussions with industry and technology consultants confirmed that there are no completely effective, automated solutions to convert legacy code line-for-line. Partial conversion is possible, but a total solution involves a great deal of manual intervention to sort through inactive, redundant and dead code and extract business rules in a way that allows for both migration to a new system and design of streamlined business processes. This alternative approach would make it difficult for the agency to deliver incremental business value and implement legislative changes throughout the project.

The agency also considered a custom development approach. This strategy would have required procurement, implementation and integration of a number of separate technology building blocks to create the holistic solution provided by COTS. This approach was dropped in favor of the proposed COTS strategy, which has substantially less technological, development, integration and cost risks. COTS solutions have been successfully implemented by other entities around the country.

Budget impacts in future biennia:

The agency will request funding to complete the Business and Technology Modernization program roll-out in future biennia. This will include costs for implementing the drivers licensing software support module, professional licensing and ongoing maintenance and support costs. The agency expects to submit a subsequent budget request including approximating \$15M to support the drivers licensing software support module; \$4.3M for FTEs to support implementation of the drivers module, personal service contracts, hardware, systems software, indirect and overhead costs; and \$5M for on-going maintenance and support costs starting in FY19.

Actual modernization contract awards for vehicle and driver licensing agencies in less populated states using a COTS solution have been approximately \$20 million per major module, including vendor supported implementation services. Modernization projects in states with comparable population and vehicle/licensing transaction volumes (Arizona, Massachusetts and Virginia) have been estimated at \$60 to \$80 million.

Distinction between one-time and ongoing costs

Initial implementation costs are estimated in this request. Licensing agencies in other states that have implemented COTS solutions have an ongoing cost of approximately \$5 million annually for maintenance and support. Subsequent budget requests will include updated expenditure estimates as the project advances. The following costs are expected over the next two biennia:

One-time costs –vendor costs: \$37.5M for 2015-17 and 2017-19 together (2015-17: \$22.5M vehicles module; Subsequent budget request: \$15M drivers module)

- Vendor implementation and configuration service fees, software licensing, third party software, migration, hardware and infrastructure, training, and rollout.

One-time costs – internal/personal service contracts: \$9.2M (\$4.9M in 2015-17; \$4.3M in 2017-19)

- FTEs to support the implementation; personal service contracts; hardware; systems software; indirect and overhead costs.

On-going Maintenance and Support costs of \$5M starting in FY19, and \$4M per year thereafter – this includes:

- Maintenance and support costs are not broken down by module as DOL will be purchasing an integrated system
- Onsite vendor resources to resolve defects in site code, extensions, and configurations
- Onsite vendor resources to install service packs, hot fixes, and upgrades
- Software service packs
- New versions of COTS software
- Access to new and revised system documentation
- Vendor phone support
- Defect repair

On-going cost assumptions

- COTS vendor maintenance support does not include:
 - Changes to the system required by new legislation
 - Custom reports or changes to existing reports in the application

Effects of non-funding:

Without requested funding DOL will not be able to move forward with the Business and Technology Modernization program, which would have the following effects:

- DOL has received approximately \$7.8 million to date for DOL modernization planning and preparation work. If driver and vehicle system implementation is not funded, the state's return on the prior investments will not be realized.
- Points of failure in the current legacy architecture will multiply exponentially over time, resulting in interruptions of critical DOL services and making it increasingly difficult and costly to respond to changing business needs and policies. The present system is fragile and contains hundreds of redundancies across platforms and data sets, requiring hundreds of programming hours to implement any significant change.
- Operational “work-arounds” will increase, impacting public safety and service to customers, business partners, public safety agencies and stakeholders.

- A steadily increasing state population and changing policies and business needs will make it progressively more difficult for DOL to maintain existing systems and respond to requests for data. DOL, in partnership with county auditors and vehicle licensing subagents, performs 26,000 vehicle registration renewal transactions and processes 2,600 original vehicle titles each day.

Agency subject matter expert:

Erik Anderson, Business and Technology Modernization Project Manager, 360-664-6625
Management and Support Services

Revenue Calculations and Assumptions:

This proposal does not have a direct impact on revenues. It is anticipated that the project will improve the speed of implementing fee and tax proposals so that DOL can achieve faster collection of revenues that are anticipated through legislative action and projected in the forecast.

Expenditure Calculations and Assumptions:

Expenditures in the 2015-17 Biennium are estimated based on staff costs for business area positions needed for requirements capture and data cleanup; contracted services and software/hardware.

Staffing – DOL is requesting continued funding for positions funded in the Fiscal Year 2014 Supplemental (11.9 FTEs):

- Business Process Management. Position manages product owners and subject matter expert resources; coordinates requirements, development and stakeholder activities; leads business process management activities; and develops and executes communication plan and related tasks. Biennial salary and benefits for 1.0 FTE totals \$245,000.
- Product Owner for the Customer Relations Division. Position supervises vehicles team subject matter experts. Responsible for vehicles data clean up; auditor and subagent liaison requirements and business rules research; and analysis and coordination of COTS configuration for vehicles. Biennial salary and benefits for 1.0 FTE totals \$204,000.
- BTM Product Owner for the Programs and Services Division. This position is subject matter expert responsible for driver side activities such as creating business requirements, driver data clean-up, business rules research, and analysis and coordination of COTS configuration and integration concurrently with work being done for the vehicle module. Biennial salary and benefits for 1.0 FTE totals \$204,000.
- IT Systems Specialist 3. Position is data management and reporting specialist and subject matter expert for vehicles data clean-up. Position also performs drivers business rules assistance, and drivers Interface and reporting specification development. Biennial salary and benefits for 1.0 FTE totals \$175,000.
- Two BTM Functional Business Champion Subject Matter Experts. Position performs vehicles data clean-up, liaisons for auditor/subagent requirements and business rules research, and analyses and coordinates vehicle COTS configuration. Biennial salary and benefits for 2.0 FTE totals \$367,000.

- BTM Vehicle Business Subject Matter Expert. Position assists with data clean-up, business rule documentation, and COTS configuration. Biennial salary and benefits for 1.0 FTE totals \$184,000.
- BTM Contracts Manager. Position develops and manages BTM RFP and contracting activities. Legal and contracts advisor to the Program Management office and the project's Executive Steering Committee. Monitors active contracts for compliance. Biennial salary and benefits for 1.0 FTE totals \$216,000.
- Administrative Assistant 4. Position is the Office Manager for the BTM program and the Administrative Assistant to the Director of the Program Management Office. The position coordinates facility, equipment and supply requirements, contract administration and invoice processing, and meeting and schedule management. Biennial salary and benefits for 1.0 FTE totals \$130,000.
- Fiscal Technician 2. Positions perform accounting and payroll duties for the BTM program. . Biennial salary and benefits for 1.8 FTE totals \$281,000.
- IT Specialist 4. Position is calculated based on a 5% indirect rate that reflects additional work load for IS created by additional FTE and contract positions. Biennial salary and benefits for 1.1 FTE totals \$203,000.

Contracted Services and Software/Hardware – DOL is requesting funding for consultants, systems/third party software and hardware. Cost for a COTS software systems and professional services is estimated at \$22,500,000. DOL is also requesting funding for eight IT personal services contracts with an estimated total cost of \$960,000 a fiscal year as outlined below. Funding is requested for office space, equipment and supplies for these contracted positions.

Breakdown of Contractor Staff for Business and Technology Modernization for Vehicle Module:

Cost Category	Description	FY 16 Months	FY 17 Months	Rate	Cost
Developer/Tester	Modify programming and coding to all major systems; test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	22.0	22.0	18,444	800,000
Analyst	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	7.0	7.0	25,752	360,000
Technical Consultant	Manage schedule and contracts	11.0	11.0	27,492	600,000
QA Oversight*	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	2.5	2.5	31,621	160,000
Project Contingency	OCIO designated rate of 10%				-
		42.5	42.5		1,920,000

* DOL includes QA oversight costs estimates for fiscal note evaluations per the requirement of OCIO Policy 132.

Object Detail	FY 2016	FY 2017	Total
A Salaries and Wages	\$870,000	\$850,000	\$1,720,000
B Employee Benefits	\$247,000	\$242,000	\$489,000
C Personal Service Contracts	\$960,000	\$960,000	\$1,920,000
E Goods and Services	\$22,593,000	\$93,000	\$22,686,000
J Capitalized Equipment	\$347,000	\$250,000	\$597,000
Total	\$25,017,000	\$2,395,000	\$27,412,000

Object E Breakdown:	FY 2016	FY 2017	15-17 Total	17-19 Total	19-21 Total
EA Office Supplies	\$7,000	\$7,000	\$14,000	\$14,000	\$0
EB Phone/Install/Usage	\$10,000	\$10,000	\$20,000	\$19,000	\$0
ED Facility/Lease Costs	\$54,000	\$54,000	\$108,000	\$108,000	\$0
EG Staff Training	\$5,000	\$5,000	\$10,000	\$10,000	\$0
EL DIS Shared Svcs	\$3,000	\$3,000	\$6,000	\$6,000	\$0
EN Personnel Services	\$5,000	\$5,000	\$10,000	\$9,000	\$0
EZ Other Goods & Svcs	\$22,511,000	\$10,000	\$22,521,000	\$20,018,000	\$8,004,000
Total Goods & Svcs	\$22,595,000	\$94,000	\$22,689,000	\$20,184,000	\$8,004,000

Note: Total cost estimates for 2017-19 included in Object EZ: vendor implementation and configuration service fees, software licensing, third party software, migration, *hardware and infrastructure*, training, and rollout; and on-going Maintenance and Support costs of \$5M starting in FY19.

	Staffing			Operating Expenditures		
	FY 2016	FY 2017	15-17 Average	FY 2016	FY 2017	Total
100 - Mgmt & Support Services	1.8	1.8	1.8	\$156,000	\$150,000	\$306,000
200 - Information Services	1.1	1.1	1.1	\$126,000	\$107,000	\$233,000
300 - Customer Relations	9.0	9.0	9.0	\$24,735,000	\$2,138,000	\$26,873,000
Agency Total	11.9	11.9	11.9	\$25,017,000	\$2,395,000	\$27,412,000

Job Classification	Salary	FY 2016	FY 2017	15-17 Total	17-19 Total	19-21 Total
Business Process Manager	95,000	1.00	1.00	1.00	1.00	0.00
BTM Contracts Manager	84,000	1.00	1.00	1.00	1.00	0.00
BTM Product Owner for PSD	78,900	1.00	1.00	1.00	1.00	0.00
BTM Product Owner for CRD	78,900	1.00	1.00	1.00	1.00	0.00
BTM Functional Business Champion	142,832	2.00	2.00	2.00	2.00	0.00
BTM Product Owner for Vehicles	71,416	1.00	1.00	1.00	1.00	0.00
IT Specialist 3 (RPO)	67,977	1.00	1.00	1.00	1.00	0.00
Administrative Assistant 4	50,576	1.00	1.00	1.00	1.00	0.00
Fiscal Tech 2	109,200	1.80	1.80	1.80	1.80	0.00
IT Specialist 4 (INDIRECT)	78,400	1.10	1.10	1.10	1.10	0.00
Total FTEs		11.90	11.90	11.90	11.90	0.00

Expenditures by Budget

	FTEs			Operating Expenditures		
	15-17	17-19	19-21	15-17	17-19	19-21
Transportation Funds						
Program 10T:	1.8	2.1	0.4			
Highway Safety Fund				\$306,000	\$262,000	\$54,000
Program 20T:	1.1	1.1	1.1			
Highway Safety Fund				\$233,000	\$188,000	\$38,000
Program 30T:	9.0	4.0	4.0			
Highway Safety Fund				\$26,873,000	\$23,776,000	\$8,760,000
	11.9	7.2	5.5	\$27,412,000	\$24,226,000	\$8,852,000
Omnibus Funds						
Total Omnibus Funds	0.0	0.0	0.0	\$0	\$0	\$0
Total of All Funds	11.9	7.2	5.5	\$27,412,000	\$24,226,000	\$8,852,000

Information Technology Addendum

Recsum Code and Title PL-N0
Brief Description: DOL Business and Technology Modernization (BTM)

If this investment includes the use of servers, do you plan to use the state data center?
 Yes No, waiver received No, waiver not received Does not apply

Security

Security: How does this investment affect the state’s security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

This project requires procurement and implementation of a motor vehicles COTS solution. The leading COTS solution(s) is currently operating securely in several other states in real time, high transaction volume environments. In the RFP we have specified the requirements for solution conformance with NIST SP 800-53, Security Controls for Federal Information Systems and Organizations, including integrity controls governing the security of information exchanged with external parties and strong access logging capabilities. NIST SP 800-53 is generally regarded as the industry benchmark with respect to articulating enterprise system security requirements.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

COTS will drive changes in business process. A focused organizational change management process is being integrated into the BTM project with senior resources being assigned this role. DOL is currently engaged in organizational change management (OCM) and cultural readiness activities through its LEAN process improvement and training activities. The BTM OCM executive will assume leadership for ensuring a climate of cultural readiness and creative problem solving exists to effectively bridge the transition to the new system while also maximizing return on investment through benefits realization.

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

Several other states have completed the project with a leading COTS vendor in even less time than is presently contained in our project plan. We have used actual contract awards in other states for our cost estimates. Therefore, we feel our resource targets and timelines are realistic.

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

Our Feasibility Study, Investment Plan and Decision Package comprehensively address the urgency of this project. Current legacy systems are increasingly becoming unsupportable for the reasons described in these foundation documents. Basically, the amount of technological debt inherent to the existing infrastructure and antiquated systems is crushing the department's ability to keep these systems operational and current. Deferring implementation will potentially lead to a situation where legacy systems can no longer be effectively maintained, supported and operated.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

Impacts to the state, agency and the public of doing nothing include: further decay of the current system base into an unmaintainable cornucopia of partially redundant and inefficiently interlocking applications. The current application baseline is characterized by hundreds of points of failure highlighting the present architecture's acute fragility and fragmentation. DOL's legacy system maintenance staff is retiring. Core systems are consequently at substantial risk of failure. The result will be the inability of DOL to carry out its critical missions of licensing, registration, credential issuance and public safety support.

Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

Yes, the project is sequenced into phases that deliver distinct business value after implementation of each module. Project phasing is called out in the BTM Investment Plan.

Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

Yes, that in a nutshell is the essence of this project: replacing failing legacy information systems with modern, flexible, more easily supported architecture. COTS solutions in the motor vehicles space have matured to the point where at least one such solution is reliably operating in multiple states and has been implemented on time within budget.

Mobility: Does the investment help state employees conduct business "any time, anywhere"? Does it improve mobile access to services for customers?

We have specified requirements for a web-enabled solution that will allow employees to work from authorized work locations throughout the state. Our requirements also call for expanded customer self-service capabilities, leveraging the internet for the benefit of all stakeholders.

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

This project directly supports the Governor's Results Washington program and DOL's Strategic Plan, delivering and transparently reporting government metrics to the public and the legislature.

Accountability: Are the investment's goals well articulated? How will "success" be determined or measured?

Success will be determined by tracking compliance with the following performance measures:

- Reduce annual programmer/analyst hours dedicated to making Legislative changes by 50% (current average is 12,000 hours; will target a reduction to 6,000, adjusted for number/impact of relevant bills in the respective legislative session)
- Reduce vehicle transaction times. Currently it takes an average of 6.6 minutes to process a simple title transaction. Goal is to reduce the time required to less than five (5) minutes per transaction. This will result in a total potential cumulative staff time savings of over 30,000 hours/year, based on 1.8 million title transactions annually [Re: Transaction timing study conducted in 2006]
- Improve title document process time from 17 days to less than 7 business days. Provide vehicle licensing offices with the ability to image documents in the field and produce titles on demand
- Reduce the number of citation/infraction records in the out of state (drivers) database from by 50% - from 1.9 million to 950,000
- Improve document processing time, from a maximum of 45 days to add citation information to the driver's record, to less than ten (10) business days to accomplish this function
- Improve system availability, targeting 99% uptime

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

The primary financial risks of not replacing DOL's failing legacy systems are:

- Inability to capture revenue associated with changes in vehicle registration and drivers license fees on a timely basis due to the complexity of maintenance associated with the present systems. For any given change to the fee structure, multiple, hard-coded programming changes must be made which invariably cause other problems to surface which then require testing and reprogramming. For any such change, many applications are affected.
- Dramatically increased costs of maintenance and support related to outsourcing maintenance, because legacy system maintenance staff are retiring and it is particularly difficult to find replacement staff with requisite skills and experience.
- Potential non-compliance with federal programs such as Commercial Drivers License and RealID are likely, affecting grant funding/financing streams currently leveraged.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

No FTE reductions are forecast because, while the new system will allow the agency to increase capacity in line with the state's population growth and associated expansion in transaction volume, the new system will also require across-the-board changes to business processes that

will mandate a stable staffing profile to implement and execute revamped operations without any loss in customer service. Rather, enhanced customer service, to include improved accuracy and timeliness of data shared with other state agencies and the law enforcement community, is a principal objective of the project.

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?

A long term goal of the project is to accelerate the agency’s ability to implement more rapid revenue capture caused by legislative mandates associated with fee changes. We expect significant improvement in this area; once a system is selected and we can test configuration flexibility for implementing fee changes, we will be able to produce realistic estimates in this regard.

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

Business and Technology Modernization will directly support agency mission accomplishment by:

- Proactively implementing commercial software that will replace and prevent failure of existing core business applications
- Increasing public safety by providing more accurate records to law enforcement in real-time
- Cutting the time and cost necessary to implement legislation
- Improving our data reporting and auditing functions
- Delivering a fast response to new business needs
- Improving customer service to all stakeholders, including WA State citizens, state agencies and other jurisdictions

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

DOL systems are obsolete, hard to modify and in danger of failure. DOL operations, including licensing functions for all of our state’s drivers and vehicles and many of our state’s licensed professionals, are currently supported by computer systems and databases that are extremely fragile and difficult to maintain. Motor vehicle and licensing transactions provide a significant portion of our state’s transportation revenue and support mission critical public safety functions such as law enforcement access to critical driver identification data.

According to the 2012 Gartner Total Cost of Ownership (TCO) state-wide assessment, DOL ranked lowest of all 33 state agencies reviewed in terms of application development spending relative to peer organizations. This has created a situation where DOL finds itself carrying a substantial level of “technological debt,” that is, systems and related practices that have fallen far behind government and industry standards.

In order to provide the optimal technology solution for a constantly changing customer-focused environment, DOL has performed extensive benchmarking with other jurisdictions, in addition to conducting substantial internal analysis, in the planning for business and

technology modernization. This project directly addresses the above described business issues and the investment in enterprise COTS will both solve these problems and create a credible and realistic roadmap ensuring the future viability of the state's motor vehicle and drivers licensing activities.

240 Department of Licensing
PL-N2 Central Issuance System - Continuation
2015-17

Agency Recommendation Summary Text:

The Department of Licensing requests \$4,035,000 for the 2015-17 Biennium to continue implementation of an updated Central Issuance System (CIS) for the production and distribution of secure driver's licenses and identification cards. (Highway Safety Account-State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
106 Highway Safety Fund	\$2,021,000	\$2,014,000	\$4,035,000
Total Cost	\$2,021,000	\$2,014,000	\$4,035,000

Staffing

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
FTEs	4.0	4.0	4.0

Package Description:

Background

Prior to 2000, DOL produced driver's licenses and identification cards at each licensing service office. This "over-the-counter" system was inefficient and carried risk of fraudulent use of equipment to produce invalid documents. In 2000, DOL contracted with a vendor to provide a secure Central Issuance System (CIS), a national best-practice for issuance.

With a CIS, a customer has their photograph taken at a DOL driver's licensing office. Upon successful completion of the application, the customer receives a valid temporary license. Information is then sent to the vendor for production and mailing of the physical license card. A key feature of a CIS service is that production takes place in a secured factory that has strong levels of quality assurance and consistency through each phase of the process.

Current Status

Although the CIS has been updated periodically to reflect changes in technology and state policy, it has become difficult and costly to maintain due to its obsolete structure and processes. During the 2014 legislative session, DOL received \$1.5 million to complete the procurement and planning effort in preparation for the implementation of a new CIS system. DOL is on track to successfully complete procurement and planning work and anticipates entering into a contract in December 2014. DOL does not have sufficient internal resources for the next steps, which are implementation and ongoing maintenance of the new CIS system.

State of Washington
Decision Package

A project of this magnitude and risk, rolling out a new system statewide that serves all Washington state residents, requires a small, focused core project team to:

- Oversee CIS vendor deliverables,
- Integrate DOL's information technology systems with the new CIS system,
- Manage the complexities of rolling out the new system to 56 offices across the state,
- Provide Quality Assurance (QA) oversight to ensure that the project will successfully transition a fully functional system to DOL's information technology operations and maintenance team.

The new system will provide many more services and features than the system acquired in 2000, including greater flexibility to add features to driver licenses, integration with the Washington State Patrol photo inquiry service, and support of the American Association of Motor Vehicle Administrators' digital image exchange process.

When the project is complete, DOL's information services maintenance and operations team must provide support services for the new system:

- Monitor and maintain the security and integrity of the hardware and network systems,
- Test and certify vendor upgrades and patches,
- Make changes to DOL systems, if necessary, for vendor upgrades and patches,
- Coordinate with integrated systems from other entities such as Washington State Patrol, for vendor upgrades and patches.

Proposed Solution

DOL is requesting funding for contracted resources for implementation and QA oversight of the project and DOL staff for both implementation and on-going maintenance. DOL does not have sufficient internal resources to manage and implement a project of this significance while balancing existing system maintenance and operations services. Full 2015-17 Biennium funding of the resources provided for Fiscal Year 2015 will ensure successful completion of the project and ongoing support of the system.

Full implementation is expected to take 30 months, from January 2015 through June 2017.

The project timeline is outlined below:

- | | |
|---------------------------|------------------------------------|
| ✓ CIS Contract Signed | December 2014 |
| ✓ CIS Project Begins | January 2015 |
| ✓ Development of System | January 2015 through June 2016 |
| ✓ System Testing | June 2016 through October 2016 |
| ✓ Training | October 2016 through December 2016 |
| ✓ Implementation Roll-out | January 2017 through March 2017 |
| ✓ Project Completion | April 2017 through June 2017 |

The funding requested in this package fully supports the required implementation steps that will ensure a successful transition to a new CIS solution in July 2017. During this implementation and transition phase, documents will be produced by DOL's current CIS vendor through June 2017. Any additional costs related to DOL's cost per produced card from the selected vendor will be addressed as needed in a future decision package.

Expected Results

DOL engaged in a procurement strategy that leverages Washington's buying power to ensure a high quality product at a reasonable cost. DOL included requirements that will provide the department more flexibility to update processes, and licensing and identification documents. This in turn will enable DOL to meet state and federal mandates with minimal or no interaction from the vendor. It also has Technology Refreshes¹ built in to ensure that DOL has the latest technology for on-going support of the system.

DOL will use the dedicated resources provided in this package to ensure a smooth transition with a phased implementation. DOL and the successful vendor will work together to internally stabilize the process and design, test, and implement the product internally prior to a rollout to the first field office. Once stabilization has occurred that office will begin issuing cards using the new solution. DOL and the vendor will repeat this process until all offices are functioning with the new solution.

In addition to improving the current processes for issuing driver's licenses, the new CIS will make it easier for the department to adapt to new licensing requirements whether through internal reforms or state and federal statutes.

Subject matter expert

Maile Abraham, Contracts and Initiatives Manager (360) 902-4089
Programs and Services Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization
- Efficient, Effective Services
- A Trusted, Credible Partner

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

Yes, DOL's 2014-17 Strategic Plan specifically includes the strategic initiative to complete implementation of the new CIS system by June 2017, an essential part of the overarching strategy to modernize business practices and technology solutions. This request is therefore essential to achieving the goal of efficient, effective services, and targets for on-time on-budget Business and Technology Modernization.

Performance Measure Detail

Activity: Licensing Citizens to Operate Motor Vehicles (Activity Inventory code A008)

No impact to our measures for A008 in the state's performance measures system is expected. Those measures are of transaction volumes and wait times.

¹ A Technology Refresh is a collection of operating system software that is developed, packaged, tested and delivered together to update base software, in this case the Central Issuance System.

Reason for change:

The original contract for CIS services was signed in 2000. The contract has since been amended and extended, but the system infrastructure is becoming more difficult and costly to maintain due to its obsolete structure and processes. DOL believes that obtaining a new CIS solution will enable the state to implement a CIS that meets current technology demands and business needs while avoiding the cost of individual change orders to meet on-going needs. Business practices and technology supporting these CIS services have become more sophisticated, efficient, and flexible since the original CIS implementation in 2000. Furthermore, under state procurement laws, DOL is obligated to solicit for a new contract if the scope of work and value has substantially changed since the original contract.

Approval of this request will allow DOL the flexibility and assurance to implement a solution more effectively, efficiently, and seamlessly with the department's processes and systems without impacting current resources. Since the CIS integrates with the department's antiquated legacy system, having dedicated resources is critical for the implementation of a new service in order to ensure transition and continuity of services to Washington citizens.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

Yes, this package supports the Governor's goal of healthy and safe communities by ensuring that Washington State citizens have secure, legitimate driver licensing and identification documents and goal 5 of efficient, effective and accountable government by supporting measure 1.3 for timely delivery of services.

Impact on clients and services:

The CIS is an integral part of the process that delivers secure driver license and identification card documents to more than six million citizens of Washington State. Ensuring that the CIS component is updated to meet the latest technology and business standards, and is designed to be readily modified to assimilate future technology and business changes is key to DOL's ability to maintain the highest possible standards of licensure for the state's citizens.

Impact on other state programs:

None.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

The funding requested in this package will complete the implementation phase of a project that was approved during the 2014 Legislative Session. Implementation of a new CIS application will help

State of Washington
Decision Package

ensure that citizens of Washington State will continue to receive secure, legitimate licensing and identification documents in a timely manner.

Alternatives explored by agency:

DOL could postpone other agency initiatives, legislation, and production issues to redirect internal resources to be dedicated to this project, however, that puts the agency at risk of failing to meet other state and federal legislative mandates and customer needs.

DOL considered the option of pursuing continued extensions of the original CIS contract that it awarded in 2000 to minimize the impact for modification to our the current systems. However, DOL's business processes have changed substantially over the years and the current system has become costly and difficult to maintain and upgrade. Therefore, DOL loses the opportunity to establish a more balanced contract, cost structure, and improved service level agreements.

In addition to the base cost per card that has been negotiated under terms of the current contract, DOL must pay additional costs for change orders when updates or upgrades to the system are required due to legislative or business process changes. Obtaining a new solution will enable DOL to implement a CIS that meets current technology demands and business needs while avoiding the cost of individual change orders.

Budget impacts in future biennia:

The cost per card will not be known until DOL completes the acquisition process. The agency will address any increase or decrease in the per-card cost in a future decision package as necessary. DOL is requesting ongoing resources for information technology staff to fully support implementation and maintenance of the new CIS solution.

Distinction between one-time and ongoing costs:

One-time costs are associated with the contracted information technology systems that will be required from July 2014 through June 2017. Any additional ongoing costs related to DOL's cost per produced card from a vendor will be subject to the results of the competitive bid process and will be addressed as needed in a future decision package. DOL information technology staffing to support implementation and maintenance of a new CIS solution will be ongoing. Staffing costs include salaries, benefits, and for good and services. Ongoing goods and services costs of \$69,000 per biennium are outlined in the Object E Breakdown table on page 7 of this decision package.

Effects of non-funding:

Non-funding of this request will limit DOL's ability to meet the state's Office of the Chief Information Officer (OCIO) requirements and have adequate resources to implement a new CIS solution that is compatible with DOL's infrastructure and business processes. Continuing with the current CIS could result in increased costs through change orders and require additional resources to maintain standards of productivity and security of the driver license and ID card issuance system. DOL would not be able to implement recent legislative changes such as SB 5775, veteran designation, with the minimal costs as indicated would be possible with a new CIS. In addition, the return on investment of state investments already made in this new CIS procurement effort would not be realized.

Under new procurement laws DOL is required to solicit for a new contract if the scope of work and value has significantly changed since the original contract was signed in 2000. The current contract

State of Washington
Decision Package

was recently extended through June 2017 to allow DOL time for procurement and implementation of a new system.

Revenue Calculations and Assumptions:

There is no revenue associated with this package.

Expenditure Calculations and Assumptions:

Implementation of the CIS system will include a new system and possibly a new vendor. This is a high Level 2 project based on the severity/risk assessment by the OCIO and therefore requires a dedicated project manager and external quality assurance (QA). Implementation of this package will also require modifications to DOL's information technology systems. The agency will hire contract programmers to accomplish this work and to support current DOL staff assigned to project implementation.

Acquisition of these resources was approved by the 2014 Legislature. The requirements in this package reflect the level of resources needed for the continuation of effort that was authorized in the current biennium. Contracted resources associated with CIS development and implementation will be needed through the 2015-17 biennium.

Detailed information on systems modifications, project time, contract rates, and costs are provided in the table below. This table also reflects contractor rates that have been updated over the past year, and result in a higher projected cost for the 2015-17 biennium than was projected last year. The updated rates are based on averages DOL paid to current vendors on the list of companies that have master contracts with the state.

Breakdown of Contracted IS Implementation Costs:

Cost Category	Description	FY 16 Months	FY 17 Months	Rate	Cost
Developers/Testers	Modify systems programming and coding; test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	56.0	42.0	\$18,444	\$1,808,000
Project Manager	Manage project schedule and contracts.	12.0	12.0	\$27,492	\$660,000
Analyst	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	6.0	4.5	\$25,752	\$270,000
Quality Assurance Oversight	Provide external quality assurance (QA) in accordance with OCIO Policy 132 requirements. QA oversight will plan and carry out activities to assure project deliverables, e.g. preventative defect activities, and align quality measures and business objectives.	2.5	2.5	\$31,621	\$158,000
Project Contingency	OCIO designated rate of 10 percent				\$290,000
		76.5	61.0		\$3,186,000

State of Washington
Decision Package

The matrix of contracted information technology systems resources necessary to implement a new CIS has changed since the project's resource requirements were scoped prior to the 2014 Legislative session. During the CIS procurement process, DOL made strategic information technology architecture decisions about the features to develop and implement with a vendor's system, and the functionality that best fits existing DOL systems. The result is that in some areas of expertise we are now estimating a different level of effort.

- Developers/Testers: DOL will require a higher than expected ratio of development and integration work on the DOL systems than originally estimated.
- Project manager assumptions are unchanged.
- Analyst: During the CIS procurement process, DOL learned more about vendor capabilities and implementation resource requirements. Less time will be required by a contracted analyst than originally estimated.
- Quality assurance: DOL reduces QA utilization in this package by leveraging an economy of scale. The department will use a single contract for QA Oversight services and distribute the costs across three major IT investment projects; CIS, Business and Technology Modernization, and the Prorate and Fuel Tax system replacement.

In addition to contracted information systems resources, the 2014 Legislature provided DOL staffing resources to support implementation and ongoing maintenance of the CIS system. The following positions authorized in the 2014 Legislative session are going in the 2015-17 biennium and in subsequent biennia:

- One IT Systems/Applications Specialist 6 FTE for on-going support of the architecture across the department's business lines and vendor communication;
- One IT Specialist 5 FTE for on-going support of external interfaces and business support;
- One IT Specialist 3 FTE for on-going support of vendor integration testing and reported system issue resolution.

DOL was also authorized to hire an additional IT Specialist 5 FTE for server setup, administration and on-going support. This position will be added July 2015. These positions will be ongoing to support the additional functionality and refreshes of the system.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	\$310,000	\$310,000	\$620,000
B Employee Benefits	\$80,000	\$80,000	\$160,000
E Goods and Services	\$1,631,000	\$1,624,000	\$3,255,000
Total	\$2,021,000	\$2,014,000	\$4,035,000

State of Washington
Decision Package

Object E Breakdown:	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
EA Office Supplies	\$3,000	\$3,000	\$6,000	\$6,000	\$6,000
EB Phone/Install/Usage	\$2,000	\$2,000	\$4,000	\$4,000	\$4,000
ED Facility/Lease Costs	\$24,000	\$24,000	\$48,000	\$48,000	\$48,000
EG Staff Training	\$2,000	\$2,000	\$4,000	\$4,000	\$4,000
EL DIS Shared Svcs	\$1,000	\$1,000	\$2,000	\$3,000	\$3,000
EN Personnel Services	\$2,000	\$2,000	\$4,000	\$4,000	\$4,000
ER Application Programmers	\$1,596,000	\$1,299,000	\$2,895,000	\$0	\$0
EZ Other Goods & Svcs	\$0	\$290,000	\$290,000	\$0	\$0
Total Goods & Svcs	\$1,630,000	\$1,623,000	\$3,253,000	\$69,000	\$69,000

	Staffing			Operating Expenditures		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
200 - Information Services	4.0	4.0	4.0	\$2,021,000	\$2,014,000	\$4,035,000
Agency Total	4.0	4.0	4.0	\$2,021,000	\$2,014,000	\$4,035,000

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 20T:	4.0	4.0	4.0			
Highway Safety Fund				\$4,035,000	\$850,000	\$850,000
	4.0	4.0	4.0	\$4,035,000	\$850,000	\$850,000

Information Technology Addendum

Recsum Code and Title **PL-N2 Central Issuance System**

Brief Description: **The existing system does not meet current and anticipated business needs to efficiently and effectively process and issue drivers license and identification card documents.**

If this investment includes the use of servers, do you plan to use the state data center?

Yes No, waiver received No, waiver not received Does not apply

Security

Security: How does this investment affect the state’s security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

This project continues the implementation of an updated Central Issuance System (CIS) solution that is primarily hosted in DOL’s environment under the governance of the state security standards within the exception of the Card Production Facility that is vendor hosted. The selected solution is operating security in other jurisdictions in high volume environments. In the contract we have specified the requirements for card production facility conformance with state and federal security and privacy standards to include being subject to annual SOC audits, to maintain appropriate certifications and formal accreditation from external and internationally recognized standards organizations pertaining to secure centralized card production, and provide appropriate flexibility within the framework to incorporate any additional mandated security requirements. In addition, the solution will improve DOL’s capability to log system transaction information and maintain appropriate audit information to ensure only authorized individuals are accessing the system. One of DOL’s core products is the production of the most widely and recognized personal identification documents. It is essential that DOL continues to have these documents produced in a secure fashion.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

This solution will be configured to meet DOL’s current business process. The solution will drive changes in business processes by reducing duplicative data entry, removing multiple interfaces to access the data, and adding automated workflow to replace manual processes that will streamline and modernize the delivery of identification documents while improving the integrity of the driver license issuance process. DOL staff who witnessed the vendor’s capabilities instantly recognized how agile the new system capabilities are and the time saving opportunities. The new system has minimal organizational change management requirements and will not require any significant change in business operations.

Department of Licensing is highly committed to moving towards a more modernized state government. DOL is currently engaged in organizational change management (OCM) and cultural readiness activities through its LEAN process improvement and training activities. The governance structure for this project has been in place since inception of the RFP and will continue through the project life cycle to ensure a climate of culture readiness and creative problem solving exists to effectively transition to the new system.

Project staff to assist with IS impacts are part of the Decision Package proposal and incorporated into the projected cost. The proposed positions include contracted quality assurance consultant, project manager, system architect, developer, and tester.

DOL has a successful track record of projects that have been implemented over the years. The most recent include the 6-year license project to transition from a five year driver's license term to a six year document term, the rollout of knowledge and skills testing administration to the Driver Training Schools, federal compliance for Commercial Driver's License, and the first Enhanced Drivers Licenses project to produce a new document type to allow individuals to obtain a federally compliant document to meet the Western Hemisphere Travel Initiative.

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

Based on experience with other states with similar implementations they have completed their projects with the Apparently Successful Vendor on-time and on-budget. The advantage of this particular procurement process, DOL will define and finalized the project workplan and schedule with the vendor prior to contract execution to ensure both parties are in alignment with the project goals and timeline. The current contract is valid through June 2017 to allow DOL and the vendor sufficient time to implement a new system

Since the solution is a highly configurable COTS system with all the needed CIS components integrated into the vendor's solution, the technical complexity of this implementation is low. The new system does not introduce any new or additional technical complexity but shifts to a more modern platform that is web and workflow module based to allow DOL to adapt to business changes more efficiently and effectively. The new system will also remove any proprietary data to only allow for non-proprietary standards or formats therefore removing the dependency from vendor or technical support.

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

The project was partially funded at \$1.5 million in the 2015 Supplemental Transportation Budget. We are requesting \$3.468 million in the 15-17 biennial budget to complete the project. We have completed our RFP and expect to have the vendor on board in January 2015. DOL anticipates this project to be completed in the first quarter of 2017 prior to the current contract end date of June 2017. The risk of delaying this project into the next biennium will lapse into the current contract expiring forcing DOL to negotiate a short term contract that will potentially add additional costs to the state to maintain the existing system.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

If we are not funded, we will not be able to recoup the state's investment to date as well as be in violation of State procurements laws. Impacts to the state, agency, and the public of doing nothing include: further decay of the current 14 year old legacy system and supporting application into unmaintainable, redundant, and inefficient set of applications. Some of the supporting applications are failing on a periodic basis. DOL cannot amend the current vendor contract without substantially changing the scope of work and increasing the value of the original contract. DOL would also lose the opportunity to improve card security standards and not be able to implement recent legislative changes (i.e. Veterans Designation). The result will be the inability of DOL to carry out its mission critical function of issuing driver's license and identification documents that meet state and federal requirements and ensure we have safe drivers operating on Washington highways and the proper credentials to obtain other services.

Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

Yes, the project is sequenced into phases. The project plan will be segmented so that in every 6 month cycle major milestones will be accomplished and deliverables handed off to DOL at progressive value to the project overall. Since there are components of each module that are interconnected with each other and DOL applications at a customer service level, the roll-out will be in a phased in approach rather than a single implementation effort. This will ensure the continuity of the issuance of the driver's license and identification documents and will appear seamless for the customers.

Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

Yes, the essence of this project is to replace the 14-year old legacy system with a modern, flexible, and more easily supported architecture. The Central Issuance systems have matured and become more agile to better support and meet on-going business needs with minimal or no custom programming. DOL will explore all elements of the COTS solution to look for opportunities for cloud based hosting.

The new system will enable DOL to meet state and federal mandates with minimal or no interaction from the vendor. It also has Technology Refreshes built in to ensure that DOL has the latest technology for on-going support of the system; that will provide the department more flexibility to update processes, workflow, and licensing and identification documents.

Additionally, DOL has the opportunity to establish a more balanced contract, cost structure, and improved service level agreements.

Mobility: Does the investment help state employees conduct business "any time, anywhere"? Does it improve mobile access to services for customers?

Yes, we have specified requirements for a web-enabled solution that will allow employees to work from authorized work locations throughout the state. Our requirements also call for expanded customer self-service capabilities, leveraging the internet for the benefit of all stakeholders.

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

The project directly supports the Governor's Results Washington program and DOL's Strategic Plan, delivering and transparently reporting government metrics to the public and legislature. The new system will provide flexible data storage and processing. It will employ an integrated reporting database, and robust reporting tools. DOL will look at the system components to improve how the existing data can be accessible to stakeholders.

Accountability: Are the investment's goals well articulated? How will "success" be determined or measured?

Yes, the goals of the project are well articulated as to the different deliverables that are anticipated, the details of which are defined within the contract and project related documents.

Success will be determined by tracking compliance with the following performance measures.

Business Success-Efficient, effective and economical business practices to improve data integrity by modernizing IT systems and using resources wisely.

- The current system requires significant manual data entry. Each manual process is subject to input errors with impacts to data integrity and reliability for credentialing an individual; thus requiring customers to return to the office for a corrected document. The new system will provide capabilities to reduce the amount of manual data entry of customer data.
- The new system is workflow module base that allows DOL to adapt to business process and legislative changes more efficiently.
- The new system will accommodate the most current and future card security standards.

A High-Performing Workforce-A healthy work environment and engaged workforce.

- The new system will allow DOL staff to refocus a significant amount of manual effort required for data entry to validating the individual's identity and credentials.
- DOL staff will have the opportunity to use new tools such as online help to learn system capabilities, on-demand reporting, and reissuance of document without requiring the individual to return to the office.
- Staff will have quicker access to data to perform analysis, increase responsiveness, and customer service.

A customer-focused organization-Improve customer services and improve service delivery channels.

- The new system will support data transmission to and from external entities via a web-based system. This will enhance and strengthen customer relations and partnerships with state and federal stakeholders.
- Currently, there is not easy way to generate on-demand reports. Currently it requires specialized knowledge of SQL or vendor assistance in order to create reports. The new

system will require the vendor to maintain a reporting database with an easy to use interface for non-technical staff to quickly extract complete and accurate information.

- The new system will have capabilities to improve delivery methods and provide up-to-date notification services.

Safety focused Licensing and Regulating-Improve Consumer Protection.

- The new system capabilities to store and reconcile data from licensees will allow for the identification of reporting errors and omissions via its release readiness check process. This improvement should reduce individuals from obtaining licenses who are not qualified and/or timely identification and reconciliation of discrepancies.
- The new system will meet future State and Federal mandated requirements more efficiently and no additional cost to the state.

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

The primary financial risks of not replacing the CIS legacy system is:

- DOL would not be able to improve efficiency, accuracy, and delivery method of the drivers license and identification cards. A more efficient system will greatly improve the economies of scale associated with the number of licensees initiating and renewing licenses with DOL.
- DOL will not be able to efficiently implement state and federal mandates without costly change request and system modifications. To date, DOL has expended approximately \$3.3 million in change orders to date with the current vendor to implement state and federal mandates. With state and federal requirements on the horizon this would continue to increase under the current system.
- Dramatically increased costs of maintenance and support related to the out-dated system. In June 2013, the per card price was increased for on-going support of the system for an additional \$250,000 a year. Any additional extensions would allow the vendor to negotiate an additional card increase for maintenance.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

The streamline of the business process and eliminating manual data entry and workaround processes will allow DOL staff to focus more effort of credentialing and improve customer service. The cost to maintain multiple applications to retrieve customer data will also be avoided as all those processes will be incorporated within the new system and supported by the vendor.

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?

Not Applicable

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

Yes. An improved Central Issuance system will simplify the licensing process and improve “time to license” and “record data integrity” which are agency level performance measures.

The improved time to license and record data integrity will impact the public safety and consumer protection processes for the issuance of drivers license and identification cards by providing more complete and timely information. It fully supports the agency’s mission and commitment to to great service and vision of earning Washington’s confidence every day by ensuring timely delivery and accurate credentialing documents for the citizens of Washington.

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

Yes, this initiative is identified in the agency’s strategic plan to seek and implement the right technology to support the right business. The current system has out-dated technology that makes it more complex to implement new business processes, state and federal mandates effectively and efficiently. Resulting in more workarounds and costly change orders for system modifications. This is costly for stakeholders, causes risks to data integrity, has manual entry processes, and requires manual verification and reconciliation of data.

240 Department of Licensing
M1-6A CDL Workload
2015-17

Agency Recommendation Summary Text:

The Department of Licensing (DOL) requests funding to support provisions of final rules issued by the Federal Motor Carrier Safety Administration (FMCSA). The rules, which are to be implemented by July 2015, require DOL to conduct refresher training for Commercial Driver’s License (CDL) knowledge and skills test examiners, and to conduct audits of CDL testers to ensure that CDL tests are performed in accordance with federal standards. These rules require additional resources for successful implementation and operation. (Highway Safety Account-State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
106 Highway Safety Fund	\$260,000	\$232,000	\$492,000
Total Cost	\$260,000	\$232,000	\$492,000

Staffing

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
FTEs	2.9	3.0	3.0

Package Description:

Background

Nearly 177,000 individuals in Washington State are licensed to operate a commercial motor vehicle. DOL Licensing Service Representatives (LSRs) are certified to conduct CDL knowledge tests and nine DOL LSRs are certified to conduct CDL Skills tests. Additionally, DOL contracts with 85 CDL independent third-party tester skills examiners located throughout the state. Under federal rule (49 CFR 383.75), the state must conduct CDL skill tester audits to ensure CDL tests are performed according to federal standards. Requirements include the following:

- The state must conduct an on-site inspection of each third-party tester at least once every two years, with a focus on examiners with irregular results such as unusually high or low pass/fail rates.
- The state must, at least once every two years, do one of the following for each third-party examiner:
 - Have a state employee covertly take the tests administered by the third-party examiner as if the employee were a test applicant,
 - Have state employees co-score along with the third-party examiner during CDL skills tests to compare pass/fail results, or
 - Re-test a sample of drivers who were examined by the third-party examiner to compare pass/fail results.

State of Washington
Decision Package

Under federal rule (49 CFR 384.228) the state must also conduct initial and refresher training that provides CDL skill's examiners with fundamental understanding of the objectives of the CDL testing program, and with all of the knowledge and skills necessary to serve as a CDL test examiner and assist jurisdictions in meeting the federal CDL testing requirements.

Solution

Funding in this request will support both the CDL skills test audit and training components that are required under federal rules. Although federal rule only requires CDL skills tests audits every other year, DOL is requesting resources to implement the AAMVA best practice recommendation of annual audits. This AAMVA best practice is supported by DOL's observations and experience in the field. Our conclusion based on that experience is that annual audits are necessary to maintain quality control over the CDL skills testing process. The requested funding level in this package will support an increase in DOL's CDL Compliance Unit staff of three License Service Representative 3 (LSR3) positions. This staff increase will allow the unit to meet the new audit and training requirements.

Subject Matter Expert

Hector Rodriguez, Administrator, Special License and Endorsements Program
(360) 902-0126.

Narrative Justification and Impact Statement

How contributes to strategic plan:

- Efficient, Effective Services
- Improved Public Safety

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

This package is essential to achieving the state's Results Washington goals as well as those of the Department's Results DOL and Target Zero of providing efficient, effective services and of improving public safety.

Performance Measure Detail

Activity: Licensing Citizens to Operate Motor Vehicles (A008)

This will not impact our three CDL measures in RPM which include number of CDLs issued and renewed, and percent of applicants tested by DOL.

Reason for change:

This change is required for DOL to comply with FMCSA rules that regulate commercial driver licensing. Failure to remain in compliance can subject the state to the following penalties and sanctions per 49 CFR 384.401:

State of Washington
Decision Package

- FMCSA may decertify the state's CDL program and prohibit the issuance of CDLs.
- Loss of 5 percent of federal-aid highway funds for the first year of non-compliance.
- Loss of 10 percent of federal-aid highway funds for the second and subsequent years of non-compliance.

Additionally, this request supports the state's and the department's efforts to achieve Target Zero goals and Results Washington and Results DOL measures for efficient, effective services and improved public safety.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

This package supports two of the Governor's Results Washington priorities; to decrease the number of traffic related fatalities on all roads and to increase / maintain customer service satisfaction with accuracy, timeliness and respectfulness. Implementation of the provision in this package will help ensure that commercial drivers will have adequate training and experience prior to licensure. This package will also help to ensure those contracted individuals who are charged with the responsibility of testing CLP/CDL applicants have the necessary training, skill and expertise to ensure compliance with federal and state requirements.

Impact on clients and services:

In order to meet compliance with federal rules, DOL is submitting this package to effectively conduct audits of contracted third-party testers and DOL examiners and to provide mandated training to these individuals.

Impact on other state programs:

None.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

This change is required for DOL to comply with FMCSA rules that regulate commercial driver licensing and testing. Additionally, this request supports the states and the department's efforts to achieve the Target Zero goals and the Results Washington and Results DOL for efficient, effective services and improved public safety.

Alternatives explored by agency:

Option 1) Do nothing. This option would result in the department becoming non-compliant with federal rules. Non-compliance can ultimately result in federal sanctions that include decertification of the state's CDL program and loss of federal highway funds. Of more immediate concern is the

State of Washington
Decision Package

potential impact on public safety that could result from not implementing best practice operational procedures. This option was therefore not chosen.

Option 2) Request funding to support additional positions in the department's CDL Compliance Unit that will support CDL skills testing audit and training components of new federal rules. This option was determined to be the best course of action.

Budget impacts in future biennia:

Cost related to the increase in the department's CDL Compliance Unit staffing levels to help meet federal requirements will be ongoing.

Distinction between one-time and ongoing costs:

This package includes one-time costs related to setting up new staff with equipment such as phones and computers. Ongoing costs will be necessary to maintain the requested staffing to continue meeting federal requirements.

Effects of non-funding:

Under current staffing levels, DOL will be unable to meet the new federal requirements. Failure to remain in compliance can subject the state to the following penalties and sanctions per 49 CFR 384.401:

- FMCSA may decertify the state's CDL program and prohibit the issuance of CDLs.
- Loss of 5 percent of federal-aid highway funds for the first year of non-compliance.
- Loss of 10 percent of federal-aid highway funds for the second and subsequent years of non-compliance.

Revenue Calculations and Assumptions:

There are no revenue calculations associated with this package.

Expenditure Calculations and Assumptions:

Resources will be required to manage the anticipated increases in work related to both CDL skills test examiner audits and CDL skills test examiner training. DOL has nine LSRs that are certified to conduct CDL skills test examinations, and contracts with 85 CDL independent third-party testers (TPTs) who also conduct CDL skills test examinations. DOL will conduct a yearly audit of every DOL and TPT examiner for a total of 94 audits.

On average, about half of the audits result in the need to conduct a subsequent follow up audit. The total number of audits and re-audits the program would conduct is 141 audits a year. On average, each audit takes approximately 20.5 hours to complete, including travel, reviewing the test route, test monitoring, exit briefing and report writing. The program would conduct 141 audits x 20.5 hours per = 2,855 hours (or 173,430 minutes). This is equivalent to 2.17 LSR3 FTE's (173,430 minutes / 78,942 minutes available for LSR FTE = 2.17 LSR3 FTEs).

Assuming a yearly refresher training for every TPT and DOL examiner and a best practice instructor to student ratio of 1 to 5, the program would need to conduct 19 training classes a year (94 TPT and DOL examiners / 5). On average, each class requires 28 hours (two days training for training,

State of Washington
Decision Package

plus travel and preparation). The program would need 0.4 LSR3 FTE to meet this requirement (19 classes x 28 hours per class x 60 minutes per hour) / 78,942 LSR3 minutes available).

The following table illustrates the expected Licensing Services Representative 3 (LSR3) requirements.

Licensing Services Representative 3	FY 16	FY 17	15-17 Total	17-19 Total	19-21 Total
TPT and DOL Examiner annual audits	94	94	188	188	188
Follow-up audits (50% of annual audits)	47	47	94	94	94
Time required per audit in hours	20.5	20.5	20.5	20.5	20.5
Time required for audits in min/year	173,430	173,430	346,860	346,860	346,860
Training classes required, 5 examiners/class	19	19	38	38	38
Time required per training class in hours	28.0	28.0	28.0	28.0	28.0
Time required for training classes in min/year	31,920	31,920	63,840	63,840	63,840
LSR3 minutes available per year	<u>78,942</u>	<u>78,942</u>	<u>157,884</u>	<u>157,884</u>	<u>157,884</u>
LSR3 FTE required for audits, classes	2.6	2.6	2.6	2.6	2.6

Administrative support (indirect costs) is included at a rate of 12 percent of the direct program costs proposed 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; contract administration; security; handling of mail; and other indirect support services functions as needed.

The amount received in either Management Support Services or Information Services may not be sufficient to actually hire a new staff person. However, depending on the needs of the division this indirect funding could be used to pay current staff for overtime or extending or increasing the use of temporary and seasonal employees. Expenditures of these types are reflected as FTE usage in the statewide AFRS reports. For purposes of this decision package these indirect costs are calculated as 0.2 Fiscal Analyst 2 FTE and 0.1 IT Specialist 4 FTE, for a total decision package FTE count of 2.9 FTE Fiscal Year 2016.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	\$140,000	\$133,000	\$273,000
B Employee Benefits	\$47,000	\$46,000	\$93,000
E Goods and Services	\$28,000	\$25,000	\$53,000
G Travel	\$25,000	\$25,000	\$50,000
J Capitalized Equipment	\$20,000	\$3,000	\$23,000
Total	\$260,000	\$232,000	\$492,000

State of Washington
Decision Package

Object E Breakdown:	FY 2016	FY 2017	15-17 Total	17-19 Total	19-21 Total
EA Office Supplies	\$2,000	\$2,000	\$4,000	\$4,000	\$4,000
EB Phone/Install/Usage	\$3,000	\$2,000	\$5,000	\$4,000	\$4,000
ED Facility/Lease Costs	\$16,000	\$16,000	\$32,000	\$31,000	\$31,000
EG Staff Training	\$1,000	\$1,000	\$2,000	\$3,000	\$3,000
EL DIS Shared Svcs	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
EN Personnel Services	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
EY Software Maintenance	\$3,000	\$0	\$3,000	\$0	\$0
EZ Other Goods & Svcs	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
Total Goods & Svcs	\$28,000	\$24,000	\$52,000	\$48,000	\$48,000

	Staffing			Operating Expenditures		
	FY 2016	FY 2017	15-17 Average	FY 2016	FY 2017	Total
100 - Mgmt & Support Services	0.2	0.2	0.2	\$16,000	\$15,000	\$31,000
200 - Information Services	0.1	0.2	0.2	\$20,000	\$11,000	\$31,000
600 - Programs and Services	2.6	2.6	2.6	\$224,000	\$206,000	\$430,000
Agency Total	2.9	3.0	3.0	\$260,000	\$232,000	\$492,000

Job Classification	Salary	FY 2016	FY 2017	15-17 Total	17-19 Total	19-21 Total
Customer Service Spec 2	36,756	0.0	0.0	0.0	0.0	0.0
Licensing Services Rep 3	44,712	2.6	2.6	2.6	2.6	2.6
Financial Analyst 2	44,928	0.2	0.2	0.2	0.2	0.2
IT Systems Specialist 4	71,496	0.1	0.2	0.2	0.3	0.3
Total FTEs		2.9	3.0	3.0	3.1	3.1

Expenditures by Budget

	FTEs			Operating Expenditures		
	15-17	17-19	19-21	15-17	17-19	19-21
Transportation Funds						
Program 10T:	0.2	0.2	0.2			
Highway Safety Fund				\$31,000	\$30,000	\$30,000
Program 20T:	0.2	0.2	0.2			
Highway Safety Fund				\$31,000	\$22,000	\$22,000
Program 60T:	2.6	2.6	2.6			
Highway Safety Fund				\$430,000	\$410,000	\$410,000
	3.0	3.0	3.0	\$492,000	\$462,000	\$462,000
Total of All Funds	3.0	3.0	3.0	\$492,000	\$462,000	\$462,000

240 Department of Licensing
PL-Q0 Federal Appropriation Authority
2015-17

Agency Recommendation Summary Text:

The Department of Licensing is requesting federal expenditure authority to support federal grants that have either been received or have been applied for. The grants will be used to implement new federal commercial driver licensing (CDL) requirements. Federal expenditure authority is also requested for grants that support fuel tax evasion investigations and compliance efforts. (Highway Safety Account-Federal, Motor Vehicle Fund-Federal)

Agency Total

Fiscal Detail

<u>Operating Expenditures</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
106-2 Highway Safety Account - Federal	\$780,000	\$1,500,000	\$2,280,000
108-2 Motor Vehicle Fund - Federal	\$202,000	\$160,000	\$362,000
Total Cost	\$982,000	\$1,660,000	\$2,642,000

Revenue Detail

<u>Fund</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
106-2 Highway Safety Account - Federal	\$780,000	\$1,500,000	\$2,280,000
108-2 Motor Vehicle Fund - Federal	\$202,000	\$160,000	\$362,000
Total Revenue	\$982,000	\$1,660,000	\$2,642,000

Package Description:

The Department of Licensing (DOL) applies for and receives federal grant funding to assist in meeting federal requirements. Federal expenditure authority is required for the agency to spend federal grant funding that has been awarded. Based on the total dollar amount of grants that have been awarded, grant requests that are in progress, and grant applications that are in the planning stage, DOL requests additional federal expenditure authority to fully support these efforts.

This package will support grants in two of the department's program areas:

Commercial Driver License Program

Project: 2013 CDL Improvement Grant

Estimated Completion: September 30, 2015

Federal Authority Required: \$600,000 (Highway Safety Fund – Federal)

Background: To complete programming and project activities required to be compliant with a recent Federal Motor Carrier Safety Administration (FMCSA) rule change that requires DOL to standardize

State of Washington
Decision Package

endorsement and restriction codes, implement information system controls related to CDL issuance, and issue commercial learner's permits as separate documents.

Project: 2014 CDL Improvement Grant

Applied February 2014. Expect award approximately September 2014.

Estimated Completion: If awarded, term will be through September 2016

Federal Authority Requested: \$180,000 (Highway Safety Fund – Federal)

Background: To complete programming and project activity necessary to fulfill compliance terms related to implementation of federal CDL rules. This grant will also provide DOL with reporting capabilities that will allow the agency to provide data that will be required for annual CDL program audits conducted by the Federal Motor Carrier Safety Administration. DOL's grant application was for \$935,000. Of this amount \$755,000 is expected to be used in the 2017-19 biennium.

Project: 2015 CDL Improvement Grant

Will Apply for in February 2015. Expect award approximately September 2015.

Estimated Completion: If awarded, term will be through September 2017

Federal Authority Requested: Estimated \$1,500,000 (Highway Safety Fund – Federal)

Background: To complete programming and project activities to maintain compliance with federal regulations that may be imposed, and implement updated technology within the CDL Program. This grant will provide online skills test scheduling and electronic scoring tablets for skills testers.

Subtotal, Federal authority required: \$2,915,000, Highway Safety Account-Federal

Agency Subject Matter Expert:

Tandy Alexander, CDL Program Manager, (360) 902-3893
Programs and Services Division

Prorate and Fuel Tax Program

Project: Fuel Tax Investigations

Estimated Completion: When expended in full

Federal Authority Requested: \$357,000 (Motor Vehicle Fund – Federal)

Background: These grants are used to support fuel tax investigations by the Washington State Patrol (WSP), including salaries and benefits for WSP staff, specialty equipment for those investigations, and training for DOL and WSP regarding fuel tax regulations.

Project: Fuel Tax Task Force Travel

Estimated Completion: When expended in full

Federal Authority Requested: \$5,000 (Motor Vehicle Fund – Federal)

Background: This grant is for travel to Federation of Tax Administrators – Fuel Tax Section meetings. This travel is specifically for participation in the Pacific Region Task Force meetings to share information regarding audits and investigations conducted in the Pacific Region by its thirteen member states.

Subtotal, Federal Authority required: \$362,000, Motor Vehicle Fund-Federal

Agency Subject Matter Expert:

Paul Johnson, Program Manager, (360) 664-1844
Business and Professions Division

State of Washington
Decision Package

Table 1 provides a summary of the federal authority requested for the grants that the department has either already received or will apply for:

Table 1 - Grant Summary

Title	Motor Vehicle Fund-Federal	Highway Safety Account-Federal	Total
2013 CDL Improvement		\$600,000	\$600,000
2014 CDL Improvement		\$180,000	\$180,000
2015 CDL Improvement		\$1,500,000	\$1,500,000
Fuel Tax Evasion Investigation	\$357,000		\$357,000
Fuel Tax Compliance	\$5,000		\$5,000
Total by Fund	\$362,000	\$2,280,000	\$2,642,000

Narrative Justification and Impact Statement

How contributes to strategic plan:

- Improved Public Safety

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

Yes, this package directly supports our strategic initiative number 15 to increase participation in partnerships that impact public policy, in this case with WSP and the Federation of Tax Administrators. These partnerships are essential to our mission of public safety and collecting revenue for our state's transportation system, respectively.

This also supports our strategic initiative number nine to continue implementing our Results DOL system to manage, measure and improve agency results. In particular this package supports our related outcome measure of audit findings on DOL for compliance with federal laws.

Performance Measure Detail

Activity: Licensing Citizens to Operate Motor Vehicles (A008)
Administration of Fuel Tax Collection and Motor Carrier Services (A016)

This package will not cause incremental changes to budget activity measures, but will contribute to our internal Results DOL measures.

Reason for change:

The federal expenditure authority requested in this package reflects assumptions about grants that have been awarded and grants that will be applied for.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

This package supports the Governor's goal of healthy and safe communities and the sub-topic measure for decreasing traffic fatalities. This grant funding strengthens our data and regulation of nearly 177,000 commercial drivers and keeps the transportation revenue DOL collects available for WSP and many other traffic safety partners.

Impact on clients and services:

DOL continues to strengthen its driver license and identification card (DL/ID) issuance process and information technology systems used to capture, store, manage, and verify the personal identification information of individuals applying for driver's licenses and commercial driver's licenses. Commercial driver's license improvement grant funding will be used to make necessary system modifications to ensure federal compliance, accurate data exchange between other jurisdictions, and improvement in business processes.

DOL works with the Washington State Patrol (WSP), county sheriffs, police departments, the Department of Agriculture, and U.S. Forest Service to provide services and support efforts on fuel tax evasion. Fuel tax evasion costs the state lost revenue, reduces roadway construction funding and air quality program funding, and has been linked to other violations.

Impact on other state programs:

DOL partners with WSP on fuel tax evasion enforcement. These grants are used to support the fuel tax investigations done by WSP and provide specialty equipment for those investigations. They also support efforts to provide training by DOL and WSP to stakeholders regarding fuel tax regulations.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

DOL is requesting funding to allow the department to implement system and program changes necessary to remain in compliance with federal requirements for the Commercial Driver License program. Failure to remain in compliance can subject the state to the following penalties and sanctions:

- FMCSA may decertify the state's CDL program and prohibit the issuance of CDLs;
- Loss of 5 percent of federal-aid highway funds for the first year of non-compliance;
- Loss of 10 percent of federal-aid highway funds for the second and subsequent years of non-compliance;
- Washington's commercial drivers would be prohibited from driving in interstate commerce.

State of Washington
Decision Package

The consequences of noncompliance are codified in [49 CFR 384.401](#).

The impact of these penalties and sanctions would likely lead to a decrease in state revenue from interstate commerce and an increase in state unemployment, and to negative consequences for private industry in Washington state. If FMCSA were to decertify the state's CDL program, public and private employers who transport goods outside of Washington would need to recruit and employ commercial vehicle operators licensed in other states. The loss of federal-aid highway funds could slow or eliminate road and transportation projects around the state.

Alternatives explored by agency:

None. Utilizing available federal grant dollars to implement solutions for federal CDL requirements reduces the demands on state resources.

Budget impacts in future biennia:

Federal expenditure authority will be required in future biennia to support current and future grants that extend beyond June 2017.

Distinction between one-time and ongoing costs:

Expenditures for the listed federal grants are one-time.

Effects of non-funding:

If this package is not funded the state risks being out of compliance with FMCSA rules related to commercial driver's license issuance. The FMCSA is authorized to reduce a state's federal transportation funds by five percent in the first year of non-compliance and by ten percent for each year thereafter [49 CFR 384.401](#). In addition, Washington's CDL program could become decertified for non-compliance. Decertification would have a significant negative impact on the State as commercial driver licenses issued by Washington would not be recognized by other United States jurisdictions.

The department estimates that a five percent reduction in federal transportation funds would be approximately \$16 million to \$17 million; a ten percent reduction is estimated at \$32 million to \$34 million.

The loss of federal funding that helps support WSP enforcement efforts in fuel tax evasion and compliance would be detrimental to their enforcement activities and may result in diminished efforts due to lack of resources and loss of revenue. It would also greatly reduce, if not eliminate, all of the departments participation in Federation of Tax Administrator-Fuel Tax Section task force meetings and annual meetings that are mostly paid for with federal funds.

Revenue Calculations and Assumptions:

Federal receipts are recognized as revenue by the state. The department expects approval from federal cognizant agencies to receive federal funding in the amounts requested in our grant applications.

State of Washington
Decision Package

Expenditure Calculations and Assumptions:

The federal expenditure authority requested in this package reflects grants that will carry over into the 2015-2017 Biennium, and includes grants the department has applied for and anticipates applying for.

Commercial Driver License Program:

Federal authority required: \$2,280,000, Highway Safety Account-Federal

Federal authority requested: \$2,280,000, Highway Safety Account-Federal

Prorate and Fuel Tax Program:

Federal Authority required: \$362,000, Motor Vehicle Fund-Federal

Federal authority requested: \$362,000, Motor Vehicle Fund-Federal

Total federal authority requested (both funds): **\$2,642,000**

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods and Services	\$982,000	\$1,660,000	\$2,642,000
Total	\$982,000	\$1,660,000	\$2,642,000

	Staffing			Operating Expenditures		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
600 - Programs and Services	0.0	0.0	0.0	\$780,000	\$1,500,000	\$2,280,000
700 - Business & Professions	0.0	0.0	0.0	\$202,000	\$160,000	\$362,000
Agency Total	0.0	0.0	0.0	\$982,000	\$1,660,000	\$2,642,000

Six-Year Estimates

<u>Revenue</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
106-2 Highway Safety Account - Federal	\$2,280,000	\$755,000	\$0
108-2 Motor Vehicle Fund - Federal	\$362,000	\$0	\$0
Revenue Total	\$2,642,000	\$755,000	\$0

State of Washington
Decision Package

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 60T:	0.0	0.0	0.0			
Highway Safety Account-Federal				\$2,280,000	\$755,000	\$0
Program 70T:	0.0	0.0	0.0			
Motor Vehicle Fund-Federal				\$362,000	\$0	\$0
	0.0	0.0	0.0	\$2,642,000	\$755,000	\$0
<u>Total of All Funds</u>	0.0	0.0	0.0	\$2,642,000	\$755,000	\$0

**240 Department of Licensing
PL-U5 Firearms Workload Staffing
2015-17**

Agency Recommendation Summary Text:

Funding is requested to hire temporary staff to eliminate the Department of Licensing's (DOL) backlog of recording pistol transfer applications. The ongoing backlog and workload increases expected in the 2015-17 biennium will result in a projected backlog of approximately 253,000 records. (General Fund-State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001 GF-State	\$365,000	\$71,000	\$436,000
Total Cost	\$365,000	\$71,000	\$436,000

Staffing

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
FTEs	6.0	1.0	3.5

Package Description:

DOL is requesting one-time funding to hire six full-time temporary staff positions for Fiscal Year 2016, retaining one of these temporary positions in Fiscal Year 2017, to eliminate the backlog of pistol transfers within the Firearms program. Additional FTEs may be needed to keep up with increased workload and prevent a reoccurring backlog in future biennia. In addition, the program is requesting additional funding to offset increases in costs related to printing and postage of transfer forms and concealed pistol license applications which DOL supplies to firearm dealers and law enforcement agencies.

Background:

Maintenance of the state's firearms database is the sole responsibility of DOL. The Firearms program serves as the only legal record holder for all firearms related licenses and is responsible for ensuring the accuracy and integrity of this information.

State, federal, and local law enforcement routinely use this data and have the ability to access DOL's database 24 hours a day, seven days a week through the Washington State Patrol (WSP) ACCESS portal. On average, this database is accessed by law enforcement 1.8 million times per year. The information contained in this database is used by law enforcement to assist in investigation of crimes when a weapon's serial number, make, type, and recorded owner of the pistol may aid in apprehending a suspect. Law enforcement officers may access this information from their vehicles to aid them in assessing a situation to determine if firearms may be present. In addition, Washington courts rely on certification of the firearms records for criminal trials.

State of Washington
Decision Package

When all firearm pistol transfer records are not available in the statewide database, law enforcement is accessing outdated or incomplete firearms information.

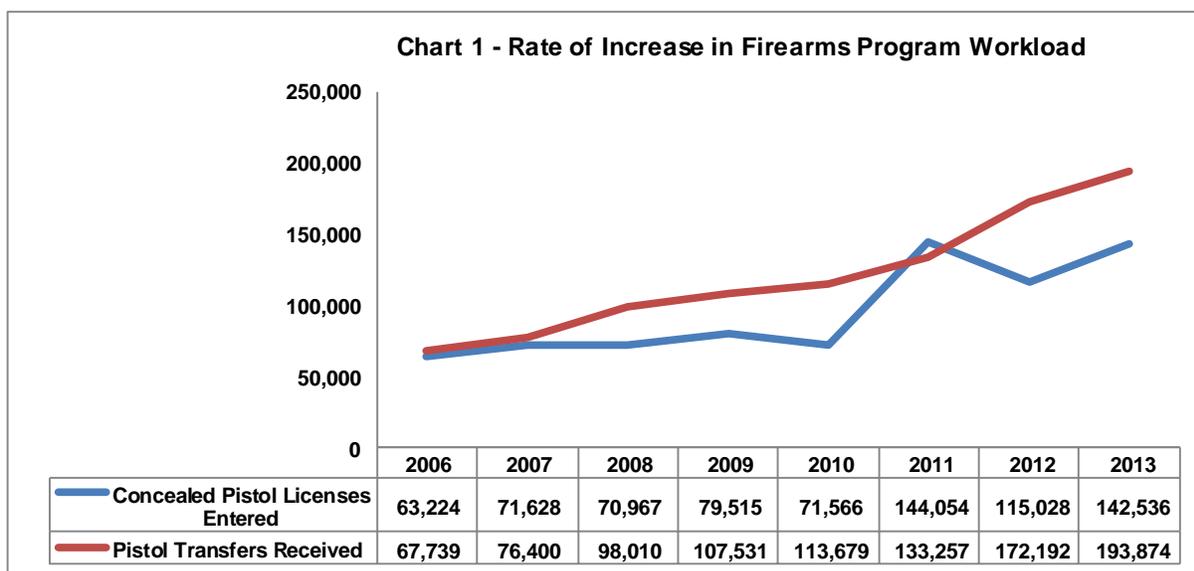
What causes the backlog to continue?

There are several factors contributing to the pistol transfer backlog. These are:

1. Continued projected increase in Firearms program workload
2. Lack of a stable workforce within the Firearms program
3. Substantial paper and manual data entry process for firearm records

Steady increase in pistol transfer documents:

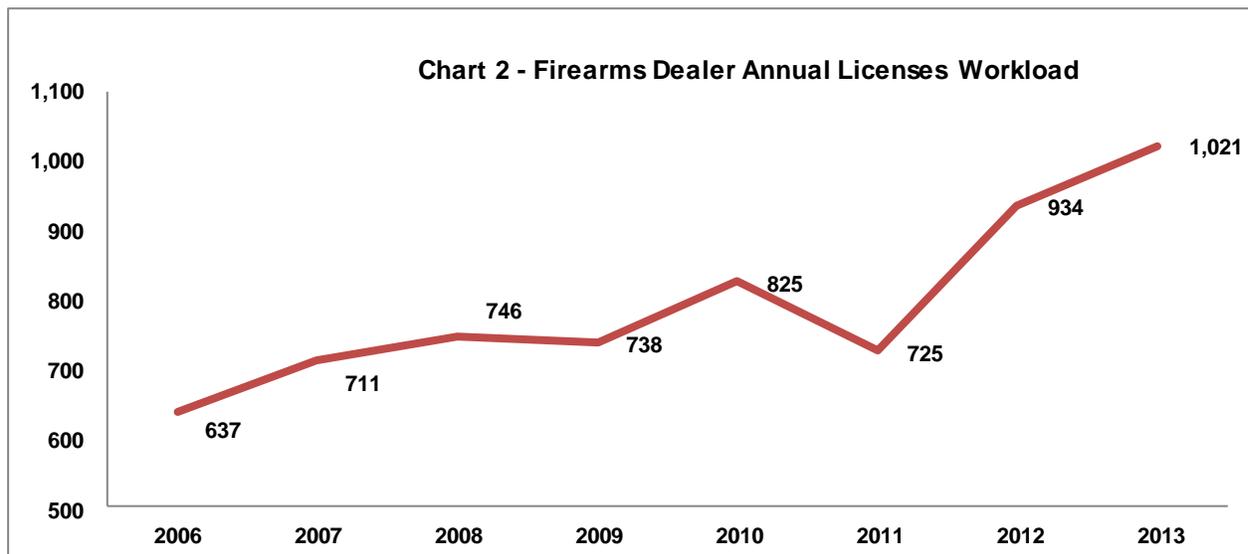
Chart 1 displays actual increases in workload for concealed pistol licenses entered and pistol transfers received in the Firearms program using Fiscal Year 2006 as the benchmark. The increase reflected in 2011 is due to the temporary overtime effort in the program.



As of August 2014 Firearms program staff are processing pistol transfers that were received in July 2013. This translates into approximately 140,000 pistol transfer records not currently available in the firearms database. The projected backlog by July 2015 is anticipated to be over 180,000 pistol transfer records. The projected total for the 2015-17 biennium is 253,000 backlogged documents.

State of Washington
Decision Package

Chart 2 displays the actual number of firearms dealer licenses issued each year by DOL between Fiscal Year 2006 and Fiscal Year 2013.



The upsurge in dealer licensing and pistol transfer activity has also resulted in an increased demand for the paper forms required to establish a firearms record. Since these forms are supplied by the department, there is a corresponding increase in printing and postage costs.

Lack of stable workforce:

Staff resources allotted to the Firearms program in 2006 consisted of one manager and four staff processing all firearms documents and providing customer service. In an effort to resolve continual backlog issues in the 2009-11 Biennium DOL requested, and received funding for, two permanent FTEs to support the Firearms program. DOL hired staff to fill these positions but the program was adversely impacted by other staff vacancies that occurred during the same period. Reductions to the General Fund and increasing program costs have also adversely impacted the program.

Four of the seven positions in the Firearms program are entry-level which results in significant turnover as staff move on to other positions. In the past four years the program has experienced nine staff departures due to promotions, transfers, and resignations from state service. The result is a constant learning curve for the entire program.

DOL continues to attempt various strategies to reduce the backlog. Twice the program was able to sponsor limited overtime projects to chip away at the backlog. Unfortunately, these efforts have not resulted in a permanent reduction of the firearm pistol transfers backlog.

Substantial paper and manual data entry process:

DOL has been modernizing processes and moving from paper to electronic records. An online firearms system allowing licensed dealers and law enforcement agencies to submit firearm forms electronically and revisions to internal processes has contributed to eliminating backlogs of concealed pistol licenses, firearms dealer licenses, and the reporting of mental health

State of Washington
Decision Package

involuntary commitment information to federal records. The program now meets all filing requirements for those areas.

Success has been more mixed in the area of pistol transfers. At this time, only 28 percent of eligible law enforcement agencies and 11 percent of firearms dealers are using the online system, with 89 percent of pistol transfers being submitted on paper.

What are DOL's plans for the future?

DOL will continue to pursue increasing the number of system users for the online system with Firearms Dealers and law enforcement agencies through a Firearms Online Usage Project to obtain customer feedback of the online system. This will result in marketing and educating customers on the online system and in completing an analysis of system enhancements or modifications necessary to improve system functionality to meet customer needs.

In July 2014, DOL began implementation of a Lean project focused on efficiencies in the internal processing of firearms pistol transfers. The project will be fully implemented by October 2014. The revised processes are projected to increase the percentage of firearms pistol transfers entered by staff by 23 percent. The Firearms program will monitor input data in October, November and December 2014 to determine actual percentage increases.

Agency subject matter expert:

Karla Laughlin, Public Protection Administrator, (360) 664-6608
Business and Professions Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

- Improved Public Safety
- Efficient, Effective Service
- A Trusted, Credible Partner

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

This request is essential to DOL's mission of advancing public safety and consumer protection. Maintaining an accurate and real-time firearms database assists law enforcement to complete real-time criminal investigations and data searches. Delays in the recording of firearm transfers may hamper an investigation, prolong resolution of a crime, and lead law enforcement down an investigation path based on inaccurate or outdated pistol information. This type of delay and incomplete information places the public and law enforcement at risk.

Performance Measure Detail

Activity: Firearms Records Clearinghouse (A012)

State of Washington
Decision Package

Number	Title	Unit	Incremental Change FY16	Incremental Change FY17
001713	Records Entered of Pistol Sales by Firearms Dealers	#	Total of 399,000 (including backlog of FY14, and compared to FY13 baseline of 287,788 dependent on overtime and FY12 of 77,000 without overtime)	Total of 211,000

Reason for change:

With existing resources DOL remains unable to stay current in processing pistol transfer applications from licensed dealers and private pistol transfers. Licensed firearms dealers are required per RCW 9.41 to provide DOL with pistol transfer data; private sellers may voluntarily report to DOL to record a change in pistol ownership. Although the program strives to be fully staffed, DOL has completed several overtime projects and has streamlined the transfer data processes, the backlog continues to grow.

- 140,000 Current document backlog as of July 2014
- 180,000 Estimated backlog by July 2015
- 253,000 Total estimated backlog for 2015-2017 Biennium

Does this decision package provide essential support to one or more of the Governor’s Results Washington priorities? (If so, please describe)

Yes, the Results Washington goal of “Healthy and Safe Communities” is one of the Governor’s high priorities. Law enforcement and the courts rely on firearms database information to make informed decisions on firearm issues. For the last seven years the firearms database receives on average 1.8 million searches annually by law enforcement.

This package also links to the Governor’s Results Washington priority goal of an “Efficient, Effective and Accountable Government” by providing accurate and timely information to law enforcement. Law enforcements’ access to real-time firearms database provides law enforcement with critical information regarding pistols ownership for safer responses to emergencies in local communities. In addition, the database information assists law enforcement with criminal investigations involving firearms that may result in criminals being safely removed from the community.

Impact on clients and services:

DOL is the statewide database service for all firearm records. As such, DOL strives to provide the best possible service to law enforcement agencies, firearm dealers, the court system, and the public. Accurate and timely information is vital to providing that service. Delays and backlogs of pistol information to the firearms database can result in ineligible individuals receiving a license or law enforcement responding to a situation while lacking vital information. The reduction of the firearms pistol transfer backlog will ensure the statewide firearms database has accurate and timely information. In addition, accurate and real-time data allows law enforcement agencies to determine if an individual is eligible for a concealed pistol license or if a firearms dealer licensure should be revoked.

Both the Washington State Patrol (WSP) and the Washington Association of Sheriffs and Police Chiefs (WASPC) fully support DOL’s effort to remain current with the firearms data and ensure 24 hour, seven day a week accessibility.

Impact on other state programs:

Law enforcement uses the pistol transfer data in the investigation of crimes when a weapon's serial number, make, type of pistol or identity of owner may aid in apprehending a suspect or resolution of a crime. Law enforcement officers also access this information from their vehicles to inform them when responding to a situation to determine if firearms may be present. State law also requires local law enforcement agencies to complete background checks and either approve or deny firearms related licenses, concealed pistol and firearms dealers, and pistol purchases from licensed dealers.

DOL is the statewide database service for all firearm records. Although the maintenance of pistol transfer documents in an electronic form is not required by law according to [RCW 9.41.129](#). This service is provided to assist law enforcement agencies that access this data daily. As such, delays in the accurate and timely processing and maintenance of these records could result in law enforcement acting or reacting minus the benefit of valid and complete information.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

None.

Alternatives explored by agency:

The Firearms program could continue with current allotments and staffing. The estimated backlog of 180,00 records by July 2015 would only continue to increase with a backlog of 253,000 estimated by the end of the 2015-17 Biennium.

DOL will complete a Firearms On-line System Usage Project in 2014. The project will utilize a variety of strategies to solicit, analyze and process stakeholder input as to usage and non-usage of the Firearms online system. This information will provide DOL with data to establish goals and measures for increasing Firearms Online System usage. This project is not expected to have a significant impact on the growing backlog during the next biennium.

Budget impacts in future biennia:

Upon elimination of the pistol transfer backlog in the 2015-17 Biennium, DOL may need to request funding for FTEs in 2017-19 Biennium. DOL estimates increases of one Office Assistant 3 (OA3) in Fiscal Year 2017 and two OA3's in Fiscal Year 2018 to remain current with projected increases in firearms concealed pistol licenses, dealer licenses, and pistol transfers. In addition DOL will need funding for firearm applications and forms, which DOL provides to local law enforcement and licensed firearm dealers. Also, funding may be needed in future biennia for technology improvement packages based on results of the 2014-15 Firearms Online

State of Washington
Decision Package

System Usage Project, which is soliciting and analyzing feedback from stakeholders and customers regarding the usability and viability of the system to meet customer needs.

Distinction between one-time and ongoing costs:

One-time costs are needed to eliminate the projected pistol transfer application backlog of 253,000 records. DOL estimates six temporary positions in Fiscal Year 2016 and one temporary position is needed in Fiscal Year 2017 to eliminate the backlog.

Ongoing costs are for the increased demand for applications forms and postage.

Effects of non-funding:

The impact of non-funding will result in increases to the firearms pistol transfer applications backlog within the Firearms Program. The backlog results in inaccurate and non-timely data in the firearms database accessed daily by law enforcement agencies. Accurate and up-to-date firearms information in the database is crucial for law enforcement agencies and Washington courts ensuring safer communities and citizens of Washington State.

Revenue Calculations and Assumptions:

There is no revenue impact from this funding request. The Firearms program is a general fund program. The Firearms program is not required to be fee supported and there is no fee charged for pistol transfers.

Expenditure Calculations and Assumptions:

The current backlog is 140,000 pistol transfers. It is projected to be 180,000 documents by July 2015. At current staffing levels, the backlog is projected to be 253,000 by July 2017.

Based on this data, DOL estimates six positions are needed for Fiscal Year 2016 and one in Fiscal Year 2017 to eliminate the backlog, process weekly firearms pistol transfers, and process the increased workload for other firearms documents. The projected backlog can be mitigated by adding six FTEs in Fiscal Year 2016 and continuing one FTE into Fiscal Year 2017.

In addition to staff salary, benefits, and associated costs this request includes \$9,000 for software license fees for six staff. Costs have also been added for printing and postage for firearm forms. DOL assumes a decrease in these costs of 15 percent per year as more data is entered directly into the Firearms online system.

Form	2015-17	2017-19	2019-21
Firearm transfers	44,123	29,192	20,402

The agency is not requesting funds for indirect administrative costs.

State of Washington
Decision Package

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	\$201,000	\$33,000	\$234,000
B Employee Benefits	\$81,000	\$13,000	\$94,000
E Goods and Services	\$77,000	\$25,000	\$102,000
J Capitalized Equipment	\$6,000		\$6,000
Total	\$365,000	\$71,000	\$436,000

<u>Object E Breakdown:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
EA Office Supplies	\$5,000	\$1,000	\$6,000	\$0	\$0
EB Postage	\$3,000	\$3,000	\$6,000	\$5,000	\$5,000
EB Phone/Install/Usage	\$5,000	\$1,000	\$6,000	\$0	\$0
ED Facility/Lease Costs	\$36,000	\$6,000	\$42,000	\$0	\$0
EF Printing	\$17,000	\$14,000	\$31,000	\$20,000	\$14,000
EG Staff Training	\$3,000	\$1,000	\$4,000	\$0	\$0
EL DIS Shared Svcs	\$2,000	\$0	\$2,000	\$0	\$0
EN Personnel Services	\$1,000	\$0	\$1,000	\$0	\$0
EY Software Maintenance	\$6,000	\$0	\$6,000	\$0	\$0
Total Goods & Svcs	\$78,000	\$26,000	\$104,000	\$25,000	\$19,000

	<u>Staffing</u>			<u>Operating Expenditures</u>		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
200 - Information Services	0.0	0.0	0.0	\$6,000	\$0	\$6,000
700 - Business & Professions	6.0	1.0	3.5	\$359,000	\$71,000	\$430,000
Agency Total	6.0	1.0	3.5	\$365,000	\$71,000	\$436,000

<u>Job Classification</u>	<u>Salary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
Office Assistant 3	33,468	6.0	1.0	3.5	0.0	0.0
Total FTEs		6.0	1.0	3.5	0.0	0.0

State of Washington
Decision Package

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>	0.0	0.0	0.0	\$0	\$0	\$0
<u>Omnibus Funds</u>						
Program 200:						
GF-State	0.0	0.0	0.0			
All Other Omnibus FTEs:	0.0	0.0	0.0			
GF-State				\$6,000	\$0	\$0
Program 700:						
GF-State	3.5	0.0	0.0			
All Other Omnibus FTEs:	0.0	0.0	0.0			
GF-State				\$430,000	\$26,000	\$19,000
Total Omnibus Funds	3.5	0.0	0.0	\$436,000	\$26,000	\$19,000
<u>Total of All Funds</u>	3.5	0.0	0.0	\$436,000	\$26,000	\$19,000

240 Department of Licensing
PL-T5 GF-S 15% Budget Reduction
2015-17

Agency Recommendation Summary Text:

This package reduces the Department of Licensing’s (DOL) Firearms program by 3.3 FTEs in Fiscal Year 2016 and 4.0 FTEs in Fiscal Year 2017 to achieve a (\$364,000) reduction in General Fund-State. This reduction is in response to the published 2015-17 Operating Budget Instructions distributed by the Office of Financial Management (OFM). (General Fund-State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001 GF-State	(\$164,000)	(\$200,000)	(\$364,000)
Total Cost	(\$164,000)	(\$200,000)	(\$364,000)

Staffing

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
FTEs	(3.3)	(4.0)	(3.7)

Package Description:

DOL has two activities that operate using General Fund-State, vessel title and registration certificates and the Firearms program. Because DOL is required by RCW 88.02.560 to provide vessel registration and decals the agency is putting forward only the Firearm’s program for the required 15 percent reduction in General Fund-State as the maintenance of pistol sales and transfer documents in an electronic form is not required by law.

A General Fund-State reduction of (\$364,000) will significantly reduce DOL’s ability to maintain an accurate firearm database for the state. DOL’s Firearms program serves as the only legal record holder for all firearms related licenses and is responsible for ensuring the accuracy and integrity of this information.

The records maintained by DOL include:

- Pistol transfers
- Concealed pistol licenses (CPL)
- Firearm dealer license records
- All prohibitive conviction and commitment orders from the courts identifying individuals ineligible to possess a firearm

In Fiscal Year 2013 the Firearms program received more than 194,000 pistol transfers; nearly 144,000 concealed pistol licenses; and over 1,000 firearm dealer licenses. Over 35,000 convictions

State of Washington
Decision Package

and involuntary mental health commitment notices are recorded in the database identifying individuals ineligible to possess a firearm. One data entry clerk can enter approximately 30,000 documents annually.

To achieve this reduction, the program will enter pistol sales and transfer data as time allows and focus its efforts on concealed pistol licenses (CPLs) and ineligible to possess data. The maintenance of pistol sales and transfer documents in an electronic form is not required by law according to [RCW 9.41.129](#). This service is provided to assist law enforcement agencies that access this data daily. DOL would continue to maintain CPL data in an online format as required by [RCW 9.41.070](#).

Staff reductions will increase the pistol sales and transfer backlog by approximately 100,000 records annually. It will adversely impact the service and reliability of the data provided to law enforcement and the courts. The timely entry of these documents allows law enforcement to retrieve current, critical firearms information (through Washington State Patrol's ACCESS system) to carry out criminal investigations and to issue or deny various firearms licenses. In 2013, DOL logged over 1.8 million information requests from law enforcement.

Agency subject matter expert:

Karla Laughlin, Public Protection Administrator (360) 664-6608
Business and Professions Division

Bruce Tanaka, Firearms Program Manager (360) 664-6622
Business and Professions Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

This reduction is in response to the published 2015-17 Operating Budget Instructions distributed by the Office of Financial Management (OFM).

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

This reduction is in response to the published 2015-17 Operating Budget Instructions distributed by the OFM.

Performance Measure Detail

Activity: Firearms Database (A012)

State of Washington
Decision Package

Number	Title	Unit	Incremental Change FY16	Incremental Change FY17
001712	Records Entered of Concealed Pistol Licenses Issued and Denied by Law Enforcement	#	No change	No change
001713	Records Entered of Pistol Sales by Firearms Dealers	#	Reduction of 123,750 bringing backlog up to 334,228	Reduction of 150,000 bringing backlog up to 526,467

Reason for change:

This reduction is in response to the 2015-17 Operating Budget instructions that requires agencies to put forward a reduction of 15 percent to General Fund-State.

Impact on clients and services:

The Firearms program strives to provide the best possible service to law enforcement agencies, firearm dealers, the court system, and the public at large. Accurate and timely information is vital to providing that service and minimizing risk to local communities. Failure to maintain the firearms database is a public safety risk as ineligible individuals could receive a firearms license or purchase a pistol. In addition, law enforcement will lack critical information on the potential for firearms being present when responding to a call or identifying suspects as part of an investigation involving a handgun.

Impact on other state programs:

A reduction in staff resources directly impacts data entry efforts and will increase the current backlog by 100,000 documents annually. This will adversely impact services and reliable data provided to law enforcement and the courts on a daily basis. The timely entry of these documents allow law enforcement to retrieve current, critical firearms information (through Washington State Patrol's ACCESS system) to carry out criminal investigations and to issue or deny various firearms licenses.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

Revenue Calculations and Assumptions:

None.

Expenditure Calculations and Assumptions:

This expenditure reduction is achieved by reducing 3.0 Office Assistant 3 FTEs in Fiscal Year 2016 and Fiscal Year 2017. In addition, one Customer Service Specialist 2 FTE is reduced in Fiscal Year

State of Washington
Decision Package

2016 to 0.3 and eliminated in Fiscal Year 2017. The elimination of these positions will result in lower office supply, phone, and personnel service costs.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	(\$111,000)	(\$137,000)	(\$248,000)
B Employee Benefits	(\$44,000)	(\$54,000)	(\$98,000)
E Goods and Services	(\$9,000)	(\$9,000)	(\$18,000)
Total	(\$164,000)	(\$200,000)	(\$364,000)

<u>Object E Breakdown:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
EA Office Supplies	(\$5,000)	(\$4,000)	(\$9,000)	(\$9,000)	(\$9,000)
EB Phone/Install/Usage	(\$2,000)	(\$2,000)	(\$4,000)	(\$4,000)	(\$4,000)
EL DIS Shared Svcs	(\$1,000)	(\$1,000)	(\$2,000)	(\$3,000)	(\$3,000)
EN Personnel Services	(\$1,000)	(\$1,000)	(\$2,000)	(\$2,000)	(\$2,000)
Total Goods & Svcs	(\$9,000)	(\$8,000)	(\$17,000)	(\$18,000)	(\$18,000)

<u>Job Classification</u>	<u>Salary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
Office Assistant 3	\$33,468	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
Customer Scv Spc 2	\$36,756	(0.3)	(1.0)	(0.7)	(0.7)	(0.7)
Total FTEs		(3.3)	(4.0)	(3.7)	(3.7)	(3.7)

	<u>Staffing</u>			<u>Operating Expenditures</u>		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
700 - Business & Professions	(3.3)	(4.0)	(3.7)	(\$164,000)	(\$200,000)	(\$364,000)
Agency Total	(3.3)	(4.0)	(3.7)	(\$164,000)	(\$200,000)	(\$364,000)

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>	0.0	0.0	0.0	\$0	\$0	\$0
<u>Omnibus Funds</u>						
Program 700:						
GF-State	(3.7)	(3.7)	(3.7)			
GF-State				(\$364,000)	(\$364,000)	(\$364,000)
Total Omnibus Funds	(3.7)	(3.7)	(3.7)	(\$364,000)	(\$364,000)	(\$364,000)
<u>Total of All Funds</u>	(3.7)	(3.7)	(3.7)	(\$364,000)	(\$364,000)	(\$364,000)

240 Department of Licensing
PL-T5 Reinstatement of GF-S 15% Reduction
2015-17

Agency Recommendation Summary Text:

This package requests reinstatement to the Department of Licensing’s (DOL) Firearms program of 3.3 FTEs in Fiscal Year 2016, 4.0 FTEs in Fiscal Year 2017 and \$364,000 in General Fund-State. This reduction was in response to the published 2015-17 Operating Budget Instructions distributed by the Office of Financial Management (OFM). (General Fund-State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001 GF-State	\$164,000	\$200,000	\$364,000
Total Cost	\$164,000	\$200,000	\$364,000

Staffing

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
FTEs	3.3	4.0	3.7

Package Description:

DOL is requesting reinstatement of \$364,000 of General Fund-State to continue operations of the Firearms database program. Without these funds, DOL will significantly reduce the Firearms program staff and substantially impact DOL’s ability to maintain an accurate firearms database for the state. DOL’s Firearms program serves as the only legal record holder for all firearms related licenses and is responsible for ensuring the accuracy and integrity of this information.

The records currently maintained by DOL include:

- Pistol transfers
- Concealed pistol licenses (CPL)
- Firearm Dealer License
- All prohibitive conviction and mental health commitment orders from the courts identifying individuals ineligible to possess a firearm

In Fiscal Year 2013 the Firearms program received more than 194,000 pistol transfers; nearly, 144,000 concealed pistol licenses entered into the system; and over 1,000 firearm dealer licenses. Over 35,000 convictions and involuntary mental health commitment notices are recorded in the database identifying individuals ineligible to possess a firearm. One data entry clerk, entering data full-time, enters approximately 30,000 documents annually.

State of Washington
Decision Package

If funds are not reinstated, the program will discontinue entering pistol transfer data and focus all efforts to concealed pistol licenses (CPLs), firearms dealer licenses and ineligible to possess data. Staff reductions, coupled with a continued increase in pistol transfers received, will increase the pistol transfer backlog to approximately 473,000 documents by FY 2017. In addition, this will adversely impact services and reliable data accessed by law enforcement and provided to courts on a daily basis. The timely entry of these documents allows law enforcement to retrieve current, critical firearms information (through Washington State Patrol's ACCESS system) to carry out criminal investigations and to issue or deny various firearms licenses. In 2013, DOL logged over 1.8 million information requests from law enforcement.

Agency subject matter expert:

Karla Laughlin, Public Protection Administrator, (360) 664-6608
 Business and Professions Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization.
- Public Safety through Licensing and Regulating

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

Law enforcement agencies rely on DOL to maintain firearms information for investigatory purposes, issuance of CPL's and determine an individual's ability to possess firearms. The absence of this information may lead to substantial delays for law enforcement agencies to carry out criminal investigations and to issue or deny firearms licenses.

Performance Measure Detail

Activity: Firearms Database (A012)

Number	Title	Unit	Incremental Change FY16	Incremental Change FY17
001712	Records Entered of Concealed Pistol Licenses Issued and Denied by Law Enforcement	Number	No change	No change
001713	Records Entered of Pistol Sales by Firearms Dealers	Number	Return of 123,750 for total of 173,761 with current staff or 399,000 if DP M1-7B is funded	Return of 150,000 for total of 173,761 with current staff or 211,000 if DP M1-7B is funded

Reason for change:

This reinstatement request is in response to the 2015-2017 Operating Budget instructions that requires agencies to put forward a reduction of 15 percent to General Fund-State.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

Yes, this proposal supports the Governor's priorities for:

- Healthy and Safe Communities

Ensuring a reliable and up-to-date firearms database allows law enforcement to have the most current information for investigations and issuance of CPL's.

Impact on clients and services:

The Firearms program strives to provide the best possible service to law enforcement agencies, firearm dealers, the court system, and the public at large. Accurate and timely information is vital to providing that service and minimizing risk to local communities. Failure to maintain the firearms database is a public safety risk as ineligible individuals could receive a firearms license or purchase a pistol. In addition, law enforcement will lack critical information on the potential for firearms being present when responding to a call or identifying suspects as part of an investigation involving a pistol.

Impact on other state programs:

If funding is not reinstated staff resources will be directly impacted through data entry efforts, which will increase the estimated FY 2017 pistol transfer backlog of 253,000 to 473,000 documents. This will also adversely impact services and reliable data provided to law enforcement and the courts on a daily basis. The maintenance of pistol transfer documents in an electronic form is not required by law according to [RCW 9.41.129](#). This service is provided to assist law enforcement agencies accessing this data daily. The timely entry of these documents allows law enforcement to retrieve current, critical firearms information (through Washington State Patrol's ACCESS system) to carry out criminal investigations and to issue or deny various firearms licenses.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

None.

Alternatives explored by agency:

DOL is conducting stakeholder discussions to determine how on-line services can be better used to reduce the need for DOL staff to manually enter information in the system.

In May 2014, the Firearms program began a Lean process improvement project to ensure continuous process improvement in how staff process pistol transfers. As of July 2014 the program began implementation of the Lean project focused on efficiencies in internal processing of firearms pistol transfers. The project will be fully implemented by October 2014. The revised processes are

State of Washington
Decision Package

projected to increase the percentage of firearms pistol transfers entered by staff by 23 percent. The Firearms program will monitor input data in October, November and December 2014 to determine actual percentage increases.

Budget impacts in future biennia:

DOL is requesting additional funding for the 2015-17 Biennium to ensure the growing backlog of pistol transfers are entered timely and the database has the most current information for the Courts and law enforcement agencies.

Distinction between one-time and ongoing costs:

All costs with the firearms database are ongoing FTE costs.

Effects of non-funding:

If this request is not funded DOL will be forced to stop entering pistol transfers into the database.

Revenue Calculations and Assumptions:

None.

Expenditure Calculations and Assumptions:

This expenditure reinstatement reverses the reduction of 3.0 Office Assistant 3 FTEs in Fiscal Year 2016 and Fiscal Year 2017. In addition, one Customer Service Specialist 2 FTE is also reversed in Fiscal Year 2016 at 0.3 and fully reinstated in Fiscal Year 2017. The the employee costs for supplies, phones, and personnel services have also been reinstated.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	\$111,000	\$137,000	\$248,000
B Employee Benefits	\$44,000	\$54,000	\$98,000
E Goods and Services	\$9,000	\$9,000	\$18,000
Total	\$164,000	\$200,000	\$364,000

<u>Object E Breakdown:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
EA Office Supplies	\$5,000	\$4,000	\$9,000	\$9,000	\$9,000
EB Phone/Install/Usage	\$2,000	\$2,000	\$4,000	\$4,000	\$4,000
EL DIS Shared Svcs	\$1,000	\$1,000	\$2,000	\$3,000	\$3,000
EN Personnel Services	\$1,000	\$1,000	\$2,000	\$2,000	\$2,000
Total Goods & Svcs	\$9,000	\$8,000	\$17,000	\$18,000	\$18,000

State of Washington
Decision Package

<u>Job Classification</u>	<u>Salary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
Office Assistant 3	33,468	3.0	3.0	3.0	3.0	3.0
Customer Scv Spc 2	36,756	0.3	1.0	0.7	0.7	0.7
Total FTEs		3.3	4.0	3.7	3.7	3.7

	<u>Staffing</u>		<u>15-17</u>	<u>Operating Expenditures</u>		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
700 - Business & Professions	3.3	4.0	3.7	\$164,000	\$200,000	\$364,000
Agency Total	3.3	4.0	3.7	\$164,000	\$200,000	\$364,000

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Omnibus Funds</u>						
Program 700:						
GF-State	3.7	3.7	3.7			
All Other Omnibus FTEs:	0.0	0.0	0.0			
GF-State				\$364,000	\$364,000	\$364,000
Total Omnibus Funds	3.7	3.7	3.7	\$364,000	\$364,000	\$364,000
<u>Total of All Funds</u>	3.7	3.7	3.7	\$364,000	\$364,000	\$364,000

240 Department of Licensing
PL-N3 Ignition Interlock Assistance Funding
2015-17

Agency Recommendation Summary Text:

The Department of Licensing requests expenditure authority from the Ignition Interlock Device Revolving Account (14V) to provide financial assistance to low-income drivers who qualify for assistance under state law. (Ignition Interlock Device Revolving Account – State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
14V Ignition Interlock	\$1,215,000	\$1,216,000	\$2,431,000
Total Cost	\$1,215,000	\$1,216,000	\$2,431,000

Package Description:

Background

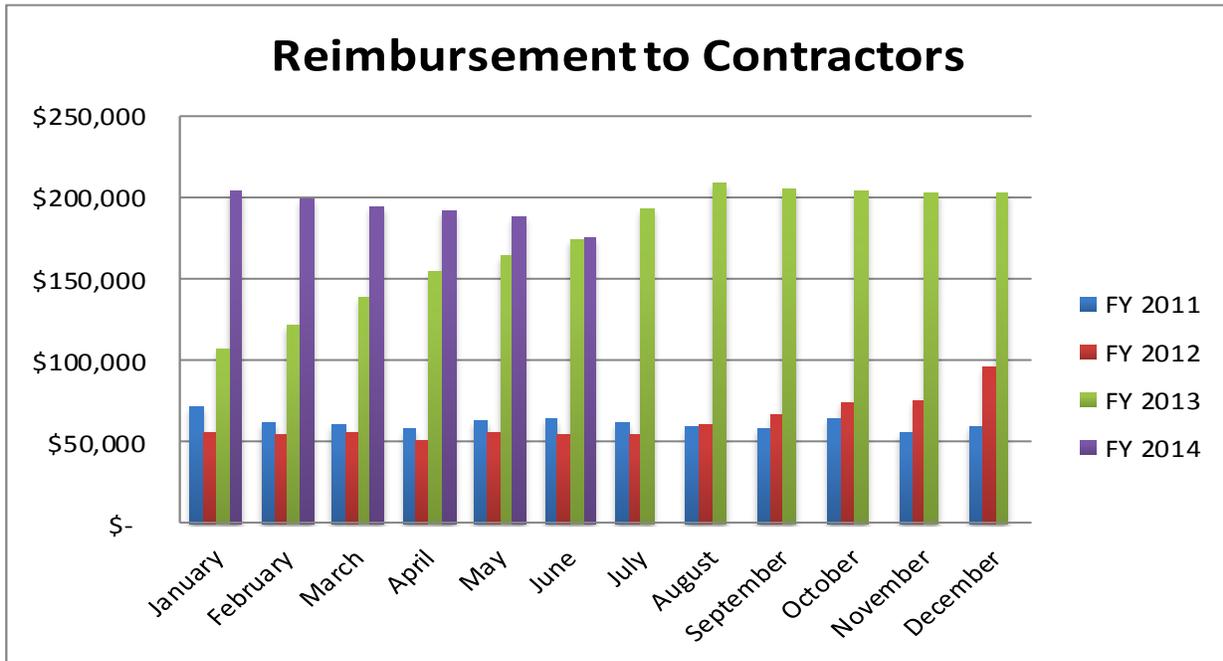
The Ignition Interlock Device Revolving Account (14V) was established during the 2008 Legislative Session (RCWs 47.20.385, 46.20.745 and 47.68.340). The fund is supported by a monthly \$20 fee paid by individuals who are required to have an ignition interlock device (IID) due to a driving under the influence (DUI) conviction. The fund was created by legislation to provide financial assistance to persons who show they are indigent as defined in state law and rule.

The assistance is provided for the installation, monthly lease and removal costs of the device and eligible drivers are required to apply for it annually. Ignition interlock providers typically charge indigent persons about \$75 to \$88 per service (install, monthly lease, removal, and transfer). Approximately 2,000 of the 18,000 persons who have ignition interlock devices receive financial assistance. The financial assistance is supported by the monthly \$20 fee, which in the 2013-15 biennium is expected to generate \$3,888,200 in revenue to the Ignition Interlock Device Revolving Account. Until July 1, 2014, the funds in the account were sufficient for DOL to provide 100 percent financial assistance to qualified persons.

Under provisions of the initial law DOL was providing financial assistance from its IID appropriation for the period of time that an individual had an Ignition Interlock License (IIL), which was typically three months for a first-time DUI offense. The 2012 Legislative Session expanded the length of time low-income individuals could receive assistance by allowing eligibility for the amount of time that an IID restriction is imposed, which is typically one year for a first-time DUI offense. This has led to a greater number of drivers who are eligible for assistance for a longer period of time, with a corresponding increase in demands on the fund. DOL anticipated an increase in demand but it has exceeded the original estimates.

State of Washington
Decision Package

The chart below shows the increase in reimbursement amounts since 2011.



Current Status

The 2013 Legislature amended law to allow use of the Ignition Interlock Account for offender substance abuse programs during the 2013-15 biennium. \$2.2 million was appropriated to the Department of Corrections.

DOL's 2013-15 appropriation is insufficient to provide full reimbursement of costs for all eligible drivers. The last appropriation for 2013-15 of \$2.6 million is not enough to cover the reimbursements at the traditional 100 percent rate for this period. The department submitted a Fiscal Year 2014 supplemental decision package requesting an increase of expenditure authority of \$1.694 million. The department received an additional appropriation of \$215,000.

Due to the constraints of the total 2013-15 Biennium appropriation, beginning July 1, 2014 DOL reduced the amount of reimbursement from 100 percent to approximately 11 percent. On July 11, 2014, the Co-Chairs of the Senate Transportation Committee and the Chair and Ranking Member of the House Transportation Committee sent DOL a letter asking that the agency fully fund the interlock assistance program with funds within its existing budget from the Highway Safety Account. The letter indicated they would address the funding issue during the 2015 legislative session through the second supplemental transportation budget. DOL began reimbursing at 100 percent on August 1, 2014.

Proposed Solution

DOL is requesting an additional appropriation of \$2,431,000 million to provide financial assistance to qualified low-income drivers at the reimbursement rate of 100 percent.

Expected Results

DOL is expecting to use the additional appropriation to provide full reimbursement costs for the devices for eligible drivers in the 2015-17 Biennium. This supports the legislation that created the Ignition Interlock Device Revolving Account to provide assistance to low-income drivers to prevent a financial barrier to compliance with DUI-related sanctions.

Agency subject matter expert

Josh Johnston, Deputy Assistant Director, (360) 902-4084
Program and Services Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

- Improved Public Safety

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

This package supports the agency's strategic initiative of implementing DOL's Target Zero action plan. Full funding of reimbursements for drivers with financial needs that are required to have an ignition interlock device is linked to the goal of improved public safety in DOL's Strategic Plan.

Performance Measure Detail

Activity: Regulating Drivers: License Suspensions, Reinstatements, Driver Records (A004)
This request will not impact our measures in in the performance management system, which include the number of traffic violations and accidents we enter to records and driver's license suspensions, revocations, cancellations and disqualifications.

Reason for change:

Legislative changes in 2012 allow a person to qualify for financial assistance during the entire time they are required to have an ignition interlock device installed, as opposed to only the period of time a driver holds an ignition interlock driver license while their regular driving privilege is suspended. DOL anticipated an increase in demand but it has exceeded the original estimates. The chart on page 2 shows the increase in reimbursement amounts since 2012.

The 2013 legislature appropriated \$2.2 million from the Ignition Interlock Account to the Department of Corrections for offender substance abuse programs. DOL submitted a Fiscal Year 2014 supplemental decision package requesting expenditure authority to continue reimbursing at 100 percent. The Department received an appropriation of \$215,000. In July 2014, the Department reduced the amount of reimbursement from 100 percent to 11 percent.

On July 11, 2014, the Co-Chairs of the Senate Transportation Committee and the Chair and Ranking Member of the House Transportation Committee sent DOL a letter asking that the agency fully fund the interlock assistance program with funds within its existing budget from the Highway Safety Account. The letter indicated they would address the funding issue during the 2015 legislative session through the second supplemental transportation budget. DOL began reimbursing

State of Washington
Decision Package

at 100 percent on August 1, 2014. Reimbursement at the 100 percent rate is assumed to be ongoing through the 2015-17 biennium.

Does this decision package provide essential support to one of the Governor's priorities? (If so, please describe)

This package supports the Governor's goal of healthy and safe communities by ensuring that Washington State citizens are safe on Washington Highways.

Impact on clients and services:

The recent reduction in reimbursements had an impact on low-income drivers that are eligible for financial assistance from fund 14V. The additional funding will allow DOL to restore full reimbursement funding for these individuals, which will help ensure that Washington has safe drivers on its roadways.

Impact on other state programs:

None.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

None.

Alternatives explored by agency:

Option 1: The department can manage reimbursements to ignition interlock device providers with a significantly reduced amount in order to stretch the funding throughout the biennium. This reduced amount is 11 percent or \$8.76 per month per service.

Option 2: The department can continue reimbursements at 100 percent until there is no funding available. At that point, no appropriation authority would be available and reimbursements would end. DOL's Ignition Interlock Device Revolving Account appropriation is expected to be exhausted in September 2014.

Note: In June 2013 the department reviewed the financial assistance requirements for eligibility and modified the requirements to mirror other agencies. There was no decrease in the number of eligible applicants based on this review.

Budget impacts in future biennia:

The need for funding beyond DOL's carry forward appropriation level and any appropriation received in the Fiscal Year 2015-17 Biennium will be assessed prior to submittal of DOL's Fiscal

State of Washington
Decision Package

Year 2017-19 budget request. DOL will request additional funding in a subsequent decision package if necessary.

Distinction between one-time and ongoing costs:

For purposes of this decision package, costs are assumed to be ongoing.

Effects of non-funding:

The department can manage reimbursements to ignition interlock device providers with a significantly reduced amount in order to stretch funding throughout the 2015-17 biennium. This would impact drivers who need assistance with ignition interlock device fees. A recent evaluation of ignition interlock laws by the Traffic Safety Commission identified a 26 percent decrease in the recidivism of drivers that had ignition interlock devices versus those that did not. It is unknown how many persons may not install or may remove ignition interlock devices as a result of reduced financial assistance.

Revenue Calculations and Assumptions:

There is no revenue associated with this package.

Expenditure Calculations and Assumptions:

The following table illustrates the projected requirements for additional 2015-17 biennium funding. For purposes of this decision package DOL requests funding from the Ignition Interlock Device Revolving Account (14V) sufficient to provide 100 percent reimbursement for all low-income drivers who qualify for assistance under state law. This package assumes an average monthly expenditure of \$212,421, which is a projected biennial requirement of \$5,098,000.

Reimbursement requirements	2015-17	2017-19	2019-21
Projected pgm cost at 100% reimbursement rate	\$5,098,000	\$5,098,000	\$5,098,000
14V - Projected amount available	\$5,098,000	\$5,098,000	\$5,098,000
14V - Proposed Carry Forward Level	<u>\$2,667,000</u>	<u>\$2,667,000</u>	<u>\$2,667,000</u>
14V - Requested 2015-17 Additional Appropriation	\$2,431,000	\$2,431,000	\$2,431,000

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
N Grants, Subsidies, Benefit Payments	\$1,215,000	\$1,216,000	\$2,431,000
Total	1,215,000	1,216,000	2,431,000

State of Washington
Decision Package

	Staffing			Operating Expenditures		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
600 - Programs and Services	0.0	0.0	0.0	\$1,215,000	\$1,216,000	\$2,431,000
Agency Total	0.0	0.0	0.0	\$1,215,000	\$1,216,000	\$2,431,000

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 60T:						
Ignition Interlock	0.0	0.0	0.0	\$2,431,000	\$2,431,000	\$2,431,000
	0.0	0.0	0.0	\$2,431,000	\$2,431,000	\$2,431,000

240 Department of Licensing
M1-6K Increased Driver's License Production
2015-17

Agency Recommendation Summary Text:

The Department of Licensing (DOL) requests funding to support increased driver's license production. (Highway Safety Account - State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
106 Highway Safety Fund	\$289,000	\$142,000	\$431,000
Total Cost	\$289,000	\$142,000	\$431,000

Package Description:

Under the provisions of Chapter [46.20 RCW](#) DOL issues driver's licenses and identicards to qualified residents of the state. These documents are produced in a secure facility operated by a vendor under contract with DOL. Based on the levels of card production, DOL pays the vendor for the costs of producing personal driver's licenses and enhanced driver's licenses, as well as sales tax on the document costs and postage for mailing documents to customers. The agency's allocation to cover these costs is based on forecast data as adopted by the state's Transportation Revenue Forecast Council.

Washington State has experienced an increase in population that has impact on the demand for driver's license documents. In a June 30, 2014 press release from the state's Office of Financial Management (OFM) titled "Washington's population increases markedly", OFM noted:

"Washington's population increased considerably in the past year. Annual estimates prepared by the Office of Financial Management show the state's population increased by 85,800 to 6,968,200 between 2013 and 2014. This 1.25 percent gain — up from 0.95 percent in 2013 — marks the largest one-year increase since 2008. Washington's population has been growing at an increasing rate, driven largely by migration".

DOL's Washington State Drivers Report for June 2014 further supports these data, noting that driver in-migration (population moves from other states to Washington) is up 9.7 percent over the previous year. This package requests funding to support increased driver's license production associated with in-migration population trends.

Agency subject matter expert:

Maile Abraham, Contracts and Initiatives Manager (360) 902-4089
Programs and Services Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

Yes, this package ensures we can meet the customer needs for driver licenses and identicards within our target turnaround time (initiative 6). If product delivery is delayed due to lack of funding, customer inquiries would likely increase such that we would miss our targets for customer wait time in offices and on the phone (measures h and i).

Performance Measure Detail

Activity: Examining and Licensing Citizens to Operate Motor Vehicles (A008)

Number	Title	Unit	Incremental Change FY16	Incremental Change FY17
001689	Number of Core Service Transactions Provided by Licenseing Service Offices	#	91,000	34,000

Measure 001689 Number of Core Service Transactions Provided by Licenseing Service Offices is estimated to increase over June 2013 forecast by approximately 91,000 license transactions in FY16 and 34,000 in FY17.

Reason for change:

DOL is requesting additional funding to maintain higher driver's license card production levels.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

Yes, it funds the growing demand for driver licensing which supports the Governor's Goal 4 topic Safe People and sub-topic Traffic. It may also impact our timely service results for the Governor's Goal 5 leading indicator 1.3.b. The issuance of driver's licenses is an essential public service that is required by statute (Chapter 46.20 RCW).

Impact on clients and services:

The funding requested in this package will help ensure that citizens of Washington State will continue to receive licensing documents in a timely manner.

Impact on other state programs:

None.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

None.

Alternatives explored by agency:

Option 1) Do nothing. This option is not considered practical due to negative impacts on other driver's license related service areas.

Option 2) Request funding to support increased driver's license production. This option allows DOL to maintain higher driver's license card production levels without impacting other driver's license related functions, such as maintenance of driver records and licensing office counter services.

Budget impacts in future biennia:

There is a reduction in projected card production and associated costs in future biennia. The reduction is based on current workload forecast assumptions that include full implementation of the state's transition to a six-year driver's license. Workload forecasts are subject to a variety of factors including state employment, migration and other demographic trends that may change, sometimes significantly, over time. Future card production cost requirements will be evaluated and adjusted in a future decision package as necessary.

Distinction between one-time and ongoing costs:

For purposes of this decision package, costs are considered ongoing.

Effects of non-funding:

The department is required by law to furnish driver licenses and identification cards. Without this funding, the agency would have to reduce services in other areas. Service reductions in field offices would result in longer wait times. Service reduction in headquarters would extend the time it takes to update driver records or to administer driver sanctions, both of which have public safety implications.

Revenue Calculations and Assumptions:

There is no new revenue associated with this package. Revenue related to increased driver's license volumes has been included in the June 2014 Transportation Revenue Forecast as adopted by the Transportation Revenue Forecast Council.

Expenditure Calculations and Assumptions:

The funding level in this package represents the net difference between volumes projected in the June 2014 Transportation Revenue forecast and those projected in the June 2013 Transportation Revenue Forecast for the 2013-15 biennium, which served as the base for card production cost

State of Washington
Decision Package

allocations. Table 1 illustrates legacy and enhanced document volumes, the costs for each, and the difference between expected costs from the June 2013 forecast to the June 2014 forecast.

Table 1

Driver's License Production Costs	FY 13-15	FY 15-17	FY 17-19	FY 19-21
Personal License Card Volume--June 2013 Forecast (Base)	3,575,082			
Personal License Card Volume--June 2014 Forecast		3,699,635	3,526,706	3,297,354
June 2014 forecast minus June 2013 forecast		124,553	(48,376)	(277,728)
Cost per card, incl. postage and tax		\$2.66	\$2.66	\$2.66
Additional Biennial cost--Legacy		\$331,310	(\$128,679)	(\$738,757)
Enhanced Card Volume--June 2013 Forecast (Base)	197,128			
Enhanced Card Volume--June 2014 Forecast		217,362	208,247	187,253
June 2014 forecast minus June 2013 forecast		20,234	11,119	(9,875)
Cost per card, incl. postage and tax		\$4.96	\$4.96	\$4.96
Additional Biennial cost--Enhanced		\$100,362	\$55,151	(\$48,981)
Additional Biennial production cost - Total		\$431,672	(\$73,528)	(\$787,737)

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods and Services	\$289,000	\$142,000	\$431,000
Total	\$289,000	\$142,000	\$431,000

<u>Object E Breakdown:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
ER Other Purchased Service	\$289,000	\$142,000	\$431,000	(\$74,000)	(\$787,000)
Total Goods & Svcs	\$289,000	\$142,000	\$431,000	(\$74,000)	(\$787,000)

	<u>Staffing</u>			<u>Operating Expenditures</u>		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
600 - Programs and Services	0.0	0.0	0.0	\$289,000	\$142,000	\$431,000
Agency Total	0.0	0.0	0.0	\$289,000	\$142,000	\$431,000

State of Washington
Decision Package

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 60T:						
Highway Safety Fund	0.0	0.0	0.0	\$431,000	(\$74,000)	(\$787,000)
<u>Total of All Funds</u>	0.0	0.0	0.0	\$431,000	(\$74,000)	(\$787,000)

240 Department of Licensing
M1-3B Increased Reimbursable Costs – County Auditors
2015-17

Agency Recommendation Summary Text:

The Department of Licensing (DOL) contracts with county auditors to provide vehicle and vessel licensing services. The agency reimburses county auditors for allowable expenditures that exceed the total revenue retained by the county auditor for providing those services. These reimbursable costs have increased and DOL is requesting additional funding to cover this increase. (DOL Services Account-State)

Agency Total

Fiscal Detail

<u>Operating Expenditures</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
201 DOL Services Account	\$237,000	\$237,000	\$474,000
Total Cost	\$237,000	\$237,000	\$474,000

Package Description:

DOL administers the issuance of vehicle and vessel titling and registration. Per RCW 46.01.130 and RCW 88.02.320 DOL contracts with county auditors to perform vehicle and vessel licensing services.

RCW 46.01.140 allows county auditors to request reimbursement for allowable expenses outlined in contract that exceed the amount of revenue the county auditor collects when providing DOL services. These reimbursements are to be made from the DOL Licensing Services Account. The agency has reimbursed these costs since 1992.

DOL may reimburse county auditors per contract for the following costs for vehicle and vessel licensing and titling:

- Salaries, payroll taxes and employee benefits paid to county auditor employees directly assigned to licensing and titling activities and may include up to twenty-five percent of the appointed county auditor's salary.
- Telephone service charges directly related to licensing and titling.
- Premium for insurance and bonding expressly required by contract.
- Postage and other purchased office supplies necessary for licensing and titling.
- Auxiliary equipment purchased by the county auditor to enhance performance of the contract with advance approval of DOL.

Counties submit documentation to support their requests for reimbursement which is reviewed by DOL auditors. County auditors' allowable costs have increased including salaries and benefits and county auditors have become more thorough in submitting their costs. Traditionally counties with lower transaction volumes request reimbursement. The following counties have requested

State of Washington
Decision Package

reimbursement during the last two biennia: Columbia, Ferry, Garfield, Lincoln, Pacific, Pend Oreille, San Juan, Skamania, Wahkiakum, and Walla Walla.

Agency subject matter expert:

Jaime Grantham, Vehicle/Vessel Operations Administrator, (360) 902-3718
Customer Relations Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization
- A Trusted, Credible Partner

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

This package is essential to daily operations more than it is to a strategic initiative. County auditors and sub-agents provide daily core service to DOL customers for their 6.9 million registered vehicles and 251,000 vessels. If we don't adequately reimburse these essential partners, our customers and partnerships pay the price. In smaller counties customers may have to go greater distances for vehicle and vessel licensing.

Performance Measure Detail

Activity: Administration of Vehicle and Vessel Titles and Registrations (A021)

This package will not cause a change in Measure 001716 Number of Vehicle and Vessel Title Transactions. However, transactions for that measure are estimated to increase by approximately 60,000 in Fiscal Year 2016 and in Fiscal Year 2017 (based on projections developed for vehicle plate demand). This package also supports meeting our internal measure and target around title process turnaround time.

Reason for change:

Reimbursable costs to county auditors have increased and DOL is obligated by contract to pay county auditors for these increases as allowed by state law.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

Yes, this package supports the Governor's Goal 5 measure 1.3.b to increase timely delivery of state services to customers. The Governor's "Results Washington" has a goal of efficient, effective and accountable government. This package supports that goal by allowing DOL to provide services to its customers.

Impact on clients and services:

Sufficient funding for county auditor allowable reimbursable costs will contribute to ongoing customer service levels in the counties providing DOL services.

Impact on other state programs:

None.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

None.

Alternatives explored by agency:

None.

Budget impacts in future biennia:

DOL requests this funding remain part of the agency's carry forward budget level.

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

DOL does not have the resources to pay for the increased allowable costs for county auditors. These costs are to be paid from the DOL Services Account and the current appropriation for that account is insufficient to pay these expenditures.

Revenue Calculations and Assumptions:

None.

Expenditure Calculations and Assumptions:

DOL received \$350,000 additional appropriation in the 2011-13 Biennial budget for reimbursable county auditor allowable expenditures which increased the base amount to \$773,000. After all county auditor reimbursement requests were received and audited by the agency, the amount paid was \$1,038,229. For the 2013-15 Biennium, payment requests for the first six months were \$311,580 with a projected total for the biennium of \$1,246,000 (\$311,580 X 4).

State of Washington
Decision Package

The table below shows the history and projections for three biennia:

Biennium	Base Appropriation	Expenditures	Notes
2009-11	\$423,000	\$779,531	
2011-13	\$773,000	\$1,038,229	Base appropriation increased by \$350,000 to \$773,000 in 2011-13 Biennial budget request.
2013-15	\$773,000	\$1,246,324	Estimated expenditures based on July-December 2013 billings of \$311,580. (base appropriation increase of \$474,000)

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
N Grants, Subsidies, Benefit Payments	\$237,000	\$237,000	\$474,000
Total	\$237,000	\$237,000	\$474,000

	<u>Staffing</u>			<u>Operating Expenditures</u>		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
300 - Customer Relations	0.0	0.0	0.0	\$237,000	\$237,000	\$474,000
Agency Total	0.0	0.0	0.0	\$237,000	\$237,000	\$474,000

Expenditures by Budget

	<u>ETEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 30T:	0.0	0.0	0.0			
DOL Services Account				\$474,000	\$474,000	\$474,000
	0.0	0.0	0.0	\$474,000	\$474,000	\$474,000
<u>Total of All Funds</u>	0.0	0.0	0.0	\$474,000	\$474,000	\$474,000

240 Department of Licensing
M2-8L Lease Rate Increase
2015-17

Agency Recommendation Summary Text:

Funding is requested to cover changes in lease costs for Licensing Service Offices (LSO) and for Commercial Driver License (CDL) testing sites. (Highway Safety Account-State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
106 Highway Safety Fund	\$37,000	\$38,000	\$75,000
Total Cost	\$37,000	\$38,000	\$75,000

Package Description:

The Department of Licensing's (DOL) leases are negotiated by the Department of Enterprise Services (DES). Most of the leases are negotiated for five-year periods but they do not all have the same lease end dates. Over the last several years, DES has negotiated several new leases at rates lower than the previous leases but market conditions in some locations have resulted in lease increases. This request is for the net difference for these lease changes.

Chapter 46.20 RCW requires the department to provide licensing services to the public. DOL and DES strive to lease safe and convenient locations for customers while attaining favorable lease costs.

Agency subject matter expert:

Eric Roberts, Facilities Senior Planner, (360) 292-4508
Management and Support Services

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization
- Efficient, Effective Services

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (If so, please describe)

This request supports DOL's daily customers and operations more directly than a strategic initiative. However, it does support our long term goals of a customer focus (we keep offices sited and sized based on customer demand); efficient, effective services (we have several lease reductions); and improving public safety (we incur lease increases if CDL testing sites incur improvement expenses).

Performance Measure Detail

Activity: Licensing Citizens to Operate Motor Vehicles (A008)

This package does not impact this budget activities' measures.

Reason for change:

Since DOL's last lease budget package request, the rates for several of DOL's signed leases have changed.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

This package supports the Governor's Goal 4 and traffic safety measures by funding our LSO leases where customers are screened for safe driving qualifications and funding safe and appropriate sites for CDL testing. It also supports Goal 5 and the measure 1.3.b for timely delivery of state services through appropriately sited LSOs and CDL testing sites.

Impact on clients and services:

Maintaining these leases allows DOL to retain services to our customers at these locations.

Impact on other state programs:

None.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

None.

Alternatives explored by agency:

None.

Budget impacts in future biennia:

This funding request will remain part of DOL's carry forward budget level. The department will seek additional funding for increased lease costs each biennium as necessary to support the present policy of leasing LSO buildings, office buildings and CDL drive test sites.

State of Washington
Decision Package

Distinction between one-time and ongoing costs:

All costs are ongoing.

Effects of non-funding:

If funding is not received for facilities' rent increases, funding from other areas of the agency will be used which will affect those program services.

Revenue Calculations and Assumptions:

None.

Expenditure Calculations and Assumptions:

Table I provides a listing of DOL facilities where the lease cost change was either not signed or not in effect at the time of the last lease change budget request. The amounts shown are based on actual lease agreements that are signed by the agency and are on file. In addition, some lease agreements that contain automatic increases in their original contract are also included.

Table 1

Licensing Service Offices (LSO)	New Lease Rate Start Date	Old Lease Rate	New Lease Rate	Difference per month	FY 16	FY 17	2015-17
Anacortes	07/01/14	\$3,900	\$3,510	(\$390)	(\$4,680)	(\$4,680)	(\$9,360)
Bellevue Parking (Separate Lease from Bellevue LSO)	10/01/14	\$3,278	\$3,500	\$222	\$2,664	\$2,664	\$5,328
Centralia	06/01/13	\$3,797	\$2,719	(\$1,078)	(\$12,937)	(\$12,937)	(\$25,874)
Forks	05/01/12	\$550	\$508	(\$42)	(\$500)	(\$500)	(\$1,000)
Seattle (Greenwood)	05/01/14	\$13,449	\$14,009	\$559	\$6,711	\$6,711	\$13,422
Lacey	02/01/13	\$9,804	\$10,093	\$289	\$3,469	\$3,469	\$6,938
Lynnwood (bump clause in original agreement)	09/01/14	\$17,169	\$20,348	\$3,180	\$38,156	\$38,156	\$76,312
Newport	09/01/14	\$1,050	\$504	(\$546)	(\$6,552)	(\$6,552)	(\$13,104)
North Vancouver	05/01/13	\$13,313	\$9,946	(\$3,367)	(\$40,405)	(\$40,405)	(\$80,809)
Port Angeles	11/01/13	\$3,370	\$3,201	(\$170)	(\$2,034)	(\$2,034)	(\$4,069)
Republic	07/01/14	\$833	\$800	(\$33)	(\$396)	(\$396)	(\$792)
South Bend	09/01/14	\$1,273	\$617	(\$656)	(\$7,872)	(\$7,872)	(\$15,744)
Tacoma	01/01/14	\$8,217	\$7,371	(\$846)	(\$10,152)	(\$10,152)	(\$20,304)
LSO Subtotal (rounded)					(\$35,000)	(\$35,000)	(\$70,000)

State of Washington
Decision Package

Commercial Driver Test Sites (CDL)	New Lease Rate Start Date	Old Lease Rate	New Lease Rate	Difference per month	FY 16	FY 17	2015-17
Everett	01/02/14	\$2,700	\$7,500	\$4,800	\$57,600	\$57,600	\$115,200
Ridgefield (bump clause in original agreement)	11/01/14	\$3,900	\$4,300	\$400	\$4,800	\$4,800	\$9,600
Ridgefield (bump clause in original agreement)	11/01/15	\$4,300	\$4,500	\$200	\$1,600	\$2,400	\$4,000
Pasco	02/01/14	\$3,000	\$3,150	\$150	\$1,800	\$1,800	\$3,600
Pacific	08/01/14	\$5,600	\$6,100	\$500	\$6,000	\$6,000	\$12,000
CDL Subtotal (rounded)					\$72,000	\$73,000	\$145,000
Total LSO and CDL					\$37,000	\$38,000	\$75,000

Object Detail

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods and Services	\$37,000	\$38,000	\$75,000
Total	\$37,000	\$38,000	\$75,000

Object E Breakdown:

	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
ED Facility/Lease Costs	\$37,000	\$38,000	\$75,000	\$76,000	\$76,000
Total Goods & Svcs	\$37,000	\$38,000	\$75,000	\$76,000	\$76,000

	<u>Staffing</u>		<u>15-17 Average</u>	<u>Operating Expenditures</u>		
	<u>FY 2016</u>	<u>FY 2017</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
300 - Customer Relations	0.0	0.0	0.0	(\$41,000)	(\$41,000)	(\$82,000)
600 - Programs and Services	0.0	0.0	0.0	\$78,000	\$79,000	\$157,000
Agency Total	0.0	0.0	0.0	\$37,000	\$38,000	\$75,000

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 30T:	0.0	0.0	0.0			
Highway Safety Fund				(\$82,000)	(\$82,000)	(\$82,000)
Program 60T:	0.0	0.0	0.0			
Highway Safety Fund				\$157,000	\$158,000	\$158,000
	0.0	0.0	0.0	\$75,000	\$76,000	\$76,000
<u>Total of All Funds</u>	0.0	0.0	0.0	\$75,000	\$76,000	\$76,000

**Department of Licensing
Preliminary Decision Package Requests
2015-2017 Biennium**

Title: Rent Increase

Brief Description

Some of DOL's leased buildings have rent increases and need additional funding. Only signed agreements can be included in the request.

Amount of Expenditures If Known (Estimate or Range Okay)?

The total amount is unknown at this time as leases are still being negotiated.

What Types of Expenditures Are Required (i.e. Staffing, Supplies, IT, etc.)?

Rent only

Impact on Revenues If Known (Estimate or Range Okay)?

None

What Problem or Opportunity Are We Trying to Address?

When rents increase, the increased funding needs to be requested. Otherwise, the funds will be taken from other areas because lease agreements are binding.

How Will This Proposal Impact Our Results DOL Outcome And/Or Process Measure

DOL will continue to be a customer focused organization by providing the licensing services to the public required in RCW 46.20. Also, it provides efficient, effective services by providing adequate leased facilities.

240 Department of Licensing
M1-1B License Plate Demand
2015-17

Agency Recommendation Summary Text:

Funding is requested for the purchase of additional license plates supplied to county auditors and vehicle licensing subagents, the entities that perform vehicle licensing. As the state's vehicle population grows and economy improves, additional license plates are needed. (Motor Vehicle Account-State, DOL Services Account)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
108 Motor Vehicle Fund	\$172,000	\$194,000	\$366,000
Total Cost	\$172,000	\$194,000	\$366,000

Package Description:

The June 2014 license plate replacement forecast was completed by the Department of Licensing and adopted as part of the June 2014 Transportation Revenue Forecast. The forecasted demand for plates increased for two reasons: an increase in vehicle purchases due to recovering economy and a new monthly data reporting capability has improved the methodology used for plate forecasting.

Agency subject matter expert:

Rene Davis, Senior Budget Analyst, 360-902-3751
Management Support Services

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

Yes, this plate inventory funding supports our strategic initiative number six of meeting process timeliness targets that reflect the customers' needs. If inventory is not sufficient, customers will experience a delay in receiving plates.

This request also supports the agency's mission to collect revenue that supports our state's transportation system.

Performance Measure Detail

Activity: Administration of Vehicle and Vessel Titles and Registration (A021)

Number	Title	Unit	Incremental Change FY16	Incremental Change FY17
001716	Number of Vehicle and Vessel Title Transactions	#	60,000	60,000

Measure 001716 Number of Vehicle and Vessel Title Transactions are estimated to increase by approximately 60,000 in each Fiscal Year 2016 and Fiscal Year 2017.

Reason for change:

Additional funds are being requested to cover an increase of plates due to a forecasted increase in vehicle sales and increase in vehicle title transfers. For the 2015-17 Biennium the forecast shows the agency will issue/sell more license plates than it did in the 2013-15 Biennium.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

Yes, this package supports the Governor's Goal 5 of efficient, effective and accountable government and DOL's ability to provide timely services in support of Goal 5 measure 1.3.b.

Impact on clients and services:

Without additional funds, DOL will be unable to purchase the number of plates forecasted. Customers will be issued temporary vehicle license permits. Additional cost would be incurred by DOL to mail plates to vehicle owners when they became available.

Impact on other state programs:

The Department of Corrections, manufactures plates based on DOL orders and reimbursements. This request will ensure the department has adequate resources to meet projected demand.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

Alternatives explored by agency:

Under present statute, there are no alternatives. The department is required to provide the number of plates demanded by citizens.

State of Washington
Decision Package

Budget impacts in future biennia:

Plate sale forecasts in ensuing biennia are based on the approved forecast by the Transportation Revenue Forecast Council.

Distinction between one-time and ongoing costs:

The need for additional license plates is forecasted and updated on a quarterly basis. These costs are ongoing as the costs for the plates are carried forward in future biennia.

Effects of non-funding:

Not funding this request will result in funds being diverted from other direct customer service activities.

Revenue Calculations and Assumptions:

Additional revenues are included in the June transportation revenue forecast. The number of plates issued is directly related to the fee revenues generated by the program.

Expenditure Calculations and Assumptions:

Using the June 2014 transportation revenue forecast, forecasted numbers for the 2013-15 biennium numbers for vehicle plate sales were subtracted from 2015-17 biennium forecasted numbers. The difference was identified as the increase in number of new plates the agency would sell in the 2015-17 biennium. Also, DOL maintains a sixty day plate inventory level in order to ensure there are enough plate sets available. DOL assumes at the end of each fiscal year a thirty day inventory level and adds a resupply month in order to maintain a sixty day inventory.

The tables below display the forecasted numbers of additional plates that will be sold.

Table I

New Plate Costs	13-15 Biennium Expenditures	15-17 Biennium Forecast	Increase in # of Plates	Unit Price	Total
Plate Sets	2,791,366	2,958,572	167,206	2.4710	413,166
Motorcycle Plates	122,260	122,698	2,972	1.2360	3,673
Single License Plates	373,450	331,700	(49,964)	1.2360	(61,756)
Plate Tabs			228,300	0.0475	10,844
				Total Change	365,929

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods and Services	\$172,000	\$194,000	\$366,000
Total	\$172,000	\$194,000	\$366,000

State of Washington
Decision Package

<u>Object E Breakdown:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
EA Plates & Tabs	\$172,000	\$194,000	\$366,000	\$108,000	\$70,000
EA Office Supplies	\$0	\$0		\$0	\$0
Total Goods & Svcs	\$172,000	\$194,000	\$366,000	\$108,000	\$70,000

Expenditures & FTEs by Program

	Staffing			Operating Expenditures		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
100 - Mgmt & Support Services	0.0	0.0	0.0	\$172,000	\$194,000	\$366,000
Agency Total	0.0	0.0	0.0	\$172,000	\$194,000	\$366,000

Expenditures by Budget

	FTEs			Operating Expenditures		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 10T:	0.0	0.0	0.0			
Motor Vehicle Fund				\$366,000	\$108,000	\$70,000
DOL Services Account				\$0	\$0	\$0
	0.0	0.0	0.0	\$366,000	\$108,000	\$70,000
<u>Total of All Funds</u>	0.0	0.0	0.0	\$366,000	\$108,000	\$70,000

**240 Department of Licensing
M2-8P Postage Rate Increase
2015-17**

Agency Recommendation Summary Text:

Funding is requested to cover postage rate increases adopted by the United States Postal Service, effective January 2014. First class letter rates were increased 6.5 percent and postage for mailing replacement license plates was increased 1.6 percent. (Business & Professions Account-State, Highway Safety Fund-State, Motor Vehicle Fund-State, DOL Services Account-State).

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
06L Business & Profession	\$20,000	\$20,000	\$40,000
106 Highway Safety Fund	\$80,000	\$80,000	\$160,000
108 Motor Vehicle Fund	\$195,000	\$195,000	\$390,000
201 DOL Services Account	\$18,000	\$18,000	\$36,000
Total Cost	\$313,000	\$313,000	\$626,000

Package Description:

The United States Postal Service (USPS) increased its rates effective January 2014. Postage for first class letters (license renewal notices) increased 6.5 percent from \$0.46 to \$0.49. The USPS increased the costs for mailing replacement license plates 1.6 percent from \$2.55 to \$2.59. The additional costs for mailing replacement license plates is due to the increased handling the postal service must perform because the plates are unable to run through the agency's automated canceling machines

Agency subject matter expert:

Rene Davis, Budget Analyst, (360) 902-3751
Management and Support Services

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization
- Efficient, Effective, Services

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

This package is essential to daily operations and revenue collection more than to a strategic initiative. Mailing vehicle, drivers, and professional license renewal notices provides the Department

State of Washington
Decision Package

of Licensing (DOL) customers with a reminder that their licenses are due to be renewed. Without these renewal notices many customers forget to renew them and allow them to lapse. Customer's failure to renew vehicle, drivers, and professional licenses reduces state revenues, potentially subjects the licensee to fines, and may prevent DOL the opportunity to screen a renewing licensee for safe driving qualifications.

Mailing renewal notices and replacement plates is a core business function of the DOL and has a direct relationship to revenue collection and customer service.

Performance Measure Detail

Activity: Professional Licensing and Regulation (A017)
Administration of Vehicle and Vessel Titles and Registration (A021)
Examining and Licensing Citizens to Operate Motor Vehicles (A0008)

This package will not impact measures.

Reason for change:

The United States Postal Service has increased the cost of postage and mail services.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

Yes. This decision package promotes the Governor's Results Washington priorities of Healthy and Safe Communities by ensuring that drivers are notified when their licenses and car tabs need to be renewed so they are legal to drive on our roadways.

Impact on clients and services:

Funding this request ensures the agency will continue to maintain the level of service that is expected by citizens.

Impact on other state programs:

None.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

None.

What are the other important connections or impacts related to this proposal?

None.

State of Washington
Decision Package

Alternatives explored by agency:

The agency continues to encourage email renewal notices to minimize postage costs.

Budget impacts in future biennia:

The postage rate increases are ongoing into future biennia.

Distinction between one-time and ongoing costs:

All costs are ongoing; this request does not have any one-time costs.

Effects of non-funding:

Without additional resources DOL will have to divert resources from other direct service program areas.

Revenue Calculations and Assumptions:

None.

Expenditure Calculations and Assumptions:

The expenditure calculations are based on DOL's actual charges for the USPS postage changes. The base amounts were calculated using charges taken from statewide accounting reports for expenditures incurred in Fiscal Year 2013.

Program	Percent Increase	Base Amount	Base Increase	
		FY 2013	FY 2016	FY 2017
Manangement Services				
US Postage Rate	6.5%	2,950,000	192,000	192,000
Replacement Plates Postage	1.6%	192,000	3,000	3,000
Customer Relations				
US Postage Rate	6.5%	750,000	49,000	49,000
Replacement Plates Postage	1.6%	252,000	4,000	4,000
Programs and Services				
US Postage Rate	6.5%	695,000	45,000	45,000
Business & Professions				
US Postage Rate	6.5%	304,000	20,000	20,000
Agency Total		5,143,000	313,000	313,000

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods and Services	\$313,000	\$313,000	\$626,000
Total	\$313,000	\$313,000	\$626,000

State of Washington
Decision Package

<u>Object E Breakdown:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
EB Postage	\$313,000	\$313,000	\$626,000	\$626,000	\$626,000
Total Goods & Svcs	\$313,000	\$313,000	\$626,000	\$626,000	\$626,000

	<u>Staffing</u>			<u>Operating Expenditures</u>		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
100 - Mgmt & Support Services	0.0	0.0	0.0	\$195,000	\$195,000	\$390,000
300 - Customer Relations	0.0	0.0	0.0	\$53,000	\$53,000	\$106,000
600 - Programs and Services	0.0	0.0	0.0	\$45,000	\$45,000	\$90,000
700 - Business & Professions	0.0	0.0	0.0	\$20,000	\$20,000	\$40,000
Agency Total	0.0	0.0	0.0	\$313,000	\$313,000	\$626,000

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 10T:	0.0	0.0	0.0			
Motor Vehicle Fund				\$390,000	\$390,000	\$390,000
Program 30T:	0.0	0.0	0.0			
Highway Safety Fund				\$106,000	\$106,000	\$106,000
Program 60T:	0.0	0.0	0.0			
Highway Safety Fund				\$54,000	\$54,000	\$54,000
DOL Services Account				\$36,000	\$36,000	\$36,000
	0.0	0.0	0.0	\$586,000	\$586,000	\$586,000
<u>Omnibus Funds</u>						
Program 700:						
Business & Profession				\$40,000	\$40,000	\$40,000
Total Omnibus Funds	0.0	0.0	0.0	\$40,000	\$40,000	\$40,000
<u>Total of All Funds</u>	0.0	0.0	0.0	\$626,000	\$626,000	\$626,000

240 Department of Licensing
PL-N1 Prorate and Fuel Tax System - Continuation
2015-17

Agency Recommendation Summary Text:

The Department of Licensing (DOL) requests funding to complete installation of its Prorate and Fuel Tax (PRFT) computer system. \$2,355,000 was provided during the 2014 legislative session for the first phase of the project. DOL is requesting an additional \$5,059,000 for Fiscal Year 2016 to complete the contracted work. (Motor Vehicle-State)

Agency Total

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
108 Motor Vehicle Fund	\$5,059,000	\$0	\$5,059,000
Total Cost	\$5,059,000	\$0	\$5,059,000

Staffing

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
FTEs	1.2	0.0	0.6

Package Description:

The existing Prorate and Fuel Tax (PRFT) computer system does not meet current or anticipated business needs to efficiently and effectively collect fuel tax and support more accurate and easier filing for fuel taxpayers.

This system is the primary system for:

- Licensing interstate trucking
- Collecting fuel tax revenues
- Administering federally mandated programs
 - International Registration Plan (IRP)
 - International Fuel Tax Agreement (IFTA)

The \$5,059,000 request is for the second (final) phase of funding for a new system.

Background:

Part of the current computer system supporting PRFT's business functions is provided and hosted by an external vendor. PRFT relies on an additional 13 DOL custom built computer applications and approximately 96 spreadsheets to support its overall business processes and fuel tax revenue collection responsibilities, as these functions are not supported by the current vendor's system. Manual and redundant data entry is required in the current vendor-supplied software, DOL created systems and multiple spreadsheets. The data manually entered into the various systems ranges

State of Washington
Decision Package

from an average of 6 pages of data from a small fuel business to 100 pages of data from large fuel companies. The PRFT system collects approximately \$1.2 billion in fuel tax revenues annually.

Project History:

In 2009, a report was submitted to the Governor and Legislature concluding the lowest cost and lowest risk approach to replace the current fuel tax collection system was to develop a Request for Proposal for a commercial off-the-shelf system (COTS) to replace the current PRFT processing system.

The report identified the following issues with PRFT's current systems:

- Unable to support future alternative transportation funding initiatives
- Manual and redundant data entry
- Inability to identify filing discrepancies
- Manual reconciliation processes which may result in revenue loss
- Lack of data integrity causes inadequate or inaccurate information
- Lack of a usable common account to streamline data entry
- Inefficient collection of alternative fuel data
- Inability to meet Federation of Tax Administrator Guidelines
- Inadequate business capabilities
- Poor customer self-service capabilities

The report concluded it was best to purchase a new computer system with a foundation of a commercially available product modified to meet our state's business requirements and statutes. The report stated there should be support for integration with state and federal systems, and ongoing support to maintain the application and hardware. DOL began preparation for the procurement process for an integrated system with the capability to accept transactions from customers electronically and to improve interfaces with other state and federal agency computer systems. The goal was to have a vendor hosted system, based on modern architecture that would allow the efficient entry of data and ensure the accuracy of tax returns and optimize revenue capture.

As DOL began work on the Request for Proposal (RFP), the Office of the Chief Information Officer (OCIO) requested a Program Review Board presentation of the project. At that meeting, the OCIO advised DOL to conduct a Request for Information (RFI) to ensure that the vision DOL had developed for a system was truly available from the vendor community. In July 2012, DOL held an RFI conference.

The initial RFP was completed in the summer of 2012 and was reviewed and discussed with representatives from the Gartner Group on two separate occasions. Based on Gartner Group reviews the RFP was further adjusted in anticipation of release in January 2013.

In 2012, funding for a replacement system was provided in the transportation budget using Certificates of Participation (COP). The State Treasurer found this was not an appropriate financing tool.

DOL re-requested funding in the 2013 and 2014 sessions. Funding was received in the 2014 session and DOL completed its vendor review identifying an apparent successful bidder. The contract is expected to be signed mid-September 2014.

Agency subject matter expert:

Thao Mankihoth, Prorate and Fuel Tax Administrator, (360) 664-1811
Business and Professions Division

Narrative Justification and Impact Statement

How contributes to strategic plan:

- A Customer Focused Organization
- Efficient, Effective Services

Is this decision package essential to implement a strategy identified in the agency's strategic plan? (if so, please describe)

Yes, this request supports DOL's strategy to establish core processes that target the customer's needs and enable us to improve the agency's performance as part of Results DOL. This is also reflected in the agency's mission to collect revenue that supports our state's transportation system.

Performance Measure Detail

Activity: Administration of Fuel Tax Collection and Motor Carrier Services (A016)

Number	Title	Incremental Change FY16 & 17
001683	Dollars of revenue collected from Prorate and Fuel	No change. This will not directly impact revenue due or collected until one full year after full implementation.
001702	Number of audits of fuel tax businesses	No change. This will not increase the number of audits staff are available to do until FY18; they will spend time developing and testing the system in FY16 and FY17.
001703	Dollars assessed from audits of fuel tax businesses	No change. This will not increase dollars assessed until FY18 when number of audits is estimated to increase.

Reason for change:

This new system will improve efficiency and accuracy in the administration of interstate truck licensing, reporting and fuel tax collections and will enable DOL to respond timely and accurately to the Office of Financial Management (OFM), the Legislature and stakeholders.

The web-based system will allow electronic data interchange. With an integrated system with electronic filing capabilities, there will be a reduction in redundant data entry and excessive manual operations. Fuel tax licensees will not have to submit paper fuel tax returns which are costly for customers to prepare and allow for errors in processing. It will also reduce the number of workarounds that are largely manual to compensate for design limitations with the current systems. The risk to data integrity will be significantly reduced.

State of Washington
Decision Package

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities? (If so, please describe)

Yes. Revenue collected by PRFT is the State of Washington's largest source of revenue for the transportation budget, collecting in excess of \$1.2 billion annually. The new system will improve interstate commercial vehicle licensing, fuel tax reporting, and tax collection processes. It will eliminate manual and redundant processes aligning with the Results Washington goal of Effective, Efficient and Accountable Government.

Impact on clients and services:

Key customers are major fuel (oil) companies, interstate trucking companies, tribal governments and users of fuel (such as loggers, construction companies, farmers, and boaters). Today, fuel tax licensees are required to submit fuel tax returns and supporting documentation via paper. Many fuel tax licensees already have in-house capabilities to submit tax return information via Electronic Data Interchange (EDI) to the Department of Revenue and to the federal government.

A new system will automate many manual processes for PRFT. DOL will evaluate its organizational structure and business processes to seek efficiencies and savings in all aspects of business operations throughout implementation. The new system will provide information to PRFT staff that will improve customer service, increase compliance, and enhance field audit capabilities.

Impact on other state programs:

Implementing a new system will improve data quality, availability, and timeliness of information exchanged between DOL and other state and federal agencies.

Relationship to capital budget:

None.

Required changes to existing RCW, WAC, contract, or plan:

DOL submitted an agency bill that passed in 2013 (Chapter 223, Laws of 2013) that streamlined and simplified fuel tax statutes and consolidated license types. The majority of these changes have an effective date of July 1, 2015. DOL will submit agency request legislation for the 2015 session to amend the effective date, make a technical correction and provide for International Registration Plan compliance. The effective date of the legislation must be shifted one year from July 1, 2015 to July 1, 2016 to coincide with the new fuel tax system implementation to prevent expensive rework.

In 2012, funding for a replacement system was provided in the transportation budget using Certificates of Participation (COP). The State Treasurer found this was not an appropriate financing tool. DOL re-requested funding in the 2013 session. Funding was not received until the 2014 session, which extended the duration of the system replacement project, necessitating the change in effective date.

What are the other important connections or impacts related to this proposal?

A majority of entities and customers have requested that DOL provide electronic filing capabilities when responding to a survey in 2009. Some customers may have an increase or decrease in fuel tax owed to the state as the new system will more effectively reconcile fuel tax return data.

Alternatives explored by agency:

Using an outsourced vendor solution was the primary alternative explored by DOL. The PRFT software will be hosted and maintained by the vendor.

Discontinuing this effort will result in DOL maintaining a system that is not compatible with the department's business needs and processes. Non-funding will also result in lost sunk costs related to phase one of the project.

Budget impacts in future biennia:

A new system will improve efficiency and accuracy in reporting and tax collections. In reviewing other states that have implemented similar systems, DOL estimates that the cost of the new system may be recouped within three years of implementation. It is also estimated that DOL will be able to refocus staff to other critical business activities. More efficient and effective business processes will allow DOL to reduce 2.0 FTEs following implementation of the new system. Based on current assumptions these savings should be realized in biennium 2019-21. System maintenance and hosting costs will be reflected in a future decision package.

Distinction between one-time and ongoing costs:

One-time costs include:

- Vendor services to support integration of the application, data conversion and migration, implementation, and end-user training
- An external quality assurance reviewer for independent oversight as required by OCIO best practices
- An external project manager to lead the implementation effort

Ongoing costs will include:

- System maintenance and hosting
- Staffing efficiencies

Effects of non-funding:

In August 2014, negotiations began with the apparent successful bidder, VIP/FAST. DOL expects to have a signed contract in place by September 2014 with work on the new system starting in October 2014. Failure to fund the next phase of this project will result in DOL discontinuing work with the selected vendor, forfeiting the agency's investment, and returning to the existing system.

Revenue Calculations and Assumptions:

Revenue collections may increase due to greater accuracy with a new system. PRFT is the State of Washington's largest source of revenue for the transportation budget, collecting in excess of \$1.2 billion annually.

Revenue increases as a result of a new system (fuel tax only) were estimated in a 2008 feasibility study to be 0.50 percent of forecasted gross fuel tax revenue beginning in Fiscal Year 2013. However, this estimate was based on the self-reported, preliminary estimates of other states who were in the process of implementing electronic filing, and who reduced manual data entry and fuel tax reconciliation processes as a result. During a subsequent survey of the states that provided

State of Washington
Decision Package

estimates for the study, none could validate that they had actually achieved the 0.50 percent increase they estimated. Consequently, DOL recommends a more conservative estimate of 0.25 percent, resulting in an estimated fuel tax revenue increase of approximately \$3,000,000 annually. A key component of this estimate will be the department's ability to redirect staff that currently manage the manual processes toward more scrutiny and analysis of the tax return reports and data.

Expenditure Calculations and Assumptions:

Implementation of this request will result in a new vendor hosted system. This is a high Level 3 project based on the severity/risk assessment by the Office of the Chief Information Officer (OCIO) and, therefore, requires a dedicated project manager and external quality assurance (QA).

Breakdown of Contracted IS Implementation Costs:

Cost Category	Description	FY 16 Months	FY 17 Months	Rate	Cost
Project Manager	Manage schedule and contracts	12.8		\$27,492	\$351,073
Quality Assurance Oversight	Provide external quality assurance (QA) in accordance with OCIO Policy 132 requirements. QA oversight will plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	2.5		\$31,621	\$80,317
Project Contingency	OCIO designated rate for project				\$620,000

This package reflects the proportional share QA shared among three significant technology projects. Costs also include \$100,000 for data conversion support from the current vendor and \$3,768,000 for the new system vendor

Funding for the Business Systems Implementation Manager position, and related employee costs, is needed for Fiscal Year 2016. This position coordinates the project from start-up through implementation and stabilization which is the first year of operation. This position serves as the liaison with the vendor, Information Services and PRFT management team and staff.

Costs have been included for two mailings to an estimated 5,000 customers to provide information on the new system and tutorials for processing fuel tax returns. Cost estimate is \$9,000 for printing and postage and is considered one-time.

Procurement Schedule:

Milestone	Start Date	Completion Date
Release RFP	January 2, 2014	January 2, 2014
Announcement of apparent successful vendor	August 2014	August 2014
Contract Negotiations	July 7, 2014	August 31, 2014
Sign Contract	August 31, 2014	August 31, 2014

State of Washington
Decision Package

Implementation Schedule:

Milestone	Start Date	Completion Date
Project Start Date	September 2, 2014	
Release 1 – IFTA & IRP		
Design	September 2014	January 2015
Development	January 2015	August 2015
Testing	August 2015	October 2015
Training	June 2015	September 2015
Implementation	September 2015	October 2015
Release 2 – Fuel Tax		
Design	December 2014	April 2015
Development	March 2015	October 2015
Testing	October 2015	January 2016
Training	July 2015	October 2015
Implementation	January 2016	February 2016
Project End Date		February 2016
Project Closure Complete	February 2016	April 2016

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	\$96,000		\$96,000
B Employee Benefits	\$25,000		\$25,000
C Personal Service Contracts	\$3,847,000		\$3,847,000
E Goods and Services	\$1,091,000		\$1,091,000
Total	\$5,059,000		\$5,059,000

<u>Object E Breakdown:</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
EA Office Supplies	\$1,000	\$0	\$1,000	\$0	\$0
EB Postage	\$5,000	\$0	\$5,000	\$0	\$0
EB Phone/Install/Usage	\$1,000	\$0	\$1,000	\$0	\$0
ED Facility/Lease Costs	\$7,000	\$0	\$7,000	\$0	\$0
EF Printing	\$4,000	\$0	\$4,000	\$0	\$0
EG Staff Training	\$1,000	\$0	\$1,000	\$0	\$0
EN Personnel Services	\$1,000	\$0	\$1,000	\$0	\$0
ER Application Programmers	\$351,000	\$0	\$351,000	\$0	\$0
ER Other Purchased Services	\$100,000	\$0	\$100,000	\$0	\$0
EZ Other Goods & Svcs	\$620,000	\$0	\$620,000	\$0	\$0
Total Goods & Svcs	\$1,091,000	\$0	\$1,091,000	\$0	\$0

State of Washington
Decision Package

	Staffing			Operating Expenditures		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Average</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
200 - Information Services	0.2	0.0	0.1	\$4,936,000	\$0	\$4,936,000
700 - Business & Professions	1.0	0.0	0.5	\$123,000	\$0	\$123,000
Agency Total	1.2	0.0	0.6	\$5,059,000	\$0	\$5,059,000

<u>Job Classification</u>	<u>Salary</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>15-17 Total</u>	<u>17-19 Total</u>	<u>19-21 Total</u>
Bus Sys Implement Manager	85,272	1.0	0.0	0.5	0.0	0.0
IT Systems Specialist 4	71,496	0.1	0.0	0.0	0.0	0.0
IT Specialist 2	58,656	0.1	0.0	0.1	0.0	0.0
Total FTEs		1.2	0.0	0.6	0.0	0.0

Expenditures by Budget

	<u>FTEs</u>			<u>Operating Expenditures</u>		
	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>	<u>15-17</u>	<u>17-19</u>	<u>19-21</u>
<u>Transportation Funds</u>						
Program 20T:	0.1	0.0	0.0			
Motor Vehicle Fund				\$4,936,000	\$0	\$0
Program 70T:	0.5	0.0	0.0			
Motor Vehicle Fund				\$123,000	\$0	\$0
	0.6	0.0	0.0	5,059,000	-	-

Information Technology Addendum

Recsum Code and Title PL-N1
Brief Description: DOL Prorate and Fuel Tax Project

If this investment includes the use of servers, do you plan to use the state data center?
 Yes No, waiver received No, waiver not received Does not apply

Security

Security: How does this investment affect the state’s security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

This project continues the procurement and implementation of a Prorate and Fuel Tax vendor hosted (SaaS, PaaS, and IaaS) configurable COTS solution. The selected COTS solution(s) is currently operating securely in several other states in real time, high transaction volume environments. In the RFP we have specified the requirements for solution conformance with state security and privacy standards and Federal Acquisition Regulations (FAR) clause 52.239-1. A CTS Design Review is scheduled for August 2014 before the project starts to ensure all state security standards are met by this web based, vendor hosted solution.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

This COTS solution will be configured to meet DOL’s current business process. The solution will drive changes in business processes by reducing duplicative data entry and adding automated workflow to replace manual processes and paper trail business processes. PRFT staff who witnessed this vendor capability instantly recognized the time savings opportunities offered by the new system’s capabilities.

As part of the approved funding request, a business systems implementation manager is being added to the project. This person will lead the business areas in a focused organizational change management process. The implementation of this effort is being integrated into the BTM project with senior resources being assigned to oversee this role. DOL is currently engaged in organizational change management (OCM) and cultural readiness activities through its LEAN process improvement and training activities. The BTM OCM executive will assume leadership for ensuring a climate of cultural readiness and creative problem solving exists to effectively bridge the transition to the new system while also maximizing return on investment.

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

The project is actually reducing technical complexity by replacing an existing, complex system containing 3 mainframe programs, 13 separate MS Access and web application, and 96 MS Excel spreadsheets with a new system that is based on modern technology.

The Apparently Successful Bidder has completed every project implementation in other states on-time and on-budget. After the vendor is on-board, a detailed project workplan and schedule will be developed to ensure close tracking of the project's progress. Due to the fact that the selected solution is a configurable COTS solution with all needed PRFT components integrated into the vendor's solution, the technical complexity of this implementation is reduced to a very low level. Reference checks of this vendor and their solution have confirmed these statements.

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

This project was partially funded at \$2.3 million in the 2015 Supplemental Transportation Budget. DOL is requesting \$5.059 million in the 15-17 biennial budget to complete the project by June 2016. We have completed our RFP and expect to have the vendor on board in September, 2014. If DOL is not funded, the state's original investment will be lost.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

We will not be able to recoup the state's investment of \$2.3 million to date. Impacts to the state, agency and the public of doing nothing include further decay of the current 14 year old legacy system and supporting applications in an unmaintainable, redundant, and inefficient set of applications. Some of the supporting applications are in MS Access and are failing on a periodic basis. The result will be a risk of failure of DOL Prorate and Fuel Tax to carry out its critical mission of administration of interstate truck licensing and collection of \$1.2 billion dollars in fuel tax revenues annually that support the Washington state transportation budget.

The International Registration Plan (IRP) and the International Fuel Tax Agreement are international programs with mandated participation required by federal law. WA State has passed a law for reducing the number of licenses supported by PRFT and implementing a new system that has the least fiscal impact and less risk than developing yet another custom program to add to the current "patchwork" of applications.

Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

Yes, the project is sequenced into phases. Modules will be developed and tested in incremental steps. An incremental, phased delivery of the system is planned with the IFTA and IRP components being delivered in the October 2015 timeframe. This project phasing is called out in the vendor's proposed implementation schedule from the RFP.

Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

This is the essence of this project: replacing failing legacy information systems with modern, flexible, more easily supported architecture. Vendor hosted COTS configurable solutions in the tax revenue and refund arena have matured to the point where minimal programming changes are needed to meet business needs. Technology is current to the point of allowing mobile (cellular) access and the projects from the new Apparently Successful Bidder (ASB) have all been completed on time and within budget.

This is a complete cloud based solution using Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (IaaS) components.

Mobility: Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?

We have specified requirements for a web-enabled solution that will allow employees to work from authorized work locations throughout the state. This is a complete cloud based solution using Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (IaaS) components. Our requirements also call for expanded customer self-service capabilities, leveraging the Internet for the benefit of all stakeholders. The Apparently Successful Bidder’s technology allows mobile (cellular) access through their customer portal which can benefit many truck drivers and allow them access from the road.

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

This project directly supports the Governor’s Results Washington program and DOL’s Strategic Plan, delivering and transparently reporting government metrics to the public, OFM, and the Legislature. The Apparently Successful Bidder’s technology allows mobile (cellular) access through their customer portal which can benefit many truck drivers and allow them access from the road.

Accountability: Are the investment’s goals well articulated? How will “success” be determined or measured?

Success will be determined by tracking compliance with the following performance measures:

Business Success - Efficient, effective, and economical business practices to improve data integrity by modernizing IT Systems and using resources more wisely.

- The current vendor system requires significant manual data entry. Each manual process is subject to input errors with impacts on data integrity and reliability, impacting federal fuel tax revenue allocated to Washington State, state forecasting of revenue and data collection of alternative fuel usage (i.e. biodiesel, ethanol).
- PRFT processes 25,870 tax returns each year that are keyed manually by seven PRFT staff. This function is in addition to their core responsibilities of tax examination, processing of tax returns and reconciling discrepancies. Moving the responsibility for fuel tax return data entry from DOL employees to fuel tax licensees will eliminate a major portion of current high volume, manual and redundant data entry efforts.

Outcome Measures	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
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Output Measures	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Percentage of Fuel Tax Returns filed electronically	0	0.05	0.2	0.4	0.6	0.8

Efficiency Measures	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Number of Fuel Tax Returns Filed Electronically	0	1293	5174	10348	15522	20696

- The new system will support data transmission to and from customers and other states via EDI or a Web-based system. It will be supported by an integrated database management system with on-demand reporting capabilities. These capabilities will support DOL in making informed business decisions based on accurate data and responding to information requests in a timely fashion. Today, the majority of information requests are answered through manual data collection and manual calculations.
- The new system will accommodate current and future alternative fuel types.
- The new system will accommodate alternative fuel reporting requirements.
- The current vendor system that supports fuel taxation does not store detailed information associated with fuel tax returns. As a result, supplementary systems have been developed in-house where fuel tax return information is re-entered along with supporting detail. The new system will enable DOL to refocus staff efforts on other critical business activities, which will result in more efficient and effective business processes in the biennium following implementing a new system.
- The new system will provide flexible data storage and processing. It will employ an integrated, relational database, a reporting database, and robust reporting tools.

A High-Performing Workforce - *A healthy work environment and engaged workforce.*

- The new system will allow DOL staff to refocus a significant amount of manual effort required for data entry to activities aligned with increasing organizational productivity.
- DOL staff will have the opportunity to use new tools such as on-demand reporting capabilities and online help to learn system capabilities.
- Staff will have quicker access to data to perform analysis and increase responsiveness and customer service. Imaging technology will improve staff efficiency in retrieving and researching documents.

A Customer-Focused Organization - *Improve customer services and improve service delivery channels.*

- The new state fuel tax application will be based on Fuel Tax Administration standards. It will offer uniform electronic data interchange (EDI) and web-based tax return receipt and processing, as well as backend data reconciliation. Customers requested FTA compliant electronic filing options during a 2009 survey.
- The new system will support data transmission to and from customers, other states, and state and federal agencies via EDI or a Web-based system. This will enhance and strengthen customer relations and partnerships with internal and external stakeholders.

- The new system will enable the customer to submit an accurate and timely fuel tax return resulting in fewer amendments to tax returns and resulting assessments for filing discrepancies.
- Currently, there is no easy way to generate on-demand reports. The training for the Discoverer reporting tool in the current system is not supported by either the vendor or Oracle, and its complexity requires specialized programming by IS staff or vendor assistance in order to create reports. The new system will require the vendor to maintain a Reporting database with easy to use query and reporting capabilities to enable DOL to quickly extract complete and accurate information.

Safety Focused Licensing and Regulating - *Improve Consumer Protection.*

- The integrated nature of the new system and its capability to accept, store, and reconcile data from licensees, identification of reporting errors and omissions is expected to result in more accurate customer data. This improvement should reduce companies acting without a license and/or timely identification and reconciliation of tax filing discrepancies.
- The vendor hosted system will comply with all Washington State Department of Enterprise Services (DES) and Office of the Chief Information Officer (OCIO) technology and security standards and will be modified by the vendor as standards evolve in the future.
- A new system will ensure data integrity resulting in efficient fuel tax collection minimizing revenue loss due to reporting discrepancies.

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

The primary financial risks of not replacing PRFT's legacy systems are:

- DOL will not be able to optimize fuel tax revenue capture from all revenue sources
- DOL will not be able to improve efficiency and accuracy of program information for customer tax reporting and fuel tax collections
- DOL will not be able to collect transportation fund revenues for the State in the most efficient and timely manner
- Dramatically increased costs of maintenance and support related to the failing supporting MS Access applications.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

The elimination of duplicative manual data entry and paper workflow processes will allow excise tax examiners to focus more effort on tax return examination, revenue collection, and improve customer service. The cost of maintaining the 13 auxiliary systems and 96 spreadsheets will also be avoided as all those processes will be incorporated within the new system and supported by the vendor.

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left "on the table" by current solutions?

Revenue collections may increase due to greater accuracy with a new system. Revenue collected by PRFT is the State of Washington's largest source of revenue for the transportation budget, collecting in excess of \$1.2 billion annually.

Revenue increases as a result of a new system (fuel tax only) were estimated in a 2008 feasibility study to be 0.50 percent of forecasted gross fuel tax revenue beginning in Fiscal Year 2013. However, this estimate was based on the self-reported, preliminary estimates of other states who were in the process of implementing electronic filing, and who reduced manual data entry and fuel tax reconciliation processes as a result. During a subsequent survey of the states that provided estimates for the study, none could validate that they had actually achieved the 0.50 percent increase they estimated. Consequently, DOL recommends a more conservative estimate of 0.25 percent, resulting in an estimated fuel tax revenue increase of approximately \$3,000,000 annually. A key component of this estimate will be the department's ability to redirect staff that currently manages the manual processes toward more scrutiny and analysis of the tax return reports and data.

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

Yes. This investment is specifically identified in the agency's strategic plan which states implementation of the new Prorate and Fuel Tax system as one of DOL's strategic initiatives.

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

The current system is dependent on a vendor-supplied system and supplemental, in-house applications to support business functions that are not provided by the vendor. This includes thirteen DOL-built computer applications, and 96 separate spreadsheets developed and maintained by DOL. The current system cannot accept applications and fuel tax information electronically. This is costly for stakeholders, causes risks to data integrity, has labor intensive manual entry processes, and requires manual verification and reconciliation of data.

As DOL began work on the RFP, the WA State Office of the Chief Information Officer (OCIO) requested a Program Review Board presentation of the project in June 2012. At that meeting, the state's CIO advised the project to conduct a RFI to ensure that the vision DOL had developed for a system was truly available from the vendor community. In late July 2012 DOL held an RFI conference that was attended by 6 different vendors, representing all but one of the vendors who had IFTA, IRP, and Fuel Tax systems available. The conclusion of this conference was that vendors did have the type of systems that would meet DOL's combined system vision and that all of the vendors attending the RFI process would participate in a RFP process.

State of Washington

Summarized Revenue by Account and Source

	9/15/2014
	10:09AM
Budget Period: 2015-17	
Dollars in thousands	
240 - Department of Licensing	
Agency Level	
00 - Agency Budget Submittal 15-17	
Supporting Text Excluded	
001 - General Fund	
Total - 0149 - Watercraft Excis Tax - S	12,699
Total - 0151 - Excise Taxes - Other - S	153
Total - 0236 - Firearms Lic/Permts - S	1,620
Total - 0253 - Motor Vehicle Lic - S	55
Total - 0279 - Vessel Regis Fee - S	2,975
001 - General Fund - State	17,502
Total - 001 - General Fund	17,502
003 - Architects' License	
Total - 0208 - Architect Licenses - S	551
003 - Architects' License - State	551
Total - 003 - Architects' License	551
01B - ORV Account	
Total - 0115 - Mtr Vehicle Fuel Tax - S	2,491
01B - ORV Account - State	2,491
Total - 01B - ORV Account	2,491
01M - Snowmobile Account	
Total - 0115 - Mtr Vehicle Fuel Tax - S	858
Total - 0253 - Motor Vehicle Lic - S	1,345

	Maintenance Level FY2016	Performance Level FY2016	Performance Level FY2017	Biennium Totals FY2016	Biennium Totals FY2017	Total
	12,699	12,699	12,699	12,699	12,699	25,398
	153	150	150	153	150	303
	1,620	1,812	1,812	1,620	1,812	3,432
	55	54	54	55	54	109
	2,975	2,977	2,977	2,975	2,977	5,952
	17,502	17,692	17,692	17,502	17,692	35,194
	17,502	17,692	17,692	17,502	17,692	35,194
	551	623	623	551	623	1,174
	551	623	623	551	623	1,174
	551	623	623	551	623	1,174
	2,491	2,494	2,494	2,491	2,494	4,985
	2,491	2,494	2,494	2,491	2,494	4,985
	2,491	2,494	2,494	2,491	2,494	4,985
	858	867	867	858	867	1,725
	1,345	1,411	1,411	1,345	1,411	2,756

State of Washington
Summarized Revenue by Account and Source

9/15/2014
10:09AM

BASS - BDS029

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
01M - Snowmobile Account - State							
Total - 01M - Snowmobile Account	2,203	2,278			2,203	2,278	4,481
	2,203	2,278			2,203	2,278	4,481
024 - Profess Engineers'							
Total - 0232 - Engineering/Surv Lic - S	1,669	1,730			1,669	1,730	3,399
024 - Profess Engineers' - State	1,669	1,730			1,669	1,730	3,399
Total - 024 - Profess Engineers'	1,669	1,730			1,669	1,730	3,399
026 - Real Estate Cmsn							
Total - 0270 - Real Estate Licenses - S	4,669	4,494			4,669	4,494	9,163
026 - Real Estate Cmsn - State	4,669	4,494			4,669	4,494	9,163
Total - 026 - Real Estate Cmsn	4,669	4,494			4,669	4,494	9,163
039 - Aeronautics							
Total - 0115 - Mtr Vehicle Fuel Tax - S	2,952	2,986			2,952	2,986	5,938
039 - Aeronautics - State	2,952	2,986			2,952	2,986	5,938
Total - 039 - Aeronautics	2,952	2,986			2,952	2,986	5,938
03C - Emer Med/Trauma Care							
Total - 0253 - Motor Vehicle Lic - S	8,531	8,589			8,531	8,589	17,120
03C - Emer Med/Trauma Care - State	8,531	8,589			8,531	8,589	17,120
Total - 03C - Emer Med/Trauma Care	8,531	8,589			8,531	8,589	17,120

State of Washington
Summarized Revenue by Account and Source

9/15/2014
10:09AM

BASS - BDS029

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
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	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
04E - Uniform Comm Code							
Total - 0425 - Filing/Legal Svcs - S	921	921	921	921	921	921	1,842
04E - Uniform Comm Code - State							
Total - 04E - Uniform Comm Code	921	921	921	921	921	921	1,842
04F - Real Estate Educ							
Total - 0270 - Real Estate Licenses - S	21	22	21	22	21	22	43
Total - 0410 - Unclaimed Monies - S	6	6	6	6	6	6	12
04F - Real Estate Educ - State							
Total - 04F - Real Estate Educ	27	28	27	28	27	28	55
04V - Veh License Fraud							
Total - 0405 - Fines, Forfeits - S	119	120	119	120	119	120	239
04V - Veh License Fraud - State							
Total - 04V - Veh License Fraud	119	120	119	120	119	120	239
06G - Real Est App C Acct							
Total - 0270 - Real Estate Licenses - S	849	803	849	803	849	803	1,652
06G - Real Est App C Acct - State							
Total - 06G - Real Est App C Acct	849	803	849	803	849	803	1,652
06L - Business Professions							
Total - 0202 - Auctioneers - S	72	72	72	72	72	72	144

State of Washington
Summarized Revenue by Account and Source

9/15/2014
10:09AM

BASS - BDS029

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
06L - Business Professions							
Total - 0209 - Beautician & Barb - S	4,454	4,555			4,454	4,555	9,009
Total - 0210 - Athletic Licenses - S	245	238			245	238	483
Total - 0218 - Land Sale Disc Act - S	136	139			136	139	275
Total - 0224 - Collection Agencies - S	369	377			369	377	746
Total - 0253 - Motor Vehicle Lic - S	1	1			1	1	2
Total - 0255 - Auto Sales Licenses - S	274	286			274	286	560
Total - 0256 - Notary Fees/Deeds - S	559	559			559	559	1,118
Total - 0270 - Real Estate Licenses - S	196	243			196	243	439
Total - 0277 - Security L/Per/Fees - S	56	59			56	59	115
Total - 0281 - Sellers of Travel - S	206	206			206	206	412
Total - 0299 - Other Licenses Permi - S	2,121	2,122			2,121	2,122	4,243
06L - Business Professions - State	8,689	8,857			8,689	8,857	17,546
Total - 06L - Business Professions	8,689	8,857			8,689	8,857	17,546
06R - Real Estate Research							
Total - 0270 - Real Estate Licenses - S	238	217			238	217	455
06R - Real Estate Research - State	238	217			238	217	455
Total - 06R - Real Estate Research	238	217			238	217	455
06T - License Plate T Acct							

State of Washington

Summarized Revenue by Account and Source

9/15/2014
10:09AM

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
06T - License Plate T Acct							
Total - 0253 - Motor Vehicle Lic - S	1,561	1,596			1,561	1,596	3,157
06T - License Plate T Acct - State	1,561	1,596			1,561	1,596	3,157
Total - 06T - License Plate T Acct	1,561	1,596			1,561	1,596	3,157
081 - WSP Highway Account							
Total - 0254 - Motor Vehicle Op Lic - S	155,376	158,089			155,376	158,089	313,465
Total - 0421 - Publicatns/Documents - S	16,821	16,998			16,821	16,998	33,819
081 - WSP Highway Account - State	172,197	175,087			172,197	175,087	347,284
Total - 081 - WSP Highway Account	172,197	175,087			172,197	175,087	347,284
08P - State Parks Ed En A							
Total - 0253 - Motor Vehicle Lic - S	131	14			131	14	145
08P - State Parks Ed En A - State	131	14			131	14	145
Total - 08P - State Parks Ed En A	131	14			131	14	145
08V - Veterans Stewardship							
Total - 0253 - Motor Vehicle Lic - S	482	501			482	501	983
08V - Veterans Stewardship - State	482	501			482	501	983
Total - 08V - Veterans Stewardship	482	501			482	501	983
097 - R V Account							
Total - 0253 - Motor Vehicle Lic - S	682	685			682	685	1,367

State of Washington
Summarized Revenue by Account and Source

9/15/2014
10:09AM

BASS - BDS029

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
097 - R V Account - State	682	685			682	685	1,367
Total - 097 - R V Account	682	685			682	685	1,367
09H - Transport Partner A							
Total - 0253 - Motor Vehicle Lic - S	21,294	21,347			21,294	21,347	42,641
09H - Transport Partner A - State	21,294	21,347			21,294	21,347	42,641
Total - 09H - Transport Partner A	21,294	21,347			21,294	21,347	42,641
09M - Aquatic Invasive S E							
Total - 0279 - Vessel Regis Fee - S	119	119			119	119	238
09M - Aquatic Invasive S E - State	119	119			119	119	238
Total - 09M - Aquatic Invasive S E	119	119			119	119	238
09N - Aquatic Inv Sp Prev							
Total - 0279 - Vessel Regis Fee - S	356	356			356	356	712
09N - Aquatic Inv Sp Prev - State	356	356			356	356	712
Total - 09N - Aquatic Inv Sp Prev	356	356			356	356	712
102 - Rural Arterial Trust							
Total - 0253 - Motor Vehicle Lic - S		7				7	7
102 - Rural Arterial Trust - State		7				7	7
Total - 102 - Rural Arterial Trust		7				7	7

State of Washington
Summarized Revenue by Account and Source

9/15/2014
10:09AM

BASS - BDS029

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
104 - State Wildlife Accou							
Total - 0236 - Firearms Lic/Permits - S	24	30			24	30	54
Total - 0253 - Motor Vehicle Lic - S	4,427	4,446			4,427	4,446	8,873
104 - State Wildlife Accou - State	4,451	4,476			4,451	4,476	8,927
Total - 104 - State Wildlife Accou	4,451	4,476			4,451	4,476	8,927
106 - Highway Safety Accnt							
Total - 0222 - Commercial Driver Sc - S	152	120			152	120	272
Total - 0253 - Motor Vehicle Lic - S	2,480	2,514			2,480	2,514	4,994
Total - 0254 - Motor Vehicl Op Lic - S	106,624	103,110			106,624	103,110	209,734
Total - 0405 - Fines, Forfeits - S	450	453			450	453	903
Total - 0421 - Publicatns/Documents - S	19,282	19,471			19,282	19,471	38,753
Total - 0490 - Cash-Over and Short - S	(2)	(2)			(2)	(2)	(4)
Total - 0499 - Other Revenue - S	1	1			1	1	2
0546 - Federal Revenue - P/L	1,011	282					
Q0 - Federal Grant Authority			780	1,500			
Total - 0546 - Federal Revenue - P/L	1,011	282	780	1,500	1,791	1,782	3,573
106 - Highway Safety Accnt - State	128,987	125,667			128,987	125,667	254,654
106 - Highway Safety Accnt - Private/Local	1,011	282	780	1,500	1,791	1,782	3,573
Total - 106 - Highway Safety Accnt	129,998	125,949	780	1,500	130,778	127,449	258,227
108 - Motor Vehicle Accnt							

State of Washington
Summarized Revenue by Account and Source

9/15/2014
10:09AM

BASS - BDS029

Budget Period: 2015-17

Dollars in thousands

240 - Department of Licensing

Agency Level

00 - Agency Budget Submittal 15-17

Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
108 - Motor Vehicle Accnt							
Total - 0115 - Mtr Vehicle Fuel Tax - S	838,763	839,674			838,763	839,674	1,678,437
Total - 0116 - Use Fuel Tax (Other) - S	205,639	208,095			205,639	208,095	413,734
Total - 0248 - Liquid Fuel Licenses - S	7	7			7	7	14
Total - 0253 - Motor Vehicle Lic - S	205,874	207,855			205,874	207,855	413,729
Total - 0255 - Auto Sales Licenses - S	1,677	1,676			1,677	1,676	3,353
Total - 0299 - Other Licenses Permi - S	3	3			3	3	6
Total - 0405 - Fines, Forfeits - S	156	160			156	160	316
Total - 0499 - Other Revenue - S	2	2			2	2	4
Q0 - Federal Grant Authority			202	160			
Total - 0546 - Federal Revenue - P/L			202	160	202	160	362
Total - 0597 - Reimburs Contracts - P/L	172	1,372			172	1,372	1,544
108 - Motor Vehicle Accnt - State	1,252,121	1,257,472			1,252,121	1,257,472	2,509,593
108 - Motor Vehicle Accnt - Private/Local	172	1,372	202	160	374	1,532	1,906
Total - 108 - Motor Vehicle Accnt	1,252,293	1,258,844	202	160	1,252,495	1,259,004	2,511,499
109 - Puget Sound Fry Oper							
Total - 0253 - Motor Vehicle Lic - S	7,838	7,972			7,838	7,972	15,810
109 - Puget Sound Fry Oper - State	7,838	7,972			7,838	7,972	15,810
Total - 109 - Puget Sound Fry Oper	7,838	7,972			7,838	7,972	15,810
10A - Aq Algae Cntrl Acct							

State of Washington

Summarized Revenue by Account and Source

9/15/2014
10:09AM

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
10A - Aq Algae Cntrl Acct							
Total - 0279 - Vessel Regis Fee - S	237	237			237	237	474
10A - Aq Algae Cntrl Acct - State							
Total - 10A - Aq Algae Cntrl Acct	237	237			237	237	474
11E - Freight Mobility							
Total - 0253 - Motor Vehicle Lic - S	3,000	3,000			3,000	3,000	6,000
11E - Freight Mobility - State							
Total - 11E - Freight Mobility	3,000	3,000			3,000	3,000	6,000
133 - Childrens' Trst Acct							
Total - 0253 - Motor Vehicle Lic - S	38	37			38	37	75
133 - Childrens' Trst Acct - State							
Total - 133 - Childrens' Trst Acct	38	37			38	37	75
144 - Tran Improv Account							
Total - 0253 - Motor Vehicle Lic - S		7				7	7
144 - Tran Improv Account - State							
Total - 144 - Tran Improv Account							
146 - Firearms Range Acctnt							
Total - 0236 - Firearms Lic/Permits - S	303	341			303	341	644
146 - Firearms Range Acctnt - State							
Total - 146 - Firearms Range Acctnt - State	303	341			303	341	644

State of Washington

Summarized Revenue by Account and Source

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
Total - 146 - Firearms Range Acct	303	341			303	341	644
14A - Wildlife Rehab Acct							
Total - 0253 - Motor Vehicle Lic - S	188	189	188		188	189	377
14A - Wildlife Rehab Acct - State	188	189	188		188	189	377
Total - 14A - Wildlife Rehab Acct	188	189	188		188	189	377
14V - Ign Inlock Dev RA							
Total - 0254 - Motor Vehicl Op Lic - S	1,967	1,967	1,967		1,967	1,967	3,934
14V - Ign Inlock Dev RA - State	1,967	1,967	1,967		1,967	1,967	3,934
Total - 14V - Ign Inlock Dev RA	1,967	1,967	1,967		1,967	1,967	3,934
154 - Motor Vehicle Arbitrn							
Total - 0253 - Motor Vehicle Lic - S	672	671	672		672	671	1,343
154 - Motor Vehicle Arbitrn - State	672	671	672		672	671	1,343
Total - 154 - Motor Vehicle Arbitrn	672	671	672		672	671	1,343
15V - Funeral & Cemetery							
Total - 0217 - Cemetery Fees - S	214	215	214		214	215	429
Total - 0240 - Funeral Licenses - S	534	547	534		534	547	1,081
Total - 0420 - Charges for Services - S	14	14	14		14	14	28
15V - Funeral & Cemetery - State	762	776	762		762	776	1,538

9/15/2014
10:09AM

State of Washington
Summarized Revenue by Account and Source

9/15/2014
10:09AM

BASS - BDS029

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
Total - 15V - Funeral & Cemetery	762	776			762	776	1,538
16B - Landscape Architects							
Total - 0249 - Landscape Architects - S	153	202			153	202	355
16B - Landscape Architects - State	153	202			153	202	355
Total - 16B - Landscape Architects	153	202			153	202	355
16M - Appraisal Mgt Co Acc							
Total - 0270 - Real Estate Licenses - S	107	10			107	10	117
16M - Appraisal Mgt Co Acc - State	107	10			107	10	117
Total - 16M - Appraisal Mgt Co Acc	107	10			107	10	117
18J - Capital Vessel Repla							
Total - 0253 - Motor Vehicle Lic - S	20,355	18,543			20,355	18,543	38,898
18J - Capital Vessel Repla - State	20,355	18,543			20,355	18,543	38,898
Total - 18J - Capital Vessel Repla	20,355	18,543			20,355	18,543	38,898
19T - DOL Tech Improve and							
Total - 0421 - Publicatns/Documents - S	381	516			381	516	897
19T - DOL Tech Improve and - State	381	516			381	516	897
Total - 19T - DOL Tech Improve and	381	516			381	516	897
201 - DOL Services Account							

State of Washington

Summarized Revenue by Account and Source

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
Budget Period: 2015-17							
Dollars in thousands							
240 - Department of Licensing							
Agency Level							
00 - Agency Budget Submittal 15-17							
Supporting Text Excluded							
201 - DOL Services Account							
Total - 0253 - Motor Vehicle Lic - S	3,121	3,193			3,121	3,193	6,314
201 - DOL Services Account - State	3,121	3,193			3,121	3,193	6,314
Total - 201 - DOL Services Account	3,121	3,193			3,121	3,193	6,314
205 - Mobile Home Pk Reloc							
Total - 0253 - Motor Vehicle Lic - S	444	444			444	444	888
205 - Mobile Home Pk Reloc - State	444	444			444	444	888
Total - 205 - Mobile Home Pk Reloc	444	444			444	444	888
213 - Veterans Emblem Acct							
Total - 0253 - Motor Vehicle Lic - S	6	6			6	6	12
213 - Veterans Emblem Acct - State	6	6			6	6	12
Total - 213 - Veterans Emblem Acct	6	6			6	6	12
218 - Multimodal Account							
Total - 0253 - Motor Vehicle Lic - S	69,344	70,875			69,344	70,875	140,219
218 - Multimodal Account - State	69,344	70,875			69,344	70,875	140,219
Total - 218 - Multimodal Account	69,344	70,875			69,344	70,875	140,219
222 - Freshwtr Aqua Weeds							
Total - 0253 - Motor Vehicle Lic - S	636	636			636	636	1,272
222 - Freshwtr Aqua Weeds - State	636	636			636	636	1,272

State of Washington

Summarized Revenue by Account and Source

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
Total - 222 - Freshwtr Aqua Weeds	636	636			636	636	1,272
237 - Recreation Access Pa							
Total - 0402 - Income From Property - S	5,190	5,190			5,190	5,190	10,380
237 - Recreation Access Pa - State	5,190	5,190			5,190	5,190	10,380
Total - 237 - Recreation Access Pa	5,190	5,190			5,190	5,190	10,380
262 - Mfg Home Installatio							
Total - 0299 - Other Licenses Permi - S	163	163			163	163	326
262 - Mfg Home Installatio - State	163	163			163	163	326
Total - 262 - Mfg Home Installatio	163	163			163	163	326
267 - Recreation Resources							
Total - 0115 - Mtr Vehicle Fuel Tax - S	6,280	6,291			6,280	6,291	12,571
267 - Recreation Resources - State	6,280	6,291			6,280	6,291	12,571
Total - 267 - Recreation Resources	6,280	6,291			6,280	6,291	12,571
268 - NOVA							
Total - 0115 - Mtr Vehicle Fuel Tax - S	3,512	3,516			3,512	3,516	7,028
Total - 0253 - Motor Vehicle Lic - S	1,296	1,310			1,296	1,310	2,606
Total - 0255 - Auto Sales Licenses - S	3	4			3	4	7
268 - NOVA - State	4,811	4,830			4,811	4,830	9,641

9/15/2014
10:09AM

State of Washington

Summarized Revenue by Account and Source

	Maintenance Level		Performance Level		Biennium Totals		
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	Total
Total - 268 - NOVA	4,811	4,830	4,811	4,830	4,811	4,830	9,641
269 - Parks Renewal & Stew							
Total - 0253 - Motor Vehicle Lic - S	6,933	6,933	6,933	6,933	6,933	6,933	13,866
269 - Parks Renewal & Stew - State	6,933	6,933	6,933	6,933	6,933	6,933	13,866
Total - 269 - Parks Renewal & Stew	6,933	6,933	6,933	6,933	6,933	6,933	13,866
281 - Impaired Driving							
Total - 0254 - Motor Vehicl Op Lic - S	2,177	2,074	2,177	2,074	2,177	2,074	4,251
281 - Impaired Driving - State	2,177	2,074	2,177	2,074	2,177	2,074	4,251
Total - 281 - Impaired Driving	2,177	2,074	2,177	2,074	2,177	2,074	4,251
298 - Geologists' Account							
Total - 0299 - Other Licenses Permi - S	404	413	404	413	404	413	817
298 - Geologists' Account - State	404	413	404	413	404	413	817
Total - 298 - Geologists' Account	404	413	404	413	404	413	817
319 - Public Health Supple							
Total - 0253 - Motor Vehicle Lic - S	54	96	54	96	54	96	150
319 - Public Health Supple - State	54	96	54	96	54	96	150
Total - 319 - Public Health Supple	54	96	54	96	54	96	150
408 - Coastal Protec Acct							

State of Washington

Summarized Revenue by Account and Source

9/15/2014
10:09AM

Budget Period: 2015-17
Dollars in thousands
240 - Department of Licensing
Agency Level
00 - Agency Budget Submittal 15-17
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
550 - Transportation 2003							
Total - 0253 - Motor Vehicle Lic - S	38,360	38,683			38,360	38,683	77,043
550 - Transportation 2003 - State							
Total - 550 - Transportation 2003	197,744	198,567			197,744	198,567	396,311
	197,744	198,567			197,744	198,567	396,311
571 - Multiuse Roadway Saf							
Total - 0253 - Motor Vehicle Lic - S	51	52			51	52	103
571 - Multiuse Roadway Saf - State							
Total - 571 - Multiuse Roadway Saf	51	52			51	52	103
	51	52			51	52	103
240 - Department of Licensing - State							
Total - 240 - Department of Licensing - Private/Local	1,968,165	1,974,400			1,968,165	1,974,400	3,942,565
Total - 240 - Department of Licensing	1,183	1,654	982	1,660	2,165	3,314	5,479
	1,969,348	1,976,054	982	1,660	1,970,330	1,977,714	3,948,044

Working Capital Reserve

Budget Period: 2015-17
Agency: 240 Department of Licensing
Version: 00 Agency Budget Submittal 15-17

		FUND ADMINISTRATOR AGENCY ONLY	
		RECOMMENDED ENDING FUND BALANCE	RECOMMENDED ENDING FUND BALANCE
FUND	FUND TITLE	Current Biennium	Ensuing Biennium
003	Architects' License Account	75,000	75,000
024	Professional Engineers' Account	264,000	264,000
026	Real Estate Commission Account	788,000	788,000
048	Marine Fuel Tax Refund Account	2,700	2,700
04E	Uniform Commercial Code Account	161,000	161,000
04F	Real Estate Education Program Accou	7,100	7,100
06G	Real Estate Appraiser Commission	124,000	124,000
06L	Business and Professions Account	1,300,000	1,300,000
06R	Real Estate Research Account	29,500	29,500
082	Motorcycle Safety Education Account	368,000	374,000
106	Highway Safety Account	13,700,000	14,800,000

Working Capital Reserve

Budget Period: 2015-17
Agency: 240 Department of Licensing
Version: 00 Agency Budget Submittal 15-17

		FUND ADMINISTRATOR AGENCY ONLY	
		RECOMMENDED ENDING FUND BALANCE	
FUND	FUND TITLE	Current Biennium	Ensuing Biennium
14V	Ignition Interlock Device Revolving	467,000	472,000
15V	Funeral and Cemetery Account	115,600	115,600
16B	Landscape Architects' License Acct	26,000	26,000
16M	Appraisal Management Company Acct	9,500	9,500
201	DOL Services Account	569,000	569,000
298	Geologists' Account	46,000	46,000

ELECTRONIC SUBMITTAL CONFIRMATION FORM

Agency Number: 240

Agency Name: Department of Licensing

Agencies are required to provide electronic access to each decision package in their budget request as part of the submittal process. Confirm Option 1 or 2 below:

Option 1:

This agency posts all decision packages for our 2015-17 budget request to our public facing website at the following URL:

URL: <http://www.dol.wa.gov/about/news/budget/budgetnews.html>

Option 2:

This agency does not post decision packages and has forwarded copies via e-mail to OFM.Budget@ofm.wa.gov.

These decision packages conform to our agency's ADA accessibility compliance policy.

Agency Contact: Diamatris Winston

Contact Phone: (360) 902-3644

Contact E-mail: dwinston@dol.wa.gov

Date: September 19, 2014

Department of Licensing

Decision Packages that have Associated IT Addendums 2015-17 Biennium

PL-N0 Business and Technology Modernization (BTM)

DOL requests funding to continue its legacy systems replacement project, Business and Technology Modernization (BTM). The next phase of the project includes configuring and implementing the Vehicles software support module. The funding will be applied to procuring an integrated motor vehicles administration commercial off-the shelf (COTS) solution – supporting vehicle title and registration functions, vendor provided professional services, internal staffing to support implementation and necessary hardware. (Highway Safety Fund-State)

PL-N2 Central Issuance System (CIS)

DOL requests \$3,468,000 for the 2015-17 Biennium to continue implementation of an updated Central Issuance System (CIS) for the production and distribution of driver's licenses and identification cards. (Highway Safety Account - State)

PL-N1 Prorate and Fuel Tax System (PRFT)

DOL requests funding to complete installation of its Prorate and Fuel Tax (PRFT) computer system. During the 2014 legislative session \$2,355,000 was provided as the first installment to replace this system. As outlined in the Fiscal Year 2015 funding request, DOL is requesting an additional \$5,059,000 for Fiscal Year 2016 to complete the contracted work. (Motor Vehicle - State)

PL-Z9 BPD Licensing System Improvements

DOL seeks to increase its spending authority by \$1,754,000 during the 2015-2017 Biennium to maintain and improve existing online services within its Business and Professions Division (BPD). Existing revenue from fees would be utilized to implement system changes that will enhance licensees' online experience as well as create operational efficiencies. Expenditures will be from existing balances in BPD appropriated and non-appropriated fund accounts. (Architects Licensing-State, Landscape Architects-Non-appropriated, Professional Engineers-State, Real Estate Commission-State, Real Estate Appraisers-State, Funeral/Cemetery-Non-appropriated, Geologists-Non-appropriated)

Impacts of 2009 Driver Licensing Services Office Consolidation July 2014 Update

In 2009, DOL closed 11 offices:

<u>License Service Office (LSO)</u>	<u>Closure Date</u>
Othello	February 25, 2009
Auburn	March 28, 2009
Greenwood	April 25, 2009
Olympia (at DOL headquarters)	July 2, 2009
Bellevue	September 26, 2009
Bothell	September 26, 2009
Kirkland	September 26, 2009
Seattle East	September 26, 2009
University Place	September 26, 2009
Yakima – limited services	October 30, 2009
Vancouver – limited services	October 30, 2009

DOL used the following tools to mitigate the impact of the consolidation:

- DOL co-located three offices with other state and local licensing offices to increase customer access.
- Licensing office supervisors and district managers monitor staffing levels and wait times daily and shift staff from nearby offices as needed.
- DOL added greeters in mid-size and large offices to help customers use the lobby management system (the “Now Serving” ticket system). The greeters also ensure the customer has the required paperwork and lets them know if they can use online services.
- The agency deployed 50 self-service kiosks across the state. The kiosks allow customers to renew or replace a driver license or ID card and renew vehicle registration without waiting in line.
- DOL implemented an option to allow customers to renew their driver license or ID card by mail.
- The agency enhanced online services:
 - Redesigned the agency’s website to a more service-oriented approach which better highlights online services.
 - Revised and simplified the online driver license renewal process and highlighted this service option on the renewal notice.
 - Added additional online transactions including renewal of Enhanced Driver Licenses and ID cards, replacement of lost licenses and ID cards, address changes, license reinstatements, and access to drive records.
 - Enhanced use of social media.
 - Acceptance of debit and credit cards in driver licensing offices.

Data Processing Issues and Solutions

Business and Technology Modernization (BTM)

Issue:

The agency's information systems consist of over 11 million lines of antiquated programming language, including COBOL which dates back to the early 1960s, NetCOBOL and VB6. These programming languages can no longer be effectively supported and modified. This legacy technology base supports decades-old business processes that must be constantly re-engineered by updating multiple, overlapping applications.

Solution:

DOL is proposing procurement and implementation of a proven Commercial-off-the-Shelf (COTS) software solution. COTS is the agency's preferred alternative based on an assessment of risks and costs, including research that showed COTS has been successful with other states' vehicle and driver modernization projects. A proven COTS solution will provide a reliable, commercially supported and maintained enterprise software base that meets a majority of requirements. The remaining requirements specific to Washington can then be configured with a minimum of custom build.

DOL is modernizing its vehicle systems first because they are the most antiquated and have the most single points of failure. DOL's vehicle systems collect \$1.85 billion in transportation revenue a year, including \$480 million a year in vehicle fees collected by county auditors and subagents. Modernizing vehicles first also allows the agency to leverage lessons learned from the vehicle fee improvement proof of concept, such as reliance on configuration based modifications (e.g. table entry/value changes) versus hardcoding.

Expected Results:

Success of the Business and Technology Modernization project will be determined by tracking compliance with the following performance measures:

- Reduce annual programmer/analyst hours dedicated to making Legislative changes by 50 percent (current average is 12,000 hours; will target a reduction to 6,000, adjusted for number/impact of relevant bills in the respective legislative session).
- Reduce vehicle transaction times. Currently it takes an average of 6.6 minutes to process a simple title transaction. Goal is to reduce the time required to less than five (5) minutes per transaction. This will result in a total potential cumulative staff time savings of over 30,000 hours/year, based on 1.8 million title transactions annually [Re: Transaction timing study conducted in 2006].
- Improve title document process time from 17 days to less than 7 business days. Provide vehicle licensing offices with the ability to image documents in the field and produce titles on demand.
- Reduce the number of citation/infraction records in the out of state (drivers) database by 50 percent - from 1.9 million to 950,000.
- Improve document processing time, from a maximum of 45 days to add citation information to the driver's record, to less than ten (10) business days to accomplish this function
- Improve system availability, targeting 99 percent uptime.

Central Issuance System (CIS)

Issue:

Prior to 2000, DOL produced driver's licenses and identification cards at each licensing service office. This "over-the-counter" system was inefficient and carried risk of fraudulent use of equipment to produce invalid documents. In 2000, DOL contracted with a vendor to provide a secure Central Issuance System (CIS), a national best-practice for issuance. Although the CIS has been updated periodically to reflect changes in technology and state policy, it has become difficult and costly to maintain due to its obsolete structure and processes.

Solution:

With a CIS, a customer has their photograph taken at a DOL driver's licensing office. Upon successful completion of the application, the customer receives a valid temporary license. Information is then sent to the vendor for production and mailing of the physical license card. A key feature of a CIS service is that production takes place in a secured factory that has strong levels of quality assurance and consistency through each phase of the process.

During the 2014 legislative session, DOL received \$1.5 million to complete the procurement and planning effort in preparation for the implementation of a new CIS system. DOL is on track to successfully complete that procurement and planning work and anticipates awarding a contract in November 2014.

Expected Results:

DOL is expecting to use the dedicated resources provided in this package to ensure a smooth transition with a phased implementation. DOL and the successful vendor will work together to internally stabilize the process and design, test, and implement the product internally prior to a rollout to the first field office. DOL and the vendor will repeat this process until all offices are functioning with the new solution.

In addition to improving the current processes for issuing driver's licenses, the new CIS will make it easier for the department to adapt to new licensing requirements whether through internal reforms or state and federal statutes.

Prorate and Fuel Tax (PRFT) System

Issue:

Part of the current computer systems supporting PRFT's business functions is provided and hosted by an external vendor. PRFT relies on an additional 13 DOL custom built computer applications and approximately 96 spreadsheets to support its overall business processes and fuel tax revenue collection responsibilities, as these functions are not supported by the current vendor's system. Manual and redundant data entry is required in the current vendor-supplied software, DOL created systems and multiple spreadsheets. The data manually entered into the various systems ranges from an average of 6 pages of data from a small fuel business to 100 pages of data from large fuel companies.

Solution:

A web-based system will allow electronic data interchange. With an integrated system with electronic filing capabilities, there will be a reduction in redundant data entry and excessive manual operations. Fuel tax licensees will not have to submit paper fuel tax returns which are costly for customers to prepare and allow for errors in processing. It will also reduce the number of workarounds that are largely manual to compensate for design limitations with the current systems. The risk to data integrity will be significantly reduced.

In 2014, the Legislature approved funding for the first phase of a new Prorate and Fuel Tax (PRFT) system. The first installment of \$2,355,000 was provided for Fiscal Year 2015. This second installment of \$5,059,000 will bring the total system cost to \$7,414,000.

In August 2014 negotiations began with the apparent successful bidder, VIP/FAST. DOL expects to have a signed contract in place by September 2014 with work on the new system starting in October 2014.

Expected Results:

A new system will automate many manual processes for PRFT. DOL will evaluate its organizational structure and business processes to seek efficiencies and savings in all aspects of business operations throughout implementation. The new system will provide information to PRFT staff that will improve customer service, increase compliance, and enhance field audit capabilities.

BPD Licensing System Improvements**Issue:**

DOL licenses 268,000 individuals and businesses in 44 different professions. The agency's existing business and professional licensing system is primarily a manual paper process that is inefficient and time consuming for licensees and the agency. The only online services DOL offers is renewals for about half of its business and professional licensees which involves mailing customers a new password each renewal cycle.

Solution:

Funding requested in this package will contribute to the expansion and improvement of online services for 57 percent of the business and professional applicants and licensees. The programs that will benefit most directly from this project phase include: Architects, Geologists, Landscape Architects, Professional Engineers, Land Surveyors, Real Estate sales professionals, Real Estate Appraisers, and Funeral/Cemetery professionals.

Expected Results:

- Faster and simpler licensing - This process will alleviate most back and forth mailed communications, and reduce the processing time to an estimated 1 to 5 days.
- Cost savings – It is anticipated that in our biennia the participating programs will have a reduction in staff assigned to process applications and savings associated with printing and mailing will also be realized.

- Easier access – Licensees will be able to access the licensing interface during non-business hours including via mobile devices.
- Electronic documents – Licensees will be able to provide licensing documents electronically.
- Expanded payment options – Online payment options will expand to include ACH/e-check in addition to the existing credit and debit card options.
- Moving towards a paperless office environment - An online license application process will reduce the use of paper, including applications, supporting documents, and hard-copy renewal notices.
- Managing employers and employees licensing relationships - The new functionality will enable online employee transfers, which makes the process more transparent to the sending and receiving employers, improves communications and saves time.
- Online access to professional licensing exam scores, continuing education credits and license status information – This assist in keeping employees notified about continuing education credits needed and whether it is nearly time to renew their license.

Information Technology Field System Modernization

In 2014 the Department of Licensing (DOL) received \$1,348,000 to replace frame relay computer network technology with Ethernet technology for DOL driver license offices and county auditor and subagent offices that provide vehicle licensing services. Funding came from Motor Vehicle Fund-State and the DOL Services Account-State.

This project was initiated because the current frame relay technology used in most of these offices was at end-of-life and support is no longer being supported. Ethernet technology also allows for greater capacity of data transmission at increased speeds supporting DOL's core business systems. Updating the field circuit networks with Ethernet technology decreases future service slowdowns and outages.

DOL established a project team composed of staff from DOL Consolidated Technology Services (CTS) who is the service provider to DOL and the vendor. The team mapped a tactical implementation for local auditor and sub-agent field sites. Implementation was prioritized by office size, amount of previously reported downtime and current technology in place. This was determined to be a logical grouping strategy. Implementation planning took approximately six months.

There were some problems at the start of the project. Ethernet is a newer technology so there is not as large a base of installed circuitry as there is with the older T-1 circuits. As a result, some of the Ethernet installations have also required extensive construction and permitting, making the installations more complicated. There were also issues with vendor scheduling but they are now providing the dates the circuits will be ready for cutover. To date 27 of the 58 driver licensing offices and 32 of the 181 vehicle licensing offices are cutover to a new high-speed circuit. The plan is to complete the project by the end of the biennium.

Quotes for all offices are in from CTS and they are, for the most part, lower than originally projected. At this time, it is estimated the project will come in \$300,000 under budget.

REAL ID

The REAL ID Act requires that state-issued identification (driver license and ID card) meet certain requirements in order to be acceptable for federal purposes, which means to enter a federal building, receive federal benefits, or board a commercial airplane. The Department of Homeland Security (DHS) has announced a tiered enforcement schedule:

Phase	Enforcement	Notification period	Full Enforcement
1	Restricted areas for DHS/NAC	1/20/14	04/21/14
2	Restricted areas for all Federal facilities & for nuclear power plants	04/21/14	07/21/14
3	Semi-restricted for all Federal facilities	10/20/14	01/19/15
	<i>Review and Evaluation</i>		
4	Aircraft (Acceptable with 2nd form of ID)	No sooner than 2016	

Washington is one of ten states that is either not compliant with REAL ID or does not have an extension from DHS. DHS has determined that Washington's Enhanced Driver License and ID card are REAL ID compliant.

In order to access the above facilities after the enforcement date, Washington residents who do not have an Enhanced driver license or ID card will have to show a different piece of ID such as a Passport, or be subject to the federal agency's "alternate access control procedures."

Further detail about the enforcement schedule is in a DHS fact sheet: <http://www.dhs.gov/real-id-enforcement-brief>

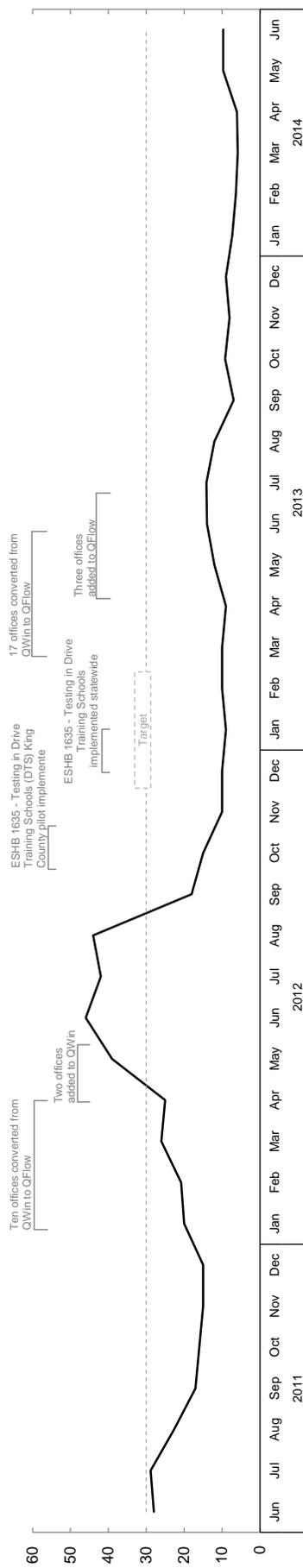
DOL submitted its most recent extension request in March 2014. On July 18, 2014 DHS sent a letter to the Governor stating they did not have enough information to grant an extension but were still reviewing the information DOL sent.

Washington is compliant with 20 of the 41 REAL ID requirements. Of the 21 requirements Washington is not compliant with:

- Seven are related to requiring proof of legal presence in the United States, which would require statutory authority.
- Seven will be met when DOL implements a new contract for the central issuance of driver licenses in 2017. One of these requirements is for a marker, such as a star, on REAL ID compliant documents to distinguish from non-compliant documents.
- Two are not yet available from DHS.
- Two are restricted by a law prohibiting the state from spending money to implement REAL ID until it is fully federally funded and certain privacy concerns are met.

DOL is updating its cost estimates to implement REAL ID based on the latest information it has from DHS.

Statewide Average Wait Time in Minutes



Office	2011												2012												2013												2014											
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun											
Statewide Average	28	29	23	17	16	15	15	20	21	26	25	39	46	42	44	18	15	10	10	9	10	10	8	8	10	8	12	11	14	12	7	9	8	9	7	6	6	6	10	10								
Bellingham*	24	21	18	12	15	29	24	18	14	26	27	46	56	57	59	19	22	15	8	8	10	10	8	10	8	10	8	12	11	17	9	5	10	5	7	6	7	5	6	11	11							
Bel-Red*	51	46	35	25	23	22	18	33	35	46	77	70	66	60	35	18	13	12	12	13	7	8	19	23	16	15	10	12	15	17	10	6	6	8	6	9	18	18	18									
Bremonton*	40	38	24	16	12	11	10	17	17	23	31	33	31	37	15	12	13	10	9	8	8	9	14	10	9	9	5	5	7	8	6	4	4	5	9	9	9	9	9									
Centralia	10	10	6	6	8	6	5	9	6	11	5	10	16	9	10	4	8	2	3	3	3	0	5	3	4	5	4	3	3	3	3	2	2	3	4	4	4	4	4									
Downtown Seattle*	49	38	46	29	23	19	15	19	22	20	17	33	43	40	66	33	21	24	17	24	23	21	36	23	29	27	16	18	11	12	10	9	9	7	18	18	18	18	18									
Ellensburg																																																
Everett	25	21	17	13	16	12	13	15	20	26	30	34	48	38	39	23	17	11	7	6	9	7	6	13	14	11	16	8	9	15	12	9	7	5	7	5	7	12	12									
Federal Way	38	42	24	20	21	22	13	23	23	21	19	40	40	39	30	12	23	9	7	6	5	6	5	12	15	10	9	5	8	8	6	8	8	6	8	8	7	11	11									
Hoquiam																																																
Kelso*	5	5	5	7	4	7	13	9	6	8	13	15	13	18	9	10	8	7	8	6	6	4	3	5	7	5	4	3	4	5	4	5	4	5	6	5	5	5	5									
Kennewick*	29	25	17	24	19	17	15	23	27	31	29	35	39	42	45	28	28	12	7	7	10	8	7	14	11	22	16	8	13	10	10	9	7	9	10	10	10	10	10	10								
Kent	21	19	18	13	16	17	35	43	46	54	62	58	59	11	6	8	7	12	10	7	6	7	10	11	10	11	10	4	9	7	6	7	4	3	6	7	4	3	6	6								
Lacey*	34	30	22	21	16	9	19	16	21	26	27	43	46	45	49	18	23	11	9	9	11	14	10	16	24	20	10	6	11	7	11	7	6	7	7	10	10	10	10									
Lynnwood*	47	50	41	25	31	24	20	32	36	35	30	42	44	37	55	19	20	16	22	14	15	14	9	12	15	12	10	5	7	6	8	6	5	6	5	12	12	12	12									
Moses Lake																																																
Mt. Vernon*	12	13	19	9	10	7	6	8	7	9	11	18	25	19	21	7	8	6	4	2	3	3	2	4	4	6	3	2	4	4	4	3	4	2	2	4	2	4	4									
North Bend																																																
Parkland*	47	55	34	26	23	24	25	28	22	22	16	35	50	43	38	12	18	14	13	13	10	15	13	18	20	24	19	9	16	12	11	11	7	6	14	14	14	14	14									
Port Angeles*																																																
Poulsbo	9	9	6	5	6	4	6	4	5	7	4	7	12	14	14	4	3	4	2	2	2	3	4	3	3	6	5	2	2	2	3	4	2	2	4	4	6	6	6									
Puyallup*	25	23	12	9	9	11	11	15	16	14	30	32	27	31	12	10	8	5	5	6	5	7	8	11	11	7	3	7	5	5	5	5	3	4	4	4	4	4	4	4								
Renton*	46	53	33	24	26	25	23	33	25	38	41	70	74	60	71	31	24	7	6	6	6	7	5	13	12	13	10	4	7	4	7	5	4	7	5	4	4	4	4	4								
Seattle West*	38	37	28	29	25	21	21	29	40	54	53	65	80	96	86	19	7	10	11	12	9	10	7	8	10	13	11	8	10	8	11	11	10	6	9	5	8	8	8									
Shelton																																																
Shoreline	23	24	24	19	13	12	12	14	14	17	13	24	29	27	41	13	11	7	11	11	15	14	13	19	27	19	17	8	8	8	9	6	7	7	6	13	13	13										
Smoky Point*	26	37	36	14	13	9	11	18	20	26	24	34	53	39	58	21	15	7	5	6	9	8	7	13	9	10	12	6	9	4	5	3	4	3	4	3	4	7	7									
Spokane*	11	22	21	16	8	5	5	8	12	29	30	47	73	51	46	21	14	8	9	7	14	14	13	9	16	22	11	11	10	10	11	7	7	8	12	12	12	12	12									
Spokane Valley	11	24	25	17	11	5	5	7	13	14	21	23	31	45	31	15	8	10	4	3	4	7	3	5	15	18	18	10	12	10	10	7	8	6	7	11	11	11	11									
Sunnyside	10	16	8	12	9	9	11	14	15	18	10	24	18	30	22	9	10	7	10	10	12	8	7	9	6	8	4	5	4	6	8	6	8	7	6	6	6	6	6									
Tacoma*	40	39	33	17	19	24	21	32	15	20	17	33	36	36	29	16	11	18	16	12	16	19	15	23	21	16	12	13	8	15	11	6	5	8	11	13	13	12	12									
Union Gap*	15	17	12	14	14	8	8	11	17	21	18	31	23	29	32	17	20	9	9	12	14	14	10	13	16	19	18	12	11	9	8	9	11	13	12	12	12	12	12									
Vancouver	14	15	11	11	17	18	18	22	16	37	29	62	79	65	57	21	20	12	7	4	5	9	8	7	14	16	17	6	6	8	10	5	4	5	6	8	9	9	9									
Vancouver North*	11	10	6	4	9	6	8	11	18	30	32	56	73	72	59	15	12	7	5	5	4	6	6	8	11	7	7	5	7	11	8	9	8	7	10	10	10	10										
Wenatchee*	13	10	10	8	4	4	6	10	9	11	12	19	19	16	11	7	9	6	4	3	4	7	6	7	9	8	7	5	9	4	6	5	5	5	4	6	6	6										

*Enhanced Driver License Location

Statistical and Trend Information - Department of Licensing

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Driver Services												
Total number of licensed drivers	4,407,259	4,504,581	4,681,927	4,790,864	4,879,705	4,955,079	5,027,576	5,107,517	5,199,733	5,229,665	5,301,499	5,403,959
Total number of drivers licensed each year	1,284,271	1,195,143	1,099,924	1,191,700	1,117,866	988,853	1,015,002	1,111,151	1,032,557	1,073,881	1,081,311	1,095,366
Number of driver licenses renewed online/mail-in	0	0	16,641	34,728	116,083	120,828	139,178	335,356	252,754	229,617	245,638	225,646
Number of DUI Violations	24,004	23,229	23,261	21,246	20,467	19,755	19,310	19,159	17,291	17,375	15,118*	8,045*
Number of commercial driver licenses	165,640	171,276	180,678	186,192	189,928	193,622	195,265	197,773	197,165	193,812	192,201	176,782
Number of motorcycles endorsements	240,780	242,017	257,270	274,005	293,678	301,740	321,934	335,687	351,427	372,645	374,707	384,905
Number of hearings held	18,490	17,040	16,248	17,007	15,246	16,212	16,399	15,956	16,863	16,313	14,627	12,263
Vehicles Services												
Number of vehicle registrations processed	6,215,739	6,419,211	6,494,505	6,638,814	6,732,578	7,028,672	6,866,972	6,756,368	7,048,906	6,937,599	7,063,334	7,186,670
Number of new vehicles registrations	349,374	367,551	379,775	396,978	391,872	361,153	245,485	230,596	241,790	263,780	306,878	333,572
Number of vehicle registrations renewed online	346,242	464,703	571,690	707,739	852,609	1,029,942	1,074,906	1,336,279	1,604,424	1,657,217	1,782,316	1,874,674
Number of vehicles issued special plates	N/A ³	N/A ³	N/A ³	52,216	53,806	51,530	44,476	41,867	44,351	49,089	55,955	67,541
Number of vessel registrations	266,159	272,412	272,092	273,845	276,214	276,579	288,610	208,766	245,954	237,188	236,975	235,151
Number of new vessel registrations ²	14,338	15,087	16,305	16,577	15,408	15,565	14,413	13,930	11,861	11,557	11,342	12,254
Number of vessel registrations renewed online	21,790	25,323	31,035	35,575	40,985	44,897	47,835	58,920	72,720	70,390	70,083	68,462
Number of agent/subagent licensing offices	188	187	187	186	182	184	181	185	180	182	184	182
Number of employees in agent/subagent licensing offices	1,336	1,195	1,308	1,483	1,572	1,573	1,545	1,567	1,493	1,420	1,516	1,378
Number of transactions processed by agent/subagent licensing offices	N/A ³	8,007,004	8,072,291	8,188,940	8,223,150	8,486,033	8,235,228	8,133,338	8,196,287	8,343,718	8,482,203	8,628,365
Gross Fuel Consumption (in millions; include gross gallons of gasoline, alcohol and special fuel) ⁴	3,356	3,411	3,402	3,441	3,436	3,481	3,338	3,296	3,350	3,310	3,313	3,373

¹ This represents registrations of the new vehicles and vessels.

² Due to budget cut, vessel renewal notification process was changed. This change caused delay in vessel renewal transactions.

³ Data unavailable

⁴ 2014 is an estimate

*These number will grow as arrests are adjudicated and reported by the courts.